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**ZAKAT COMPLIANCE INTENTION
ON SAVING AMONG
LEMBAGA HASIL DALAM NEGERI
MALAYSIA'S STAFF**



MAT JUSOH BIN DERAMAN

UUM
Universiti Utara Malaysia

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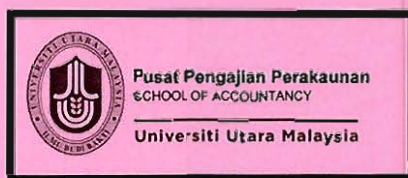
**ZAKAT COMPLIANCE INTENTION ON SAVING AMONG
LEMBAGA HASIL DALAM NEGERI MALAYSIA'S STAFF**

A thesis submitted to the Graduate School in partial
fulfillment of the requirement for the degree
Master of Science (International Accounting)

By
Mat Jusoh Bin Deraman



UUM
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ABSTRACT

Previous research has shown that there is still low compliance reported in the payment of *zakat*. However, most of the researchers only focused on the payment of *zakat* on employment income and business income. An increasing number of people are reported to save their money in saving, fixed deposit and current saving accounts. The collection of *zakat* on saving is the fourth highest collection reported by Lembaga Zakat Selangor (LZS) after *zakat* on employment income, *zakat* on trade and *zakat* on property. Due to that, this study is driven to examine *zakat* compliance intention on saving among employees of Lembaga Hasil Dalam Negeri Malaysia (LHDNM) via using Theory of Planned Behavior (TPB). A total of 205 questionnaires were returned and used to measure the three independent variables which are attitude, subjective norms, and perceived behavioral control towards the intention to comply with *zakat* on saving. The results obtained shown that, attitude, subjective norm, knowledge and trust was found to significantly influence intention to comply with *zakat* on saving. Generally, TPB can be used to explain *zakat* compliance intention behavior on saving. It is hoped that the finding of the present study will increase the eligible Muslims awareness to comply with *zakat* on saving and help policy makers to be more efficient and effective in the future. The limitations of the study are also presented in this paper.

Keywords: *Attitude; Subjective Norms; Knowledge; Trust.*

ABSTRAK

Kajian lalu menunjukkan kadar pematuhan yang sangat rendah dalam pembayaran zakat. Namun, kebanyakan penyelidik hanya memberikan tumpuan pada pembayaran zakat pendapatan gaji dan perniagaan. Jumlah pembayaran zakat wang simpanan yang disimpan di akaun simpanan, akaun simpanan tetap dan akaun simpanan semasa dilaporkan meningkat. Kutipan bayaran zakat wang simpanan adalah yang keempat tertinggi dilaporkan oleh Lembaga Zakat Selangor (LZS) selepas zakat pendapatan, zakat perniagaan dan zakat harta. Oleh kerana itu, kajian ini adalah salah satu alternatif untuk mengetahui berkenaan dengan niat gelagat kepatuhan zakat wang simpanan di kalangan pekerja Lembaga Hasil Dalam Negeri Malaysia (LHDNM) dengan mengaplikasikan teori gelagat terancang. Sebanyak 205 soal selidik diedarkan dan digunakan dalam kajian ini untuk mengukur keempat-empat pemboleh ubah iaitu sikap, norma subjektif dan kawalan gelagat ditanggap terhadap niat gelagat kepatuhan zakat wang simpanan. Hasil kajian menunjukkan sikap, norma subjektif, pengetahuan dan kepercayaan berhubungan secara positif terhadap niat gelagat kepatuhan zakat wang simpanan. Secara umumnya, teori gelagat terancang ini dapat menjelaskan niat gelagat kepatuhan zakat wang simpanan. Penemuan kajian ini diharap dapat meningkatkan kesedaran umat Islam dalam menunaikan bayaran zakat serta membantu pembuat dasar untuk menjadi lebih cekap dan berkesan pada masa akan datang. Keterbatasan dalam kajian ini juga turut dibincangkan.

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ABBREVIATIONS

APM	Akademi Percukaian Malaysia
ATT	Attitude
DYMM	<i>Duli Yang Maha Mulia</i>
EPF	Employee Provident Fund
IIUM	International Islamic University of Malaysia
ITA	Income Tax Act
ITT	Intention
KPI	Key Performance Indicator
KUIS	Kolej Universiti Islam Selangor
LHDNM	Lembaga Hasil Dalam Negeri Malaysia
LZS	Lembaga Zakat Selangor
MAIN	Majlis Agama Islam Negeri
MAIS	Majlis Agama Islam Selangor
MTD	Monthly Tax Deduction
PBC	Perceived Behavior Control
KNOW	Knowledge
SIRC	State Islamic Religious Counter
SN	Subjective Norm
SPB	<i>Seri Paduka Baginda</i>
TPB	Theory of Planned Behavior
TRA	Theory of Reason Action
TRUST	Trust
UUM	Universiti Utara Malaysia

CHAPTER 1

INTRODUCTION

1.0 Introduction

Zakat is one of the pillars which consists of five in Islam beside testimony of faith, prayer, fasting and pilgrimage to Mecca. It is also known as almsgiving. *Zakat* is not just any form of voluntary charity, alms giving, tax or contribution and nor is it simply an expression of sympathy or generosity. *Zakat* is all of these combined and much more, for it also includes Allah-consciousness as well as spiritual, ethical and moral and social objectives. *Zakat* also is an ordinance from Allah Himself and it is not the payment method such as voluntary contribution or other party obligation. *Zakat* is necessary in process to reform and restructuring both financial and spiritual. *Zakat* also can avoid unhappiness and sadness and self-indulgence to stabilize the Islamic economy which one of the principal to stability and prosperity. Zakat definition from Al-Quran as:

"My Mercy extends to all things. That (Mercy) I shall ordain for those who have God-consciousness and give their *Zakat* and those who believe in Our Signs." (Surah Al-A`raf: 156).

"But (even so), if they repent, establish regular prayers, and give their *Zakat*, they are your brethren in Faith." (Surah Al-Taubah: 11).

"The Believers, men and women, are protectors one of another: they enjoin what is just and forbid what is evil: they observe regular prayers, pay their *Zakat* and obey

Allah and His Messenger. On them will Allah pour His Mercy: for Allah is Exalted in power, Wise” (Surah Al-Taubah: 71).

“And the steadfast in prayer and given *Zakat*: and whatever good ye send forth for your souls before you, ye shall find it with Allah; for Allah sees well all the ye do” (Surah Al-Baqarah: 110).

The verses from Quran above clearly shows that all Muslim is obliged and compulsory to execute prayers and also pay the *zakat*. Paying *zakat* will directly give the benefits to the nation which need the additional sources to life while the prayer give benefits directly to the individual. Through *zakat*, the country can make growth and improve the economic.

Zakat in literal can be define as purification. While in technical, it can be define as a sum of money that must be spent through a specific way when it reach its minimum limit of amount (Nur Barizah, 2008). *Zakat fitrah* is a compulsory *zakat* for all Muslims to be paid in the month of Ramadhan. While *zakat* on wealth should be paid by an individual when they meet the minimum requirement of paying *zakat* (when the *nisab* and *haul* requirement have been fulfilled). A few categories such as crops and agricultures, business, natural resources, gold and silver may pay *zakat* on wealth. Not only *zakat* on wealth, *zakat* should also be imposed on other categories of wealth such as savings account, Employee Provident Fund (EPF) withdrawal, bonds and any other equivalent. This point was agreed by Contemporary Muslim jurists as long as it fulfill the requirement needed (Farah Mastura, 2011).

1.1 Background of the studies

This section will itemize and explain about the definition of *zakat* on saving.

1.1.1 Zakat collection in Malaysia for the year 2012, 2013 and 2014

The performance of *zakat* collection in Malaysia is very encouraging as in the Table 1.1. Total proceeds for 2012, 2013 and 2014 showed a positive increase every year. Total *zakat* collection for each year 2012, 2013 and 2014 amounted respectively RM1,920,173,173.74 (year 2012), RM2,264,136,551.45 (year 2013) and RM2,454,701,260.67 (year 2014). The highest number of records for 2014 which amounting to RM582,255,890.00 is Selangor, followed by Federal Territory and Johor which each charge of RM538,580,526.00 and RM211,218,871.25.

Table 1.1

Zakat collection in Malaysia for the year 2012 to 2014

State	2012 (RM)	2013 (RM)	2014 (RM)
Johor	171,939,397.69	200,204,075.55	211,218,871.25
Kedah	106,471,950.65	122,669,758.82	128,400,303.04
Kelantan	113,163,004.70	134,150,726.83	133,321,295.88
Melaka	43,980,976.99	53,106,623.54	58,280,964.16
Negeri Sembilan	65,352,483.87	78,853,814.12	88,200,428.43
Pahang	108,608,951.67	115,834,412.24	109,325,106.94
Pulau Pinang	77,523,689.41	86,359,640.13	87,936,653.80
Perak	99,506,819.10	109,825,143.00	114,588,531.29
Perlis	78,912,426.00	115,049,928.00	162,327,654.00
Selangor	451,325,027.00	517,305,275.00	582,255,890.00
Terengganu	107,079,884.76	120,881,661.74	120,116,379.60
Sabah	36,561,237.50	49,219,209.48	52,829,145.28
Sarawak	50,831,899.00	69,462,067.00	67,319,511.00
W. Persekutuan	408,915,425.00	491,214,216.00	538,580,526.00
Total	1,920,173,173.34	2,264,136,551.45	2,454,701,260.67

Source: Lembaga Zakat Selangor, Annual Report 2014

There is various ways being introduced by *zakat* institutions in order to ease payment of *zakat*. Among the facilities available are internet banking, moveable *zakat* counter, post office, payment by bank draft and others. Schedule of *zakat* deduction also available for easy reference. *Zakat* collection by Lembaga Zakat Selangor (LZS) which is *zakat* authority for collection and distribution under Majlis Agama Islam Selangor (MAIS) in three subsequent years of 2012, 2013 and 2014 are RM451,325,027.00, RM517,305,275.00 and RM582,255,890.00 respectively. Besides, an increasing trend of collection in trade *zakat* being reported. RM84,925,124.00 (year 2012), RM92,713,771.00 (year 2013) and RM108,015,979.00 (year 2014). Same goes to *zakat* on saving with the minimum rate of increasing as follows: RM30,479,991.00 in 2012, RM33,957,712.00 in 2013 and RM34,056,383.00 in 2014. The rate of increment are 11.4% and 0.3% respectively for the year 2013 and 2014 (Lembaga Zakat Selangor, 2014).

Table 1.2

Zakat Collection by Lembaga Zakat Selangor (LZS) for the year 2012 to 2014

Types of Zakat	2012 RM	2013 RM	2014 RM
Income	260,788,288.00	308,984,578.00	350,144,739.00
Trade	84,925,124.00	92,713,771.00	108,015,979.00
Wealth	35,991,556.00	39,155,226.00	44,273,298.00
Saving	30,479,991.00	33,957,712.00	34,056,383.00
Share	7,783,423.00	9,714,550.00	10,785,562.00
EPF	7,759,884.00	7,927,337.00	9,112,087.00
Crops	2,594,192.00	2,877,304.00	2,703,196.00
Gold	2,078,616.00	2,358,429.00	2,433,929.00
Silver	43,828.00	55,565.00	135,337.00
Animal	30,252.00	19,442.00	30,941.00
Fitrah	18,849,873.00	19,541,361.00	20,564,439.00
Total	451,325,027.00	517,305,275.00	582,255,890.00

Source: Lembaga Zakat Selangor, Annual Report 2014

1.1.2 *Zakat* on saving

Money is subject to *zakat* because it can be used in business transactions same with gold and silver. Money either in the form of coins and paper or the like is same with gold and silver as something that has value. Money owned by individuals are subject to *zakat* on savings. Money owned are comprised of cash deposits on hand, cash deposited in banks, cash deposited in the form of unit trusts and money saved in financial institutions such as the EPF and Tabung Haji.

1.1.3 *Zakat* calculation method

Before calculating *zakat* on saving, *nisab* and *haul* requirement must be fulfilled. *Nisab* for saving is equal to the current value of gold (85 gram) and silver (595 gram) and the amount will be zakatable on the rate of 2.5% when the saving fulfils the *haul* requirement of one year (354 days). Based on the LZS website, the value of the *nisab* in 2013 (Jan-Jun) RM14,065.00, 2013 (Jul-Dec) RM13,140.00, 2014 (Jan-Jun) RM11,650.00, and 2014 (Jul-Dec) RM11,465.00. For the 2016 (Jan-Jun), the *nisab* is RM12,680.00 and 2016 (Jul-Dec) RM13,536.00. *Nisab* value is set for a period of six months and will be changed and evaluated of the six months based on the value of 85 gram gold and silver.

Each state has its own law of *zakat* and it is based on the state enactment except for Sabah and Kedah (Mohd. Daud, 1998). In Selangor, the administration of MAIS is under the Head of Muslim religion, which is Duli Yang Maha Mulia (DYMM) Sultan Sharafuddin Idris Shah Ibni Sultan Salahuddin Abdul Aziz, Sultan of Selangor. According to LZS, last amount of balance in the account is used to calculate *zakat* on saving. But it is different in other states as the calculation is based on the lowest amount reported for the year.

Table 1.3

Example of zakat calculation in Selangor

DATE	CREDIT (RM)	DEBIT (RM)	BALANCE (RM)
01/01/2013	16,000.00		16,000.00
28/03/2013		2,000.00	14,000.00
04/05/2013		2,000.00	12,000.00
10/08/2013	320.00 (Interest)		12,320.00
31/08/2013	1,680.00		14,000.00
26/11/2013		1,000.00	13,000.00
31/01/2014	2,000.00		15,000.00

Note:

- 1) RM15,000 on 31/01/2014 shows it has exceeded the *nisab*.
- 2) End year is 01/01/2013-31/01/2014

From the schedule, it can be conclude that $RM15,000 \times 2.5\% = RM 375$ is the amount of *zakat* that need to be paid. However, other states in Malaysia practice to pay *zakat* on the lowest balance in the account which is $RM 12,000 \times 2.5\% = RM 300$. Same calculation used for *zakat* on fixed deposit and current saving account. In case of a person having more than one saving account, the total last amount of balance in all account should be accumulated. Then multiply it by 2.5% to get the amount of *zakat* to be paid regardless whether or not one of the accounts has not exceeded the *nisab*.

1.2 Problem statement

LZS reported that *zakat* on saving is the fourth highest collection among all *zakat* (Lembaga Zakat Selangor, 2014). Refer to the table 1.2, it shows that it is very important to help the country in reducing gap of income among the rich and poor and also reduce poverty. Mohd

Rais (2008) in his research stated 2.5% of zakat, will be invested in the production to add wealth and jobs in the society and also reducing the level of poverty in the country.

Even though the *zakat* collection has increase, but previous studies prove that the Muslims' compliance in paying *zakat* is still low in Malaysia (Kamil, 2002; Mohd Ali, Hairunnizam & Nor Ghani, 2004). Nur Barizah and Hafiz Majdi (2010) in their study about *zakat* compliance among International Islamic University of Malaysia's staff (IIUM) conclude that, only 33% of eligible tax payers in IIUM who pay *zakat*, and this clearly shows that the level of *tax* compliance is still low and actions need to be done by the *zakat* authorities in the process of *zakat* collection. Education about *zakat* may be needed in helping Muslims to get benefits from *zakat* system other than the factors of social, religious and economic factors, which are self-centered. It is a crucial issue to overcome the low compliance on paying *zakat* among Muslims. It is only about 2.4% of Muslims fulfilled their obligations to pay *zakat* in Wilayah Persekutuan (Mohd Ali, Hairunnizam, & Nor Ghani, 2004). Kamil (2002) found 35% from 353 respondents among employees of Kedah's federal agencies pay *zakat* on employment income. Other than that, influencing factor of *zakat* compliance behavior and the situation of *zakat* compliance behavior on saving can be explain by theory of planned behavior (Farah Mastura, 2011). Only 35% made the *zakat* payment in Perlis (Kamil, Chek Derashid, & Engku Ismail, 1997). Nurul Farida (2014) get the same result on her study about *zakat* compliance in Kedah that only 35% made payment. This situation shows the current and existing gap between the estimated collection of *zakat* institutions and the actual level of compliance behavior in Malaysia. Therefore further and deeper study in *zakat* context should be done since existing research mostly focusing on *zakat* of employment income (Kamil, 2002; Zainol, Kamil & Faridahwati, 2009; Nur Barizah & Hafiz Majdi, 2010). It is with big hoped that the existing and present study may be able to help the country to increase collection of *zakat* on saving in the future.

One of the issue being analyze in this paper is the impact of the variables that are attitude, subjective norms and perceived behavioral control towards intention of an individual. Previous study in Kedah and Perlis focus on the element of attitude, subjective norm and perceived behavioral control. Due to that, the perceived behavioral control in this paper focus on the element of trust to the zakat authority and knowledge about the zakat on saving from the individual. Referring in Bukhari hadith of Prophet Muhammad SAW, it is clearly mentioned that intention is the main important factor that determined behavior. It has positive correlation with behavior. The hadith below explains the definition of intention;

Hazrat Ummar Ibnul-Khattab r.a. narrated: I heard Rasulullah SAW say: Actions are but by intention and every men should have but that which he intended. Thus he whose migration was for Allah and His Messenger, then his migration was for Allah and His Messsenger, and he whose migration was to achieve some worldly benefit or to marry some woman, then his migration was for the purpose that he migrated. (Sahih Bukhari).

1.3 Scope of study

This study was carried out among employees of Lembaga Hasil Dalam Negeri Malaysia (LHDNM) of Selangor specifically in Head Quarters, Menara Hasil Cyberjaya and Selangor State Director Office, which consists of Shah Alam Branch, Petaling Jaya Branch, Klang Branch and Shah Alam Investigation Branch. Other than that, employees of Akademi Percukaian Malaysia (APM) and Data Processing Department of Lembaga Hasil Dalam Negeri Malaysia at Bangi also will be subject in this study. The reason to choose LHDNM's department in Selangor is due to the data matching with the LZS. By assuming employees in

Selangor pay *zakat* in the same area, LHDNM in Selangor contributes a big population of *zakat* payer and hopefully will give more accuracy in the data represent.

1.4 Research question

This present study attempt to answer the following question:

What are factors influencing *zakat* compliance intention on saving among employees at LHDNM?

1.5 Research objective

The objective of this study is;

To investigate the factors that influence *zakat* compliance intention on saving among employees at LHDNM.

1.6 Significance of the study

1.6.1 Contribution to the Muslim society

To date, not many study has been done on *zakat* on saving. Previous studies mostly focused on *zakat* which is related to the business and employment income (Farah Mastura, 2011). Therefore, it is hoped that this study will provide more information to Muslim society about the importance of paying *zakat* on saving income. Two new variables will be analyzed in this research towards *zakat* payers are knowledge and trust using the Theory of Planned Behavior (TPB). Two new variables will be tested in the theory contribute to the area of *zakat*.

The end result of this study will help policy makers in *zakat* institutions and government to find ways to encourage eligible Muslims in the country to pay *zakat*. Mohd.

Ma'sum (2001) mentioned a good policy makers will benefit the public via prosperity of the country. It is clear that the role of policy maker is very important in increasing the collection of *zakat* because it will help the nation as whole. This research might be useful to LZS because no education research being done in Selangor focusing on the behavior analysis towards *zakat* on saving.

1.6.2 Contribution to the TPB

Additional variables examined in this study at this time which is devoted to the level of knowledge and trust. *Zakat* payer's knowledge and trust on *zakat* institution studied the effect on intention of *zakat* payer. In previous study, there is not many focus and details study of knowledge and trust on intention. Previous study in Kedah more focus on the element TPB which is attitude, subjective norms and perceived behavioral control. In this study, new variables were tested focus on the element of perceived behavioral control are knowledge and trust. Knowledge is focus on the side of *zakat* payer and the trust is more focus on the perception of *zakat* payer on *zakat* institution which can give effect on the individual's intention of paying.

1.7 Motivation of the study

There are reasons for this research to be done in Selangor. It is due to the factors such as populations, types of income, knowledge and trust, *zakat* calculation method and the differences of *zakat* authority in Selangor compared to other states.

Based on the previous study, the study of *zakat* on saving in Selangor has not been done. Two previous study has been done in Kedah. Because of that reason, this study will be

conducted in Selangor because the population, types of income and economic environment in Selangor and Kedah are different. It is purposely to identify whether these factors give directly or indirectly effect to the behavioral intention.

This study also conducted to identify the similarities and the different methods of calculating *zakat* on saving between Kedah and Selangor. Besides, it also aims to verify whether the results of this study consistent or not with the previous study in Kedah.

The differences in organization structure between the administration and collection of *zakat* in Selangor and Kedah also be one of the factor why the study will be conduct. This is because *zakat* administration is depend on the authority of each state. Therefore, most likely there is a differences between *zakat* administration structure in Selangor and Kedah. It aims to know whether the result of this study to react based on structure of *zakat* administration. The details structure about the *zakat* administration in Selangor will presented in the Chapter 2.



1.8 Organization of the study

The organization of the study is arranged according to the guidelines prepared by the Othman Yeop Abdullah Graduate School (OYAGS), Univesiti Utara Malaysia (UUM). In the guidelines prepared, it consists of six chapter namely Introduction, Zakat Management in Malaysia, Literature Review, Research Methodology, Finding and Result, and Conclusion and Recommendation.

In the first chapter, the author discusses the rationale for conducting the research. In this chapter, the discussion is about the background of the study, problem statement, scope of the study, research question, and research objective, significance of study and motivation of the study.

In the second chapter consists the information about the *zakat* administration in Malaysia. Other than that, this chapter also discusses about types of *zakat* in Malaysia, *zakat* administration in Selangor, challenges of LZS, and administration structure of LZS under Majlis Agama Islam Selangor (MAIS).

In the third chapter, its contains the related theories and also related reviews by various authors through articles or journals they published. This literature will support this study in term of academic logic and theoretical study background.

The description of how the research's flow to be done will be details explained in chapter four. This chapter will explain the flow through the presentation of research framework, measurement selection, development of hypothesis, design of sampling, data collection procedure and data analysis techniques.

Chapter five is about presenting the research result based on the questionnaire distributed after it is statistically measured. This is important as to answer the research question and meet the research objective.

In the last chapter, the conclusion and recommendation of the study revealed based on the result received from the sample data analysis. In the conclusion part, the limitation, suggestion for future research and implications of the research will be reported.

CHAPTER 2

ZAKAT ADMINISTRATION

2.0 Introduction

In a worldwide environment, any country with Muslim Government should be the one that responsible on *zakat* institution. In case where a country with non- Muslim government, there should be a special Muslim supervisory body which is appointed by the government to be in charge of *zakat* matter. In Malaysia, *zakat* management is under the authority of state government. It can be seen that the trend of *zakat* collection has increased drastically from year to year. It can be assumed that one of the factors contributing to the increment is the easy paying method. The online payment facility has given many changes in collection method and has ease everybody who wish to pay *zakat*. By doing so, it will increase *zakat* management efficiency, ease the *zakat* institution privatization, *zakat* payers escalation and also their income (Hairunnizam, Sanep, & Radiah, 2008).

2.1 Zakat administration in Malaysia

In Malaysia, State Islamic Religious Counters (SIRCs) in charge of all *zakat* administration matter under the jurisdiction of each state. The implementation of all policies and activities of the Islamic Council in each of state being undertaken through the Islamic Religious Administration Enactment and entrusted to the Majlis Agama Islam Negeri (MAIN). MAIN

structured under Sultan or Seri Paduka Baginda (SPB) Yang Dipertuan Agong which is responsible for all matters related to the activities of Muslims in the state including manage the *zakat* collection and distribution. Each state in Malaysia has its own SIRC. Therefore thirteen SIRC for each of the thirteen states and another SIRC for federal territory. All the SIRC are in the schedule below.

Table 2.1

List of State Islamic Religious Counters (SIRC's) in Malaysia

No	State Islamic Religious Counters (SIRCs)
1	<i>Majlis Agama Islam Dan Adat Istiadat Kelantan</i>
2	<i>Majlis Agama Islam Negeri Sembilan</i>
3	<i>Majlis Agama Islam Melaka</i>
4	<i>Majlis Agama Islam Selangor</i>
5	<i>Majlis Agama Islam Johor</i>
6	<i>Majlis Agama Islam Perlis</i>
7	<i>Majlis Agama Islam Kedah</i>
8	<i>Majlis Agama Islam Wilayah Persekutuan</i>
9	<i>Majlis Agama Islam Pulau Pinang</i>
10	<i>Majlis Agama Islam Dan Adat Melayu Terengganu</i>
11	<i>Majlis Agama Islam Dan Adat Melayu Perak</i>
12	<i>Majlis Agama Islam Dan Adat Resam Melayu Pahang</i>
13	<i>Majlis/Jabatan Agama Islam Sarawak</i>
14	<i>Majlis/Jabatan Ugama Islam Sabah</i>

Source: e-MAIK (*Majlis Agama Islam Kelantan*)

Efficiency and effectiveness is very crucial in daily work. Every organization highly needs efficiency and effectiveness to assure the quality. Due to this environment, *zakat* also need the same treatment in managing the collection and distribution of *zakat* funds in Malaysia. Some of the Religious Councils have corporatized a responsible institution especially on the matter of collection and distribution part of *zakat* in those particular states. Eight Religious Councils have corporatized, started with *Pusat Pungutan Zakat* (PPZ), Wilayah Persekutuan in 1991, followed by *Pusat Zakat Selangor*, Pahang and Pulau Pinang in 1995, and lastly *Pusat Pungutan Zakat* Negeri Sembilan and Melaka in 2000 (Ahmad, Wahid, & Mohamad., 2006). It was followed by *Tabung Baitulmal* Sarawak in 2001 and the latest was *Pusat Zakat* Sabah that has been corporatized in 2007. A part of state authority

responsibilities as a zakat administrator are to do promotion, collection and distribution of zakat, provide financial and other type of assistance to the poor and needy and also other *asnaf* as per guidelines prescribed by the Syariah.

There are a few privatisation policy applied in *zakat* administrations. Among the policies are to provide identified officers, offices or counters for collection of *zakat* separately from MAIN. Besides, they also need to utilise the state-of-the-art in computer technology in all *zakat* related dealings and set up an unbound bureaucracy of corporate working system. By practising the abovementioned, it would encourage innovation, proactive, creativity and expedite the delivery system. In addition to that, they also need to create their own service scheme so that their personnel welfare could be taken care. A very experienced personnel from various fields is very important for zakat administration so that they will be able to deal with matters regarding Islamic studies, finance, marketing, information technology, research, business administration, economics, mass communication and others (Ahmad & Shofian, 2010).

There are four different forms of *zakat* corporations in dealing with the collection and distribution of *zakat* in Malaysia. There are corporation under *zakat* enactment, corporation under state administration, and corporation under an Act or State administration of Islamic law enactment with a duty to collect *zakat* only and last one is executed by MAIN through its own unit or department. First, *Jabatan Zakat Negeri Kedah* has been established under *zakat* enactment that is Kedah Zakat Enactment 1955. It is separated from the Kedah Administration of Islamic Law Enactment. Same goes to *Tabung Baitulmal Sarawak*. It has been introduced by virtue of Sarawak Islamic Council (Corporation) (Amendment) 1984. Ordinan Majlis Islam Sarawak (Pemerbadanan) (Pindaan) 1984 responsible on managing the collection and distribution of *zakat* as well as baitulmal asset (Ahmad & Shofian, 2010). The second one, LZS has been established under the virtue of Trustee (Corporation) Act 1952.

That is the example of corporation under the state administration of Islamic law enactment. *Pusat Urus Zakat (PUZ) Pulau Pinang* has been set up under Companies Act 1965 and it is a subsidiary to Majlis Agama Islam Pulau Pinang. Under the third category, *Pusat Pengutan Zakat Majlis Agama Islam Wilayah Persekutuan (PPZMAIWP)* (Harta Suci Sdn. Bhd.); *Pusat Zakat Melaka-Majlis Agama Islam Melaka (PZM–MAIM)* (Pusat Zakat Melaka Sdn. Bhd.); *Pusat Zakat Negeri Sembilan-Majlis Agama Islam Negeri Sembilan (PZNS–MAINS)* (Pusat Zakat Negeri Sembilan Sdn. Bhd.) and *Pusat Kutipan Zakat-Majlis Agama Islam Pahang (PKZ– MAIP)* (Pusat Kutipan Zakat Pahang Sdn. Bhd.) have been established under an Act or State administration of Islamic law enactment. Their duty is only to collect *zakat*. MAIN will distributes all collections collected by the stated *zakat* administrator. *Majlis Agama Islam Johor; Majlis Agama Islam Perlis; Majlis Agama Islam dan Adat Melayu Perak; Majlis Agama Islam dan Adat Istiadat Melayu Kelantan; Majlis Agama Islam dan Adat Istiadat Melayu Terengganu and Majlis Ugama Islam Sabah* are the example of unit or department in MAIN. Under this category, the unit or department of Baitulmal or zakat will do the collection and distribution of zakat for MAIN.

2.2 Types of *zakat* in Malaysia

In Malaysia, under LZS, there are eight types of *zakat*. First is *Zakat Fitrah*. *Zakat Fitrah* is the obligatory *zakat* on each individual male or female Muslims who can afford to the set condition. Second is *Zakat Harta* which consists of all types of *zakat*. *Zakat Pendapatan* means that *zakat* must be paid from all income for salaries, wages, benefits, compensation, perks and so earned by employee from the employer, income of operations or works performed for the employer, whether during his tenure, pensions and or after death. All income for salary, fees, remuneration, royalty, commission, and so no which obtained result

of operations in the form of free labour or professional services also in this category. At the same time, rental income from investment properties also relate with the *Zakat Pendapatan*.

Zakat Perniagaan is zakat on income that related with business. It must be issued as a result of the business property whether based on manufacturing, mining, fisheries, shipping, supply, agriculture, services, any trading purpose, whether in private business, a partnership between Muslims or non-Muslims, business all types of companies, corporative or business shares and so on.

Zakat Simpanan or zakat on saving is zakat on the money which can be used in business transactions such as gold and silver. Money either in the form of coins and paper or equivalent with gold and silver as something that has value. Money belonging to individuals are subject to zakat on savings. Money belonging are comprised of cash deposits on hand, cash deposited in banks, cash deposited in the form of unit trusts and money saved in financial institutions such as the EPF and Tabung Haji. *Zakat's nisab* for savings are based on the current value of gold (85 grams) or silver (595 grams).

Zakat Emas dan Perak is the zakat imposed on gold or silver stored exceeds the *nisab* of gold (85 gram) or silver (595 grams). *Zakat Saham* calculated based on profits of companies whose share it owned. The amount of profits that are subject to *zakat* is limited to the numbers of shares held by individuals. 2.5% of the companies' profits is subject to *zakat* and individuals only paid the *zakat* limited with the portion of the share held. The last one is *Zakat KWSP* which focus on the money withdrawal from the account with the fullfil requirement and 2.5% from it is subject to *zakat*.

2.3 Zakat administration in Selangor

LZS starts its humble beginning only as the *Zakat* Collection Centre for MAIS in 1994 which also known as MAIS Zakat Sdn Bhd. Two years then in 1996, *Zakat* Collection Centre

change its name to *Pusat Zakat Selangor, Majlis Agama Islam Selangor* (PZSMAIS). In 1998, the PZSMAIS get the mandate from the MAIS to operate the *zakat* collection for paddy and *fitrah* and also do the distribution from these sources. In 2006, MAIS upgraded the PZSMAIS to an institution known as LZS which formed under the Trustees (Incorporation) Act 1952. LZS has its own future direction to strengthen the organization. LZS's vision is to be a leading Zakat Institution with comparable Global Management Standard. To achieve the vision, LZS's mission is to serve *ummah* with integrity and professionalism in the collection and distribution of *zakat*, which is in line with the vision set up. In the same way, the objective is very important to achieve the mission. With that, LZS's objectives are to increase effectiveness of *zakat* contribution, to maximise *zakat* collection and to enhance zakat management with the three corporate values, i.e. credibility, integrity and concern. Key Performance Indicators (KPI) is fixed in all the discipline of operation to make sure all the action taken in the collection and distribution process of *zakat* is in the right track. Until 2014, LZS has 25 branches all over Selangor. All the branches are shown below:

Table 2.2

Branches of Lembaga Zakat Selangor (LZS) in Selangor, Malaysia

No	Branches
1	Bandar Baru Bangi
2	Seksyen 14, Petaling Jaya
3	Subang Jaya
4	Taman Melawati
5	Kompleks PKNS, Shah Alam
6	Masjid Negeri Selangor, Shah Alam
7	Damansara Utama
8	Kajang
9	Bandar Baru Selayang
10	Bandar Baru Ampang
11	Bukit Rahman Putra, Sungai Buloh
12	Masjid Bandar Diraja, Klang
13	Bangunan Sultan Idris Shah, Shah Alam
14	Klang Sentral
15	Puchong
16	Kuala Kubu Bharu

Table 2.2 (continued)

No	Branches
17	Bandar Baru Salak Tinggi, Sepang
18	Banting
19	Sungai Besar
20	Cheras
21	Taman Keramat
22	Kuala Selangor
23	Tanjung Karang
24	Kota Damansara
25	Rawang

Source: Lembaga Zakat Selangor, Annual Report 2014

LZS collection for the period of five years from 2010 to 2014 reported increasingly in a positive manner. Collection by LZS in five subsequent years of 2010, 2011, 2012, 2013 and 2014 are RM 336,674,526.00, RM 394,103,904.00, RM 451,325,027.00, RM 517,305,275.00 and RM 582,255,890.00 respectively. These collections generated from a lot of *zakat* payers. For the year 2010, there are 168,002 payers, followed by 2011 (180,617 payers), 2012 (210,515 payers), 2013 (234,847 payers) and 2014 (248,013 payers). The percentage of increment for the payer is in the range of 7.5% to 16.55% for the period of last five years. In line with the collections generated, LZS has also recorded the distribution of *zakat* to a positive trend. An increase in the number of collection enable LZS to increase its distribution. In the same period, the total distribution for the year 2010 amounted to RM 364,946,019.00, followed by the year 2011 of RM 373,465,626.00, RM 401,717,682.00 in 2012, RM 463,472,826.00 in 2013 and for the year 2014 amounted of RM 595,745,640.00. All the figures are shown below.

Table 2.3

Collection, Distribution and zakatpayer analysis for year 2010 to 2014

Year	Collection (RM)	Distribution (RM)	Payers
2010	336,674,526.00	364,946,019.00	168,002
2011	394,103,904.00	373,465,626.00	180,617
2012	451,325,027.00	401,717,682.00	210,515
2013	517,305,275.00	463,472,826.00	237,847
2014	582,255,890.00	595,745,640.00	248,013

Source: Lembaga Zakat Selangor, Annual Report 2014

LZS top three sources of collecting *zakat* are from salary deduction, branches and corporate clients. Other sources are from bank and post agents and others. In year 2014, RM248,566,622.00 from source of salary deduction, RM182,142,716.00 from branches, RM86,754,823.00 from corporate and business clients and the rest RM44,227,290.00 from the bank and post agent and others. From the source of salary deduction, three parties that contribute are private sectors, government sectors and statutory bodies sectors. From the collection amounted RM248,566,622.00, source from salary deduction in year 2014, there are RM192,462,718.00 (77.4%) from private sectors, RM38,224,222.00 (15.4%) from government sectors, and RM17,879,682.00 (7.2%) from statutory bodies (Lembaga Zakat Selangor Annual Report, 2014).

2.4 Challenges of LZS

Even though LZS has shown good performance on its collection from year to year, there are quite a few challenges faced by LZS in a mission to success. LZS in its presentation in 8th October 2013 mentioned seven (7) challenges faced by LZS in its operation as a *zakat* collector. The challenges are about rebate, distribution of *zakat*, lack of information,

customers' awareness on *zakat* payment methods, *zakat* awareness, the negative perception on *zakat* and difficulties in identifying potential *zakat* payers.

The first one, no full rebate afforded to corporation or business entity upon payment of *zakat*. While there are a few corporation or business entities showing concern on the payment of *zakat* and realize it, there are still no incentives given to them such as rebate. One of the problem faced by the *zakat* authority is for the payment of *zakat* paid by the company. In the absence of *zakat* rebate for business, corporate entities have to pay twice, namely *zakat* and taxation. Efforts to obtain the rebate on business *zakat* is carried out continuously by making this topic as a subject of discussion during the conference on *zakat* or tax, and several proposals have been submitted to the authorities, particularly to the committees involved in the preparation of the country's annual budget. These efforts must be continued because the rebates were applied as stated in the Income Tax Act 1967 (ITA, 1967), but it is limited to a certain percentage of the nett assets of the company concerned. LZS should come out with an idea on how to attract those loyal payees to keep paying *zakat* every year. If this situation continues, LZS might have difficulties to get the existing payee to pay continuously every year.

Even though *zakat* collection being distributed to those in need as mentioned by LZS, but it is still an argument within payees on whether the collection being distributed fairly. This situation happens due to the practice of *zakat* distribution being done independently by individuals instead of using an appropriate channels or the authorized bodies. This phenomenon of attributable own charity involves not only individuals but also multinational companies that exist in this country. There are parties which distribute their provision of *zakat* through *zakat* authorities, but there are just some that distribute on their own. No specific statistics can be issued to determine the level of practice. There are also those who come to the counter just to engage with LZS in term of *zakat* calculation and they clearly

stated that they will distribute their *zakat* to the needy. By appointing the right bodies or giving through the right channel, the practice of distributing the collection become more reliable and it will reduce the argument.

Dragging from the second issues, the lack of information on the distribution of *zakat* becomes a challenge to LZS in maintaining the collections. Even though LZS reported their distribution of collection, the information is still considered as not enough. *Zakat* payee might need the info as easy as at their fingertips when the information is needed. Thus, a lot of effort needed for LZS to make sure the information reached the interested parties. The availability of information might contribute to interest to pay *zakat*.

Looks like the challenges listed influences one and another. Due to lack of information, customers are unaware of the various new methods of *zakat* payment. It can't be denied there are a few methods available for *zakat* payment in Malaysia. Previously, those interested individual or organization has to walk in to the nearest *zakat* centre for the purpose of *zakat* payment. It utilizes longer time to physically go to the *zakat* centre and maybe queuing up as well. People might have intention to pay, but the hassle they have to go through will stop them to do so. Nowadays, *zakat* payment can be made through internet banking and even salary deduction. It cuts the long way shorts and eases the process. Still LZS as one of the *zakat* operator need to announce it frequently to let others aware on the availability of a few *zakat* payment methods.

Level of awareness on *zakat* and sense of obligation amongst Muslims are still low. It is a shameful statement but that is one of the challenges that LZS has to face. If we are talking about *zakat*, all Muslims should have known or hear about it. But there are a lot of people out there do not really know what is *zakat* about actually, why do we need to pay *zakat* and how *zakat* helps those in need. Some of them feel that *zakat* is not their obligation

as a Muslim. LZS should come out with a big idea on how to attract people to know *zakat* before attracting them to pay.

Besides the difficulties to delegate the information about *zakat*, people also tend to have negative perception on *zakat* related news. Some of them might treat *zakat* payment as paying to unknown people for unknown reason. They might be thinking that paying *zakat* is not beneficial for them. Even though a lot information about *zakat*, those with negative perception just block the information from going through themselves and keep standing with the negative perception.

As explained earlier, the collection of *zakat* has increased from year to year and LZS feels there are space to get more collections in future. The difficulties that LZS facing is in identifying potential *zakat* payers. One of the reasons is due to lack of information to track those with ability to pay *zakat*. LZS should put more effort to get *zakat* payer confidence on managing the collection effectively and efficient. When LZS be seen as a potential *zakat* manager, in future there should be a lot of interested individual or organization showing their interest on paying *zakat*. Ahmad Shahir and Adibah (2010) stated that, the Muslim population in Selangor is about 1.3 million in the age of 25 years and over. In addition, based on the number of companies active in Selangor obtained from the Companies Registration Commission, there are approximately 20,000 active companies which exclude sole proprietorship. Individuals and companies have potential to give and pay *zakat*.

Other challenges that faced by LZS is limitation in the enforcement of legal provision. The existing provisions in the Islamic Religious Administration Enactment Selangor only outlines the general obligation to pay *zakat* and *fitrah*. In addition, the Syariah Criminal Enactment only outlines penalties that may be imposed in the failure of paying *zakat*. This general provision does not provide explicit authority to charity institutions to carry out their

duties. In addition it opens a wide space for Muslims not to pay *zakat* formally through the right channel.

2.5 Administration structure of LZS under MAIS

In Selangor, the administration of MAIS is under the Head of Muslim religion, DYMM Sultan Sharafuddin Idris Shah Ibni Sultan Salahuddin Abdul Aziz, Sultan of Selangor. LZS is one of the institutions under the Head of Muslim religion that controlled and supervised by MAIS. At the same time MAIS have to control and supervise another four institutions. (Refer to the Figure 2.1). There are Kolej Universiti Islam Antarabangsa Selangor (KUIS), MAIS Corporation Sdn Bhd, MAIS *Zakat* Sdn Bhd and *Perbadanan Wakaf Selangor* under MAIS.

KUIS is a higher Islamic education institution wholly owned by MAIS, while MAIS Corporation Sdn Bhd is a business entity, which mainly related with the construction, property development, healthcare and supply services also belonging to MAIS. MAIS *Zakat* Sdn Bhd is the only body under MAIS entrusted to carry out the activity in helping the poor and needy recipient in the economy and commercial project and also in the development activities. The main role of *Perbadanan Wakaf Selangor* under MAIS is to manage the research and developing activities related with property and product of *waqaf*. All the explanations about the structure of administration is illustrated in Figure 2.1.

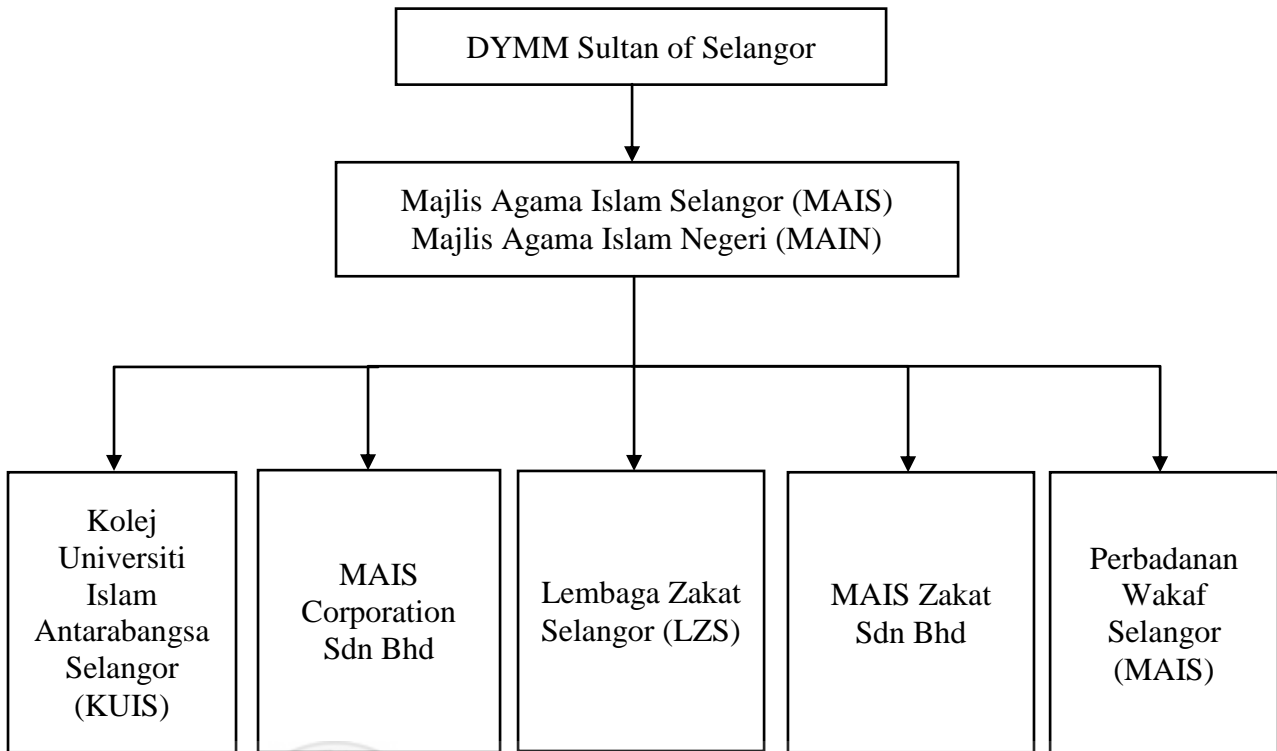


Figure 2.1

Position of Lembaga Zakat Selangor (LZS) under Head of Muslim Religious and Majlis Agama Islam Selangor.

CHAPTER 3

LITERATUE REVIEW

3.0 Introduction

This chapter will disclose few review by authors related to *zakat* compliance, tax compliance and TPB. The review is related to research questions and research objective. It will start with the situation of previous study on *zakat* compliance. It also review about the result from previous study on the all elements tested. It will looking into the elements of attitude, subjective norm, knowledge and trust. This section explains the TPB that consists of three major components which are attitude, subjective norm, and perceived behavioral control. TPB is an intention-based model (Ajzen, 1991). This theory is relevant to predict individual's intention towards a specific behavior. The theory has also been tested in various disciplines and the result shows that it is successful in doing so (Ajzen & Driver, 1992). Thus, the TPB was applied in this study to predict *zakat* compliance intention on saving among Muslim employees at LHDNM, Head Quarters, Cyberjaya. In this chapter also come out the review from previous study related to the relationship between attitude, subjective norm, knowledge, and trust towards intention to comply with *zakat* on saving.

3.1 Previous studies on *zakat* compliance

Studies in Malaysia's *zakat* compliance has been done by a few researchers such as Zainol and Kamil (2009). They use the TPB to investigate *zakat* compliance on employment income. In another research, Zainol, Kamil, and Faridahwati (2009), Theory of Reasoned Action (TRA) being used to analyse compliance intention on *zakat* employment income. Recently, avoidance and compliance model being built to examine the *zakat* compliance behavior in sociology, economic and theory of psychology (Sanep & Zulkifli, 2010). In their research, they are looking for the best practice to persuade people to pay *zakat* by examining the compliance behavior of *zakat* payers.

Kamil (2002) and Kamil, Chek Derashid, and Engku Ismail (1997) also obtained the same result in the northern region. Only 35% of the Muslims in each state pay *zakat* on employment income reported in Kedah and Perlis. Although there is an increase in the collection of *zakat* every year, previous studies have shown that the complying to pay *zakat* is still low.

According to Mohd Hassan (1998), some individuals assume payment of tax is equivalent to the payment of *zakat*. However, the fact is that the actions of both obligators are clearly very different because the tax instrument acts as one of the elements in improving the country's economy.

Teh Suhaila, Aza Shahnaz, and Noraini (2015) in their studies show that, understanding the younger generation in complying *zakat* and convenience factor influence may also affect the level of compliance among youth on the payment of *zakat* employment. Thus, the understanding with respect to the *zakat* should be given priority which gives a good impression to the level of compliance and payment of *zakat*. Same goes to the study done by (Kamil et. al.,1997) and (Kamil, 2002).

Result from the study done by Adibah and Joni Tamkin (2014) stated, the management of *zakat* institutions is a key factor of a huge impact in catalyzing other two factors namely the government and the companies' internal drivers. Ram Al Jaffri (2010) try to identify the factors determining compliance behaviour of *zakat* on business in Kedah. In the case of Malaysia scenario, both factors (internal and external) are important factors influence compliance behaviour of *zakat* on business. The internal factor consists of level of knowledge and self-efficacy while external factor consist of interaction with *amil* and service quality. Through the primary data collected among 227 entrepreneurs in Kedah, the study revealed that the internal factor (level of knowledge and self-efficacy) have significant influence on compliance behaviour of *zakat* on business while interaction with *amil* (external factor) becomes a factor influence on compliance of *zakat* on business.

Mohamed Alayuddin (2008) in his study found that business length of time becomes one of the influencing factors to pay *zakat* on business. In normal situation, the first three years of business is the most critical time for each business to sustain in the market. In this period, they will try to get as high profit as they can and that contributes to tax evasion and failure to pay *zakat* as this payment creates cost for their business. However, there is lack of empirical study to prove this situation as the influencing factor on compliance behaviour of *zakat*.

Government has provided various kinds of incentives for those involve in business. These incentives mainly to support the initiatives of growing a business. Barjoyai (2001) in his study mentioned if the business was supported with incentives from government such as rebate or deduction for *zakat* on business, the Muslim business community is willing to pay and comply the *zakat* payment procedure. Based on this situation, it clearly supports the studies done by Ram Al Jaffri (2010) which concludes that government incentives has a positive relationship with perceived behaviour control of *zakat* on business compliance.

Most of the previous studies only focused on *zakat* on employment incomes but few have considered *zakat* on saving. On the other hand, Farah Mastura (2011) find that the perceived behavioral control is significant in influencing intention to comply with *zakat* on saving, but not for attitude and subjective norms. Further to that situation, this study being carried out to investigate the compliance behavior towards *zakat* on saving by using TPB.

3.2 Theory of Planned Behavior (TPB)

TPB (Ajzen, 1991) was developed to extend TRA (Ajzen & Fishbein, 1980). Researchers found that the theory was insufficient and had several limitations (Godin & Kok, 1996). The limitation identified in this theory is with regard to when people face difficulties and have little power or no control in performing the behavior. Because of this, (Ajzen, 1991) developed TPB to include another variable in the original theory which is perceived behavioral control.

As highlighted in the TRA, the key point of TPB is intention. Intention acts as a motivational factor in influencing people is behavior. It expresses how people are eager to do something and how much of an effort they put in executing the behavior (Ajzen, 1991). Thus, attitudes and subjective norm in the TRA will affect individual is intention to perform the behavior. However, this theory only can work if the behavior is under volitional control and required opportunities and resources one available such as money, time, skills, and education. Hence the elements of perceived behavioral control in the TPB complements the originated theory. Therefore, there are three independent variables in this theory which are attitudes, subjective norms, and perceived behavioral control.

TPB is an intention-based model (Ajzen, 1991) that has been proven to justify intention of an individual's specific behavior (Ajzen & Driver, 1992). This theory has been used in various studies. Ajzen and Driver (1992) applied this theory to predict student

intention on leisure choice. They found a positive relationship between the three variables and the intention to engage in the leisure activities under studied such as spending time at the beach, jogging or running, mountain climbing, boating, and biking.

Tonglet, Phillips, and Read, (2004) used this theory to investigate the determinants of recycling behavior by using 258 household as a sample in a local area of Brixworth, United Kingdom. They found that pro-recycling attitudes, subjective norms, and perceived behavioral control have significant relationship towards recycling behavior.

Because of the applicability of this theory in explaining social behavior in a wide range of studies, it is possible to use this theory to explore zakat compliance behavior. Intention is based on the individuals will to perform the desired behavior and it acts as an antecedent. Individual behavior can be predicted if we know the factors that influence the intention (Hanno & Violette, 1996). Because of this, intention towards zakat compliance can be tested by using theory of planned behavior. Figure 3.1 demonstrates three independent variables that work through intention namely attitudes towards behavior, subjective norm and perceived behavioral control. As a rule of thumb, the stronger the intention to perform the desired behavior, the higher the possibility that the person will execute the behavior because this theory was applied by Zainol (2008) to examine *zakat* compliance on employment income and Farah Mastura (2011) to examine *zakat* compliance intention on saving. It was used in the present study to investigate *zakat* compliance on saving among staff of LHDNM, Head Quarters, Cyberjaya.

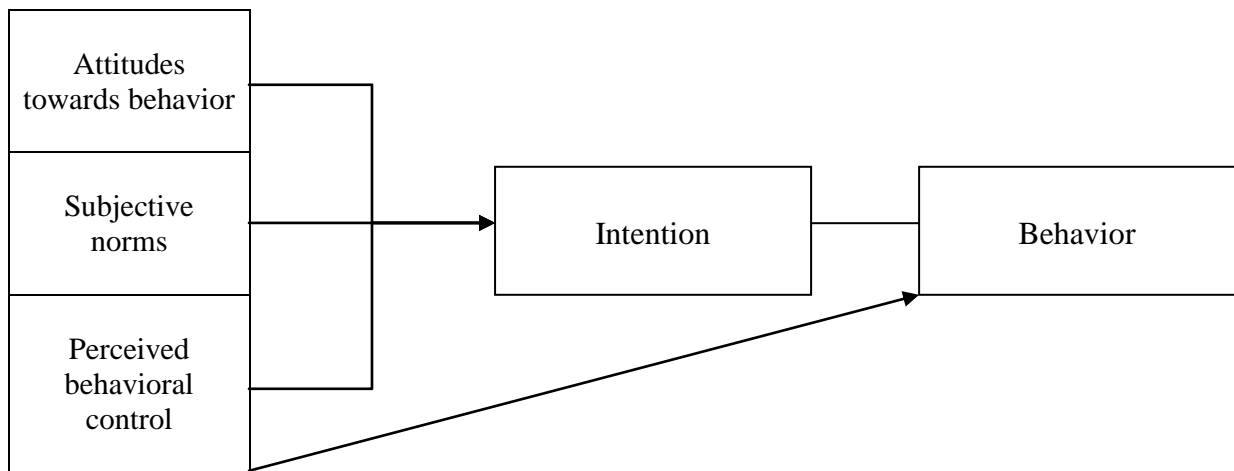


Figure 3.1

Illustration of Ajzen's Theory of Planned Behavior (Ajzen, 1991)

3.3 Attitude

Attitude towards behavior is the degree of which an individual has positive or negative evaluations on that behavior (Ajzen, 1991). The effect of behavior is based on the expectations and beliefs on the personal impact that arise. Ajzen (1991) also mentioned evaluations of behavior and its outcome reflects attitude towards behavior. Hence it is also called behavioral belief. Fishbein and Ajzen (1975) believed that attitude comes from the belief of each individual hold based on the object of the attitude. It shows that believe connected with attributes or outcomes. A few theorists support that attitudes is an evaluative mediating response. It will strongly affect individual behavior through the intentions if it is positively reinforced.

Various studies have been carried out by applying decomposition approach. According to Lau (2002) there are five categories of attitude concepts which are perceived usefulness, perceive ease of use, perceived benefit, compatibility and observability. While, Shimp and Kavas (1984)

said attitude can be divided into three parts, which are inconvenience, encumbrances, and rewards.

3.4 Subjective norms

The second major determinant to intention in the TPB is subjective norms, which refer to the person's view of the social pressures in performing or opposing to the behavior (Ajzen, 1991). It is a belief in another form which is normative belief. It refers to the belief towards an important individual in life such as parents, siblings, peer, spouse, teachers, and any other people who are close to the individual. This important person is called a referent group. If referent group feels that certain behavior is significant, there is possibility that an individual might execute the behavior. This is because the person will search for support, opinion or advice that motivates the individual in acting on such behavior (Zainol, Kamil, & Faridahwati, 2009).

Social learning theory supports subjective norm that focuses on environmental factors (Bandura, 1977). It explains that human decision is developed by personal and environmental factors. But the main factor that influence a behavior is derived from peers or any other social influences. For example, 'X' is asking the opinion of his or her peers about 'B' supplement for his health. 'X' won't buy the product if his or her peers not suggesting it. This theory is based on one's observation on the other individual (Bandura, 1977). Therefore, the strength in performing the behavior will be influenced by this referent group (Ajzen, 1991).

3.5 Perceived behavioral control

The last major determinant of intention in TPB is perceived behavioral control. Perceived behavioral control is another type of belief, which is control belief. It is the belief on the resources availability that enables the person to perform the desired behavior (Ajzen, 1991). Internal and external factors are the factor that influences the behavior. Among the factors being considered are such as whether the person has money to pay, knows how to pay, it is easy to pay, and so on.

An individual with strong intention to pay *zakat* might not execute the behavior if he or she has no power to control over the influencing factors. (Ajzen, 1991) found an absolute power to control the internal and external factors in TPB. Perceived behavior control is a major factor that influences individual behavior and it acts directly with intention in performing the behavior.

3.5.1 Knowledge

Knowledge can be defined as the foundation of information that a person needs to perform a task (Goldstein, 1993). In this study, knowledge refers to the basic foundation of the information about *zakat* on saving in order to pay the *zakat*. The information and knowledge include *zakat* terms and conditions, *zakat* calculation, *zakat* recipients, and *zakat* legal system. (Mohd. Safri, 2006). Previous literature suggested that knowledge is a pre-requisite to perform a compliance behavior, (Koufaris, 2002; Sutinen & Kuperan, 1999).

3.5.2 Trust

There are several different definitions of trust explained by a few researchers. Trust is seen as the confidence level that other firm will execute actions resulting in optimistic outcomes for

the company in the view of marketing aspect. In the same way, people are not encouraged to take actions that would lead to negative consequences for the firm (Anderson & Narus, 1990).

As explained by previous researchers, trust is seen from different perspectives in organizational, economic and sociological theories. In organizational theory, trust is seen as an intentional means to secure resources (Gulati & Sytch, 2007). For instance, resource dependence theory suggests that a deficiency of firm's resources gives rise to its organizational engagement and resource dependence with other businesses (Pfeffer & Salancik, 1978). Sociological theories defined trust as reciprocal and relational. Recurring transactions and resource exchanges between firms bring expectations and relational norms that go beyond short-term limits (Heide & Miner, 1992). In contrast, economic theories view trust in relation to perceived gain and losses (Bromiley & Harris, 2006). As an example, transaction cost economics (TCE) stresses the importance of trust between firms in term of costs and the benefits. The theory suggests that a firm will not trust another firm unless they benefit more than cost incurred.

Understanding the donors is important to the *zakat* institutions (Islamic charities) because many Muslims with negative presumption think political agenda always attached to charitable organizations. Eventually these Muslims do not trust them at all (Benthall & Bellion-Jourdan, 2003). To overcome this typical attitude, voluntary agencies emerge to fill the gap by collecting and distributing *zakat* along side with other humanitarian donations (Kratess, 2005). Besides, proliferation of voluntary agencies is a serious challenge to the non-governmental charities. Jordan, for instance, has over 650 registered voluntary societies while in Egypt is about 14,000. This resulted in the competition for the available limited *zakat* and other donations (Benthall & Bellion-Jourdan, 2003).

Various marketing strategies being adopted due to unprecedented upsurge in *zakat* organisations. Among the strategies are giving of promotional gifts and heavy investment in technology to gain the loyalty of the *zakat* payers. These practices are prevalent in countries like Malaysia and Singapore. The application of marketing strategies without further understanding on relevant factors has engendered trust in *zakat* institution. It may constitute a share waste of *zakat* payers' money. For instance, the actual impact of technology on *zakat* payment was found to be insignificant (Wahid, Sehar, Perveen, Gelani, Basra, & Farooq, 2008). Based on this premise, knowledge of the antecedents of *zakat* payers' trust will assist managers of *zakat* institutions to attract and retain *zakat* payers for long term sustainability of their organisations. Although there are related studies on the determinants of *zakat* compliance, there is still not many single study found on the factors that directly influence the *trust* of *zakat* payers in *zakat* institutions.



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CHAPTER 4

RESEARCH METHODOLOGY

4.0 Introduction

This chapter elaborate on the research methodology of the study that will explain how the research being conducted. In the previous chapter, few variables have been explained based on the literature. Therefore, in this chapter, a framework has been created and proposed to explain the relationship between those variables. This study used a survey approach to collect the data from LHDNM's employees in order to find out their intention towards *zakat* on saving. As a research strategy, the author chooses to send out a questionnaire as a method of doing a survey and collecting data. In this chapter, the author will explain a bit about questionnaire in term of how the question are derived. Besides, the explanation on how the reliability and validity of the questionnaire will be discussed in this chapter as well. This chapter begins with the research framework, development of hypothesis, data collection method, discussion on population of the study, sampling frame and sampling technique, and measurement of variables. It also explains the data analysis technique that was applied to analyze the data. Also, in this chapter explain the result of pilot test focus on the result of reliability and validity of the instrument towards each variables.

In this study, quantitative approach being used as a methodology of research. In quantitative research, all the data gathered by sending out a questionnaire to the research sample. A quantitative data is obtained from the samples and the data collected; it will be

analyzed using computerized statistics software to summarize the performance of the survey being done and to describe the relationship between variables.

4.1 Theoretical framework

Theoretical framework for this study based on the Ajzen's TPB which consist of attitude, subjective norm and perceived behavioral control. In this study, elements of perceived behavioral control focus on the knowledge and trust

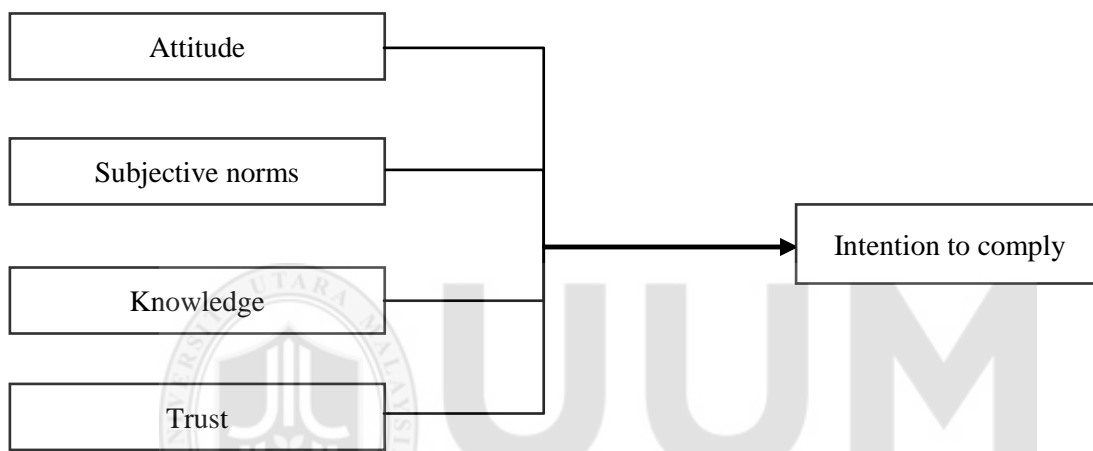


Figure 4.1

Theoretical framework.

The above proposed research framework shows the relationship between variables, where it explain about the *zakat* compliance intention on saving. In this framework, attitude, subjective norms, knowledge and trust are the independent variables, which the relationship towards the dependent variable will be tested and analyzed. In this research paper, it will analyze how the attitude, subjective norms, knowledge and trust affect the intention to comply to pay *zakat* on saving. The elements analyzed for perceived behavioral control is focused on the knowledge with respect to the *zakat* on savings and trust or confidence against the *zakat* instiution.

4.2 Development of hypotheses

4.2.1 The relationship between attitude and intention

The relationship between attitude and behavioral intention has attracted substantial numbers of scholars in various fields such as leisure choice, psychology and hospitality management (Ajzen & Driver, 1992; Cheng, Lam & Hsu, 2005; Poulter, Chapman, Bibby, Clarke & Crundall, 2008). Poulter et al., (2008) believed that bad attitudes towards truck driving behavior happen due to the intention to commit violations. Cheng, Lam, and Hsu (2005) study on hospitality found the case of customer dissatisfaction response in the restaurant shows that dissatisfaction attitudes developed by the intention to voice out the dissatisfaction, negative word of mouth and refuse to come again to the restaurant.

In the other field of study, Zainol, Zolkafli and Shalihen (2011) found that there are positive relationship and significant related to intention to comply with local sales tax. Zainol and Faridahwati (2013) conclude their research on good and service tax (GST) that behavior intention gives impact to the attitude significantly. Natrah (2010), Hanno and Violette (1996), Loo, McKerchar, and Hansford (2007), and Konhouser (2007) also found the same result in the context of taxation. Natrah (2010) in her same study found that taxpayers have positive attitudes towards the tax system and it is encouraged for them to comply. However, Kautsar and Bayu (2012) found a totally contra result where attitude is not the factor influencing tax compliance intention.

In the context of *zakat*, attitudes and intention have been found to be positively related to *zakat* compliance behavior. Zainol and Kamil (2009) found that attitudes towards *zakat* on employment income have significant relationship with *zakat* payment intention. In a different study, Zainol (2008) also found the same relation between attitude and intention, and subsequently influence *zakat* compliance. Ida Husna (2009) also found a positive relation of intention to pay *zakat* and attitude towards *zakat* on employment income when

she examine *zakat* employment income among manufacturing employees in Penang. On the other hand, Farah Mastura and Zainol (2015) found that attitude to significantly influence *zakat* compliance behavior on saving. So, the following hypothesis is proposed:

H₁: Attitude is positively related to *zakat* compliance intention on saving.

4.2.2 The relationship between subjective norms and intention

Behavior also influenced by social belief. Aronson, Wilson, and Akert (1999) found that societal belief depends on what is right, accepted and can be done by the people. Thus, behavior of an individual also depends on the culture in the country.

Several authors found that subjective norms can be divided into several related groups (Chu & Wu, 2004; Hanno & Violette, 1996; Zainol & Kamil, 2007). For instance, Chu and Wu (2004) found that a reference group can be classified into primary normative belief and secondary normative belief. Persons that have close connection with the individual such as parents, siblings and friends are referred to primary normative belief. In contrast, Individual's supervisor or peers refers to secondary normative belief relates. This study showed that secondary normative belief has positive relation to intention to perform the desired behavior.

Bobek, Robin, and John (2007) has conducted a study in relation to taxation and it shows an evidence of tax compliance intentions through a social norm explanation. It means, both tax compliance intentions and social norms has a positive relationship whereby people will perform a behaviour based on their belief on the others. In the case of tax obligations, a person will comply with the tax compliance procedure that is what they suppose to do. Kautsar and Bayu (2013); Natrah (2010); Zainol and Faridahwati (2013) have done a research which resulted to a conclusion on subjective norms. Kautsar and Bayu (2013) found that it has a strong point to influence the intention to comply and Natrah

(2010) found it influence the fairness perceptions variable. Same goes to Zainol and Faridahwati (2013), they found that subjective norms has a positive relationship with behavioural intention. Zainol, Zolkafli, and Shalihen (2011) has a same conclusion where subjective norm relates positively with local sales tax compliance intention.

Zainol et al. (2009) mentioned that subjective norms are related positively to behavioral intention to comply with *zakat* on employment income. Furthermore, Zainol and Kamil (2007) found a positive relationship between subjective norms on *zakat* compliance and intention to pay *zakat* on employment income. Reference group can be divided into three i.e. intimate, peers, and superior reference group. From the study, it can be assumed that each individual has different evaluations based on their own belief and influence with social learning theory (Bandura, 1977). It means that the surrounding factors influenced individuals' decision to pay *zakat*. Zainol et al. (2011) resulted from study that subjective norms have positive relationship with intention and Farah Mastura and Zainol (2015) confirmed that referent group also found to be positive and significantly influence *zakat* compliance behavior. So, the following hypothesis is proposed:

H₂: Subjective norms is positively related to *zakat* compliance intention on saving.

4.2.3 The relationship between perceived behavioral control and intention

Fang and Shih (2004), Ingram, Cope, Harju, and Wuench (2000) found that perceived behavioral control has a significant effect on intention. Sometimes there are individual who wants to comply with *zakat* on saving but does not know how the procedure to pay it. Variables like perceived behavioral control such as knowledge to pay *zakat* on saving, prediction towards the intention to pay *zakat* on saving will be more valuable on getting the real situation on the research topic.

In the aspect of tax, perceived behavioral control shows the indication on the tax compliance those with high level of perceived behavioral control will comply to pay tax as if it is one of their obligation. They will do the needful in term of paying tax such as submitting a complete tax form to Inland Revenue and the declaration is done with truthful. Compared to those with high level of perceived behavioral control in non-complying, they won't pay tax since they know they won't be caught by tax audit (Natrah, 2010).

Zainol and Kamil (2009) in their review of literature highlighted a significant relationship between perceived behavior control and intention to comply with *zakat* on employment income. They also found a positive relationship between both variables. TPB can be able to predict 40% of variance in intention on *zakat* compliance. Ida Husna (2009) also demonstrated that perceived behavioral control is positively related to intention to pay *zakat*.

Researcher such as Fallan (1999), Hungerford and Yolk (1990) and Mohd. Rizal and Ahmad Fariq (2011) reported that the tax system level of knowledge influenced tax compliance behavior. Wan Mazlan (2015) also found that level of knowledge significant with the tax compliance among importer in Malaysia. There are also other *zakat* study found a significant relationship between religious knowledge and *zakat* on employment income (Kamil, 2002; Kamil, Ayoib, Zainol, Shaipah, Afza & Haslinda, 2006; Mohd. Ali, et al., 2004; Zainol, 2008). Ram Al Jaffri, Muhammad Syahir, and Mohd Amir (2015) found that the internal factors that influence behavior are knowledge and self-efficacy. Based on the above situation, a person with high level of knowledge about *zakat* is expected to more likely to pay *zakat* and vice versa.

Mohd Ali et al., (2004) in their study towards professionals' awareness level on paying *zakat* through salary income. It shows that knowledge of *zakat* will influence the *zakat* paying compliance. In line with that result, Sanep and Hairunizam (2005) also found

that internal factor such as faith contributes to the willingness to pay *zakat*. Thus, the obligation to pay *zakat* should not be treated as an individual burden.

Significant number of researchers reveals that trust has positive relationship with commitment and intention (Morgan & Hunt, 1994; Anderson & Weitz, 1989). Similarly, some researchers argued that the increase in both interdependence and trust is a main factor that increases member's commitment. (Kumar et al., 1995; Ganesan, 1994; Anderson & Weitz 1989). So, the following hypothesis regarding the elements of knowledge and trust is proposed:

H₃: Knowledge is positively related to zakat compliance intention on saving.

H₄: Trust is positively related to zakat compliance intention on saving.

4.3 Data collection method

The author used a self-administered printed and survey the document to get the samples to answer the survey. The questionnaire was send manually in hardcopy directly to the respondents which is Muslim employee of LHDNM in Selangor which will used as the main data collection technique because selected respondents could fill it when they were free to do so. The questionnaire also was send thru email to the subjected respondents. The online questionnaire or survey form was created using free Google Form free application. Permission letter was attached together with the manual and online or softcopy questionnaire to seek co-operation from the subjected respondents. Furthermore, questionnaire is the most beneficial medium of instrument when the study involves a large number of respondents (Sekaran, 2000). Moreover, questionnaire is one of the well-known methods of collecting a data. This is because a researcher can get a fair result and the response of the questionnaires can be recorded easily.

The questionnaire was adapted based on the study conducted by Zainol (2008), Farah Mastura (2011) and Siswantoro and Nurhayati (2012). The questions were pre-tested and before it was distributed to the participants.

4.4 Population of the study

The population of this study is all Muslim employees in LHDNM. The total population is 10,929 employees (Administration Department, 2016) while unit of analysis for this study is Muslim individual employee in LHDNM. In general, this study listed LHDNM Muslim employees as respondents due to the nature of income generation from LHDNM staffs is through monthly salary. There might be a portion of saving from the amount earned every month. Therefore, they might be liable to pay zakat when the haul and nisab is fulfilled. Besides, all respondents involved in this study pay their income tax which managed by the employer through monthly tax deduction scheme (MTD). If they pay tax, they are also liable to pay zakat.

4.5 Sampling

List of all employee names was obtained from the Administration Department of LHDNM (Administration Department, 2016), and used as a sampling frame. From the list of employees of each branches and departments which subject to monthly tax deduction, questionnaire will be distribute using simple random sampling. Hair, Anderson, Tatham and Black (1998) in their study took 15 to 20 sample for each variable to get a proper and accurate sample size generalization purposes. Thus, the data should be at least 100 respondents (20 respondents x 5 variable). Thus, 200 respondents were chosen based on this rule of thumb. The employees' selection is done randomly among the employees at Head

Quarters of LHDNM, Menara Hasil Cyberjaya, branches under Selangor State Director's Office and APM, Bangi Selangor. There are 27 departments at head quarters which selected as a part of the sampling as this study focusing on Lembaga Hasil Dalam Negeri Malaysia's staff in Selangor area. Under the Selangor State Director's Office of Lembaga Hasil Dalam Negeri Malaysia, there are four branches involved which are Shah Alam Branch, Klang Branch, Petaling Jaya Branch and Shah Alam Investigation Branch. Akademi Percukaian Malaysia also have many department and training centre. There are Registrar Office, Legal Training Centre, Audit and Account Training Centre, International Training, Research and Innovation Centre, Management Training Centre, Information Training Centre, and Library and Information Centre.

4.6 Measurement

The questionnaire was divided into six main sections. The first section related to the demographic information of the respondents. The second section was constructed to measure the attitudes towards zakat intention on saving. The remaining sections were designed to measure subjective norms and perceived behavioral control. Perceived behavioral control in this study focus on the trust and knowledge towards *zakat* on saving. The last section focused on the intention to pay *zakat* on saving.

Attitude can be defined as the degree of which the person has favorable or unfavorable perception in performing the behavior (Ajzen, 1991). Attitude towards *zakat* on saving is defined as the degree of which an individual has favorable or unfavorable evaluations on *zakat* on saving and is the person perception but not the behavior (Farah Mastura, 2011). It was tested as an independent variable in this study. Five questions were asked, on a five-point Likert scale ranging from '1' "strongly disagree" to '5' "strongly

agree”. An example of the item is “I know how to pay *zakat* on saving”. The questions was constructed based on the study conducted by Zainol, (2008) and Farah Mastura, (2011).

Subjective norm refers to person's view of the social pressures exerted by parents, friends, spouse or group of people in paying *zakat* on saving (Ajzen, 1991). Subjective norm (referent group) to be defined as an individual who has a nearness with the person such as immediate family members, close friend and more (Farah Mastura, 2015). This is another independent variable in this study. The respondents were asking to indicate whether they agree or disagree on the questions, on a five-point Likert scale. An example of the questions that was put forward is “My religious teacher thinks that I should pay *zakat* on saving”. The questions was constructed based on the study conducted by Zainol (2008) and Farah Mastura (2011).

Knowledge is based knowledge refers to the basic foundation of the information about *zakat* on saving in order to pay the *zakat* such as *zakat* terms and conditions, *zakat* calculation, *zakat* receipts and *zakat* system (Mohd Safri, 2006). This is the third independent variable in this study. An example of the questions is “I understand the *zakat* system”. A five-point Likert scale was used to determine the variable. The questions was constructed based on the study conducted by Siswantoro and Nurhayati (2012).

Trust is seen as the confidence level that other firm will execute actions resulting in optimistic outcomes. This is the fourth independent variables in this study. This is also one of the items in perceived behaviour control that will be test in this study. The respondents were asking to point out whether they agree or in contrast on the questions, on a five-point Likert scale. An example of the questions that was set is “*Zakat* institution can be trusted with *zakat* fund”. The questions were design based on the study done by Siswantoro and Nurhayati (2012).

Dependent variable for this study is intention to pay zakat on saving. Intention can be evaluate based on action, context, target, and time (Ajzen, 1991). Therefore, this study examined zakat compliance behavior as an action by individual Muslim (target) on zakat on saving (context) for a particular year (time). There are five (5) questions for the respondents to answer. Their level of agreement or disagreement is visualized by using a five-point Likert scale. One of the question is “I will pay zakat on saving this year”. The questions was design based on the study done by Zainol (2008) and Farah Mastura (2011).

4.7 Data analysis

4.7.1 Descriptive analysis

Descriptive analysis was conducted to summarize the information about the population or sample in this study. It transformed raw data into a set of information in describing a set of factors in a situation. Descriptive analysis presented the mean score and standard deviation of the data collected. According to Hair et al. (2006), the spread or variability of the sample values from the mean will be explained by the standard deviation. If the value of the standard deviation is small, so, the reaction in a sample distribution of number will be fall very close to the mean.

4.7.2 Reliability test

Reliability test was performed to ensure that the variables were free from errors to give a consistent result. It also explained about a situation whether the respondent would answer the same value on a construct if the same construct is repeatedly given to the same respondent. According to Sekaran (2000), the reliability of a measure provides a consistent

measurement across time and across several items in the instrument. To test for the reliability, Croanbach's alpha was used. Croanbach's alpha can be explained as a correlation coefficient that ranges from 0 to 1. The closer the coefficient to 1 is the better the result. A few scholars come with a different range of benchmark. For this research, the author decides the value of Croanbach's alpha is more than 0.70 as suggested by Hair et al., (2006) as a point of reliability.

4.7.3 Factor analysis

Factor analysis was also applied in this study. The purpose was to brief the information gathered into the smaller number of factors (Zikmund, 2003). This small number of factors will be used in the regression analysis. Factor analysis suitable when the eigenvalues is more than 1.0 (Hair et. al., 1998).

4.7.4 Multiple regression analysis

Multiple regression analysis was used in this study to analyze the influence of the independent variables on dependent variable in the present study. The model of multiple regression used is as follows:

$$ITT = \alpha + \beta_1ATT + \beta_2SN + \beta_3TRUST + \beta_4KNOW + e$$

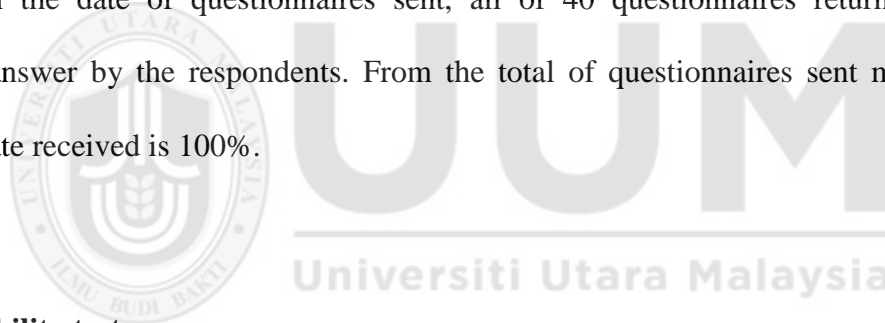
Where;

- ITT = Compliance behavioral intention of zakat on saving
- α = Constant
- $\beta_1 - \beta_4$ = Change in dependent variable with unit change in independent variable

ATT	=	Attitude
SN	=	Subjective norms
TRUST	=	Trust
KNOW	=	Knowledge

4.8 Pilot test result

This study used 40 a self-administered survey and printed the document to get the samples to answer the survey for pilot test. The 40 questionnaires was sent manually in hard copy directly to the Muslim staff in LHDNM branch of Wangsa Maju, Kuala Lumpur. Within a week from the date of questionnaires sent, all of 40 questionnaires returned with the complete answer by the respondents. From the total of questionnaires sent manually, the response rate received is 100%.



4.8.1 Reliability test

The result of reliability test for all variables is stated in Table 4.1. Cronbach's Alpha was used to measure the reliability (Churchill, 1979). The result of the pilot test are acceptable because the result for all construct stand between 0.797 and 0.977. If the result is above 0.80, it shows a good signal in test done. Based on these result, it is considered acceptable if the range is between 0.70 to 0.79 and less than 0.60 is treated as poor.

Table 4.1

Descriptive Statistics of Variables (n=40)

Variables	Cronbach's Alpha
Attitude	
1) Priority	0.839
2) Responsibility	
3) Requirements	
4) Where to pay	
5) How to pay	
Subjective Norms	
1) Parents	0.853
2) Spouse	
3) Friends	
4) Religious teacher	
Knowledge	
1) Understand zakat system	0.955
2) Aware	
3) Understand zakat regulation	
4) Able to interpret	
5) Do not have problem	
6) Know all requirement	
Trust	
1) Zakat fund	0.977
2) Delivered zakat fund	
3) Credibility	
4) Trusted by society	
5) Believe	
6) Transparent	
7) Knowledge, experience, competent	
8) Manage fund	
9) Good morals	
10) Appearance	
Intention	
1) Pay this year	0.797
2) Pay in future	
3) Zakat collection center	
4) Income increase	
5) Contact	

4.8.2 Factor analysis

In addition, factor analysis was conducted in this pilot test by using Principle Component Analysis (PCA) with varimax rotation on all items. The measurement used in this analysis is Kaiser-Meyer Olkin (KMO) and Barlett Test of Sphericity (BTOS). KMO is used to investigate sample of capability and BTOS to know the rightness of factor analysis (Hair et al., 1998). As shown in Table 4.3, KMO for all variable lies between 0.675 and 0.905, therefore factor analysis is suitable to be conducted.

Table 4.2

Factor analysis for pilot test (n=40)

Constructs	Number of items	Number of factors	KMO
Attitude	5	1	0.773
Subjective norms	4	1	0.675
Knowledge	6	1	0.864
Trust	10	1	0.905
Intention	5	1	0.750



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CHAPTER 5

RESULTS AND FINDINGS

5.0 Introduction

This chapter explains the result of respondent's replies towards the questionnaires given of the study. The result and analysis is prepared statistically and the calculation will be based on the flow suggested in the previous chapter. This chapter begins by describing the descriptive result. Then, it presents the reliability and factor analysis results. Lastly, the result of multiple regression analysis is offered.

5.1 Findings

5.1.1 Descriptive analysis

A total of 600 questionnaires were distributed to the employees of all the department in headquarters office of Lembaga Hasil Dalam Negeri Malaysia (LHDNM) at Menara Hasil Cyberjaya, all the branches which controlled and managed under the State Director Office of Selangor, Akademi Percukaian Malaysia and Data Processing Department at Bangi. But, 212 questionnaires were returned and only 205 were used. 7 out of 212 was not fully completed by respondents. Descriptive analysis was performed to develop the profile of respondents, according to their demographic profile. With the demographic information being collected are respondents' gender, range age, position in organization, academic qualification, range of

income, and balance in saving account for a year and status *zakat* on saving paid. All of these data were scheduled and presented in term of frequency and percentage as shown in Table 5.1.

Table 5.1

Respondent Profile (n=205)

Items	Frequency	Percentage %
Sex		
Male	88	42.9
Female	117	57.1
Age		
20-30 years	34	16.6
31-40 years	126	61.4
41 years and above	45	22.0
Current position hold		
Technical	175	86.6
Non-technical	30	13.4
Academic qualification		
Bachelor	159	77.6
Masters	46	22.4
Doctorate	0	0.00
Income		
RM 3,500.00 – RM 5,000.00	41	20.0
RM 5,001.00 – RM 6,500.00	27	13.2
RM 6,501.00 – RM 8,000.00	64	31.2
RM 8,001.00 – RM 9,500.00	22	10.7
RM 9,501.00 and above	51	24.9
Is your last balance of saving account / fixed deposit account / current saving account equivalent to RM10,000 a year?		
Yes	108	52.7
No	97	47.3
Have previously paid <i>zakat</i> on saving?		
Yes	150	73.2
No	55	26.8

The respondents consist of 205 respondents with portion in percentage are 42.9% male and 57.1% female. Most of them were technical staff (86.6%) which related with the core business of organization and in the range of 31-40 years old (61.4%). The core business and activities of organization is tax assessment. Generally, their monthly income are around RM 6,501.00 and above (66.8%) and they had a bachelor qualification (77.6%). Only 47.3% did not have a saving RM 10,000.00 a year and the rest 52.7% have it. It means that, majority of them fulfill the requirement of paying *zakat* on saving. Out of 205 respondents, only 55 respondents had not paid *zakat* on saving in previous year. Indeed, 73.2% from the respondents alert and know about the *zakat* on saving because they paid this *zakat* for the previous year.

5.1.2 Reliability test

The result of reliability test for all variables is scheduled in Table 5.2. Cronbach's alpha is used to measure reliability (Churchill, 1979). If the result is above 0.80, it shows a good signal in test done. It is considered acceptable if the range is between 0.70 to 0.79 and less than 0.60 is treated as poor. In this study, the results for all constructs are situated in the range of 0.876 and 0.972. Therefore, the results are good.

Table 5.2

Descriptive Statistics of Variables (n=205)

Variables	Mean	Standard Deviation	Cronbach's Alpha
Attitude			
1) Priority	4.48	0.820	0.885
2) Responsibility	4.64	0.724	
3) Requirements	4.69	0.657	
4) Where to pay	4.63	0.706	
5) How to pay	4.39	0.914	
Subjective Norms			
1) Parents	4.44	0.853	0.913
2) Spouse	4.48	0.820	
3) Friends	4.24	0.934	
4) Religious teacher	4.47	0.783	
Knowledge			
1) Understand <i>zakat</i> system	4.09	0.830	0.962
2) Aware	3.96	0.853	
3) <i>Zakat</i> regulation	3.96	0.882	
4) Able to interpret	3.88	0.894	
5) Do not have problem	4.01	0.880	
6) Know all requirement	3.97	0.868	
Trust			
1) <i>Zakat</i> fund	4.02	0.869	0.972
2) Delivered <i>zakat</i> fund	3.91	0.872	
3) Credibility	3.94	0.858	
4) Trusted by society	3.89	0.812	
5) Believe	4.06	0.817	
6) Transparent	3.76	0.900	
7) Knowledge, experience, competent	4.04	0.779	
8) Manage fund	3.79	0.887	
9) Good morals	3.83	0.855	
10) Appearance	3.87	0.776	
Intention			
1) Pay this year	4.40	0.843	0.876
2) Pay in future	4.49	0.783	
3) <i>Zakat</i> collection center	4.16	0.957	
4) Income increase	4.43	0.799	
5) Contact	3.97	1.004	

5.1.3 Factor analysis

In this study also, using the Principle Component Analysis (PCA), author do the factor analysis with viramax rotation based on the all variables. Kaiser-Meyer Olkin (KMO) and Barlett Test of Sphericity (BTOS) was used as a measurement scale. KMO and BTOS is applied to investigate sample of sufficiency and to know the suitability of factor analysis respectively (Hair et al., 1998). As shown in Table 5.3, All KMO's variable result is between 0.781 and 0.947. This good result of factor analysis means it is suitable to be conducted.

Beside that, correlation matrix can be tested by using BTOS and the result will defined whether the factors model can be used or not. The present study's result is 0.000 and it is asumed as significant when it is less than 0.05. Every significant variable was exactly look at the factor loading of each item in the variable. The results shows that all the factor loadings are in the range of 0.736 and 0.946 (refer to Table 5.4).

Table 5.3

Factor analysis (n=205)

Construct	Number of items	Number of factors	KMO
Attitude	5	1	0.783
Subjective norms	4	1	0.845
Knowledge	6	1	0.910
Trust	10	1	0.947
Intention	5	1	0.781

Table 5.4

Component Matrix

	Components 1
Attitude	
1) Priority	0.875
2) Responsibility	0.913
3) Requirements	0.860
4) Where to pay	0.759
5) How to pay	0.767
Subjective Norms	
1) Parents	0.902
2) Spouse	0.914
3) Friends	0.857
4) Religious teacher	0.898
Knowledge	
1) Understand <i>zakat</i> system	0.875
2) Aware	0.946
3) Understand <i>zakat</i> regulation	0.921
4) Able to interpret	0.904
5) Do not have problem	0.912
6) Know all requirement	0.938
Trust	
1) <i>Zakat</i> fund	0.875
2) Delivered <i>zakat</i> fund	0.939
3) Credibility	0.929
4) Trusted by society	0.882
5) Believe	0.920
6) Transparent	0.893
7) Knowledge, experience, competent	0.850
8) Manage fund	0.922
9) Good morals	0.907
10) Appearance	0.828
Intention	
1) Pay this year	0.841
2) Pay in future	0.873
3) Zakat collection center	0.802
4) Income increase	0.869
5) Contact	0.736

5.1.4 Multiple regression analysis

Multiple regression analysis shows 54% of the variance in *zakat* compliance intention on saving was explained by the constructs of attitude, subjective norms, knowledge and trust (refer Table 5.5). From that analysis, it is understood that another 46% can be explained by the other variables. A significant relationship between attitude and intention to comply with *zakat* on saving can be seen from the result ($t = 5.299$, $p = 0.000$). The test also found a relationship between subjective norms and intention to comply with *zakat* on saving ($t = 2.028$, $p = 0.044$). The result shows that H1 and H2 is supported in this study. Other than that, there is also a significant relationship between perceived behavioral which focus on knowledge and trust with intention to comply with *zakat* on saving. The result for the knowledge is ($t = 2.150$, $p = 0.033$). So, H3 is accepted in the study. For the trust, the result showed that ($t = 3.524$, $p = 0.001$). H4 also accepted in this study. Furthermore, the value of beta for attitude is the highest (0.421) meaning that attitude is the most important factor that influences intention to comply with *zakat* on saving.

Based on the analysis obtained in Table 5.5, multiple regression model can be developed as follows:

$$ITT = 0.223\alpha + 0.421ATT + 0.156SN + 0.139KNOW + 0.196TRUST$$

Where;

ITT	=	Compliance behavioral intention of <i>zakat</i> on saving.
α	=	Constant
ATT	=	Attitude
SN	=	Subjective norms
KNOW	=	Knowledge
TRUST	=	Trust

Table 5.5

Regression of Attitude, Subjective Norms, Knowledge, Trust against Zakat Compliance Intention

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig
Constant	0.223	0.268		0.832	0.406
Attitude	0.476	0.090	0.421	5.299	0.000*
Subjective norms	0.149	0.073	0.156	2.028	0.044**
Knowledge	0.126	0.059	0.139	2.150	0.033**
Trust	0.187	0.053	0.196	3.524	0.001*

Note: **p<0.05, *p<0.01

Adjusted R Square = .544, F- statistic = 61.867, Sig at .000



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CHAPTER 6

CONCLUSION AND RECOMMENDATION

6.0 Introduction

This chapter further explains the finding of the present study in relation to TPB and literature. The detailed discussion regarding the results of the study which is supported by previous studies by other researchers in the field of *zakat* and taxation. In addition, the implication also discussed in this chapter focused on the *zakat* authorities and policy maker. Lastly, limitation, suggestion for future research and conclusion of the study are also offered.

6.1 Discussion

The present study make an effort to inspect the circumstances and factors that control and influence *zakat* compliance intention on saving among LHDNM's staff. For that, TPB was referred and used because this theory also used by researcher in previous studies in the field of *zakat* Ida Husna (2009), Mohmad Zaki (2008), Zainol (2008), Zainol and Kamil (2009), Farah Mastura (2011), Farah Mastura and Zainol (2015). From the result, it clearly shows that 54% of *zakat* compliance intention on saving can be explain by TPB. Even the study suggested that this TPB model has the capability to clarify the influence factors of *zakat* compliance intention on saving among staffs and employees of LHDNM.

TPB consists of three independent variables which are attitude, subjective norms, and perceived behavioural control. In this study, perceived behavioural control which focus specifically on knowledge and trust as detailed discussed in Chapter 3.

Attitude was also found have a significant relationship and also one of the main factors that influence to *zakat* on saving comply. It contradicts previous studies done by Zaki (2008), Zainol (2008), Zainol and Kamil (2009). Thus, the results show that attitudes items in the present study is the important factor for *zakat* payers to pay *zakat* on saving. According to the result, *zakat* on saving is one of the *zakat* which given priority by LHDNM personnel. In addition, all employees have the knowledge about *zakat* responsibilities when a person meets the requirement of paying *zakat*. They also know location and method of payment made.

Intention to comply with *zakat* on saving was found to have significant relationship with subjective norms. However, it is contradicts with what have been found by Ida Husna (2009) Zaki (2008), Farah Mastura and Zainol (2011) on their studies about *zakat*. Tonglet et al., (2004) also found a different point about *zakat*, which intention and subjective norms has no significant relationship towards recycling behavior in United Kingdom. But, consistent with the study by Zainol, Zulkafli and Shalihen (2011), Farah Mastura and Zainol (2015) which state that subjective norms found to be positively and significantly influence compliance and intention. Subjective norm is one the factor that influences the intention to pay *zakat* on saving among employees of the LHDNM. Subjective norms in this context are referred to someone who is important for a person such as parents, siblings, spouses, teachers, and individuals which close to a person. This study found that elements of the subjective norm are affecting intention of LHDNM's staffs to comply in paying *zakat* on saving.

Knowledge was found also to have significant relationship towards intention to comply with *zakat* on saving. It contradicts with the previous study in tax compliance, Fauziati, Minovia, Muslim, and Nasrah (2016) found which showed no significant and no

impact between tax knowledge and tax compliance. Nurul Farida (2014) also stated that knowledge were found negative and insignificantly related to intention to comply *zakat* on saving. It consistent with the studied done by Teh Suhaila, Aza Shahnaz, and Noraini (2015) that stated, understanding about *zakat* is the main factors that influence the compliance on income from salary source. Other than that, in the tax area, Mohd Rizal and Ahmad Fariq (2011) showed that knowledge is important in a self assessment system and it can effect compliance. Besides, Ali, Fjelstad, and Sjursen (2012) point out from their study that knowledge is also significantly correlated with compliance of tax in Tanzania and South Africa. Some of the study on SME's sector in Indonesia stated that, in shaping the tax knowledge, strengthening of tax education is very important and it can increase the level of tax compliance. It showed that knowledge is significant toward compliance which is related with the intention. Results found, LHDNM's staffs understood the *zakat* system in Malaysia. Most of them have awareness about *zakat's* laws and regulations and may able to interpret the laws of *zakat*. Respondents are able to compute their *zakat* on saving they should pay. In process of computing, they also know the sources that subject to the *zakat* on saving. Overall, LHDNM's staffs found to have knowledge about *zakat*, especially regarding *zakat* on saving.

One of the important factor in influencing *zakat* on saving is trust. This finding matched the previous findings of Siswantoro and Nurhayati (2012). They demonstrated that trust is significantly and positively affected to the preference for *zakat* as tax-deductible income and tax deduction. Muhammad and Ram Al Jaffri (2015) in their paper presentation show that trust on *zakat* institution is predicted to be a major factor that will boost *zakat* collection. This means that trust will have significant relationship with the intention to comply with *zakat* on saving. Muhammed (1990) and Ghazali and Ibrahim (1990) also classify trust of *zakat* payers as main factor which give influence to the payment decision. This finding also matching with previous study by Torgler (2003), who provide evidences

that trust in public officials and the legal system have a significant and positive effect on tax morale. Ali and Ahmad (2014) state based on their empirical result show that trust variable are significant determinants with tax compliance. From the result, it can be assumed that LHDNM's staffs were quite satisfied with the *zakat* institution and authorities. The allocation of funds to the eligible recipients of *zakat* is one of the factor that affects the level of confidence among LHDNM's staffs. The *zakat* authorities should always maintain the credibility among officers to make sure the society sees transparency in process of collection and distribution of *zakat* fund. The trust among LHDNM's staffs also pledged to transparency, knowledge, experience and competencies of the *zakat*'s officer. Skills and good manners owned by the *zakat* officers determine the level of trust towards zakat authorities. Good and trustworthy in management makes a benchmark in measuring the level of trust in *zakat* centers among LHDNM's officers.

6.2 Implications

Main factor that must be addressed is the attitude of individuals. Because the payment of *zakat* is the voluntary, the positive reception of the community to the *zakat* authorities is important. *Zakat* authorities should improve the image, reputation and credibility especially in carrying out their transparency in process to perform the responsibility on collection and distribution of *zakat* to the society. Other than that, authorities also need to carry out more efforts to increase promotional activities and special explanation to the public regarding the obligation of *zakat* payment for *zakat* on saving. Other than that, *zakat* authorities must do the promotion through mass media. The media also play an important role in exposing and give information about the *zakat* collection centre. Announcement in media need to be carried out in order to enlight the public about the

important of *zakat* on saving. Various types of promotional activities can be done through the mass media such as distribute a scheduled press release to the media to report the programs and activities, conduct the press conference session for special activities which involved many peoples, special interview on the television and radio programs through major channel, special columns and interviews in Islamic magazines that highlight the issues of *zakat* on saving, and also get the media coverage at the site of *zakat* contribution activities and programs.

Based on the results of this study, the authorities should be aware that members of the public not refuse orders to pay *zakat* to *zakat* authority. What is important, the policy makers or authorities need to develop a sound strategy from time to time to encourage individuals to have a strong intention to pay *zakat* to the *zakat* collection center. Among the approaches that could be taken to provide continuous exposure and knowledge regarding the *zakat* on saving to all individuals. The organization of seminars, lectures, workshops and others will increase the level of knowledge among individuals and makes them feel more confident and able to at least calculate and self-assessed the amount of *zakat* on saving. In addition, the *zakat* authorities also need to improve communication between *zakat* payer and all the authorized collections center. Communication either through direct interaction, media socials, or advertisement which expected to help increasing awareness and individuals' intention to pay *zakat* to the *zakat* collection center.

Zakat authorities also must organizes programs to give more awareness not only directly to the individuals but also to the spouses and immediate family members. This is inline and consistent with the findings of this study that shows and indicates a significant and positive relationship between subjective norm and compliance intention of *zakat* on saving. Islamic lectures and forums especially about the *zakat* on saving through the media, promotional, campaign, *zakat* day and *zakat* monthly awareness especially in Ramadhan

should be comprehensively geared to deliver the message on the importance of *zakat* to the community. If the level of understanding among spouses and immediate family members increase, then it will be directly give impact to a strong intention for the individuals to pay the *zakat* on saving.

Another factor that should be considered is perceived behavioral control. The result of this study shows that perceived behavioral control that is knowledge and trust have a significant relationship with intention to comply with *zakat* on saving. For that, the authorities of *zakat* should try to provide more facilities to facilitate individuals to pay *zakat* and at the same time will encourage the existing *zakat* payers to keep paying in future. In addition, continuous workshop of *zakat* assessment and advisory should be given from time to time, which is expected to increase ability and positive response of the individuals. This situation directly increase their perceived behavioral control and thus increase the level of intentions among them to pay *zakat* on saving.

6.3 Limitation of the study

Every study has its limitation. Same goes for this study. The author sees this research would need more time on getting the data for survey purpose so that the right data will generate a more accurate point of research. Due to time constraint, this study was done in the Selangor area. Besides, the author needs more time on getting approval to do a survey that is related to staff of LHDNM. The process of application to do the survey until the approval part would need longer time and its depends on the management of LHDNM. Without this approval, the collection of data through answering is not allowed because all the data regards employees in LHDNM are confidential.

This study concentrated only in the state of Selangor and variables that is based on the TPB with additional variables of knowledge and trust. There are many other variables that not being tested in previous study. For instance legal and enforcement of *zakat* on saving, and

individual tax rebate. These two variables, legal enforcement and individuals tax rebate need a details study in contexts of *zakat* on saving. It is to make sure whether these two variables give a significant effect to the intention in process to comply.

Other limitation also regarding with the sample and population. Because most of the respondents were technical staff in LHDNM and because only half of the questionnaires were returned, the result of the survey do not accurate the actual population represented.

6.4 Suggestions for future research

Due to the above factors, it is suggested that future studies on *zakat* compliance intention on saving made on larger populations where the population consists of all individuals Muslim in Malaysia. Since the research result found out that attitude, subjective norm, knowledge and trust significant towards intention, the author suggest that the same variables being used to evaluate the compliance intention on *zakat* payer or satisfaction on zakat authorities in others countries. One of the purpose is to compare the result of all variables towards intention by others countries. It is suggested because the administration of the *zakat* each country is different.

6.5 Conclusion

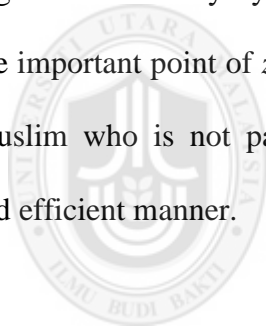
The study aims to understand the compliance intention of *zakat* on saving using factors contained in the TPB with additional new variables that are knowledge and trust. From the result of this study, attitude, subjective norm, knowledge and trust showed significant influence on intention to pay *zakat* on saving. This is another strength assumption is that TPB in effectiveness suitable for understanding the intention behaviour of compliance in *zakat* on saving, which has specific jurisdiction but not in the serious enforcement from authorities.

Various parties could use the result of this study in order to improve the collection of *zakat* in future. Any attempts to be implemented must also look at the ability of all

individuals. The ability and individual's intention need to be given special attention since it have a strong and significant points on intention to comply paying *zakat* on saving. To increase individuals' intention, *zakat* authorities need to develop a positive attitude, and at the same time, it can improve individuals' perceived behavioural control and public awareness, such as immediate family members.

Transparency of *zakat* authorities in performing their collections and distributions should be taken seriously to avoid any suspicious of bad signals for the authorities. If all individuals have high level of trust to the authorities, then more people will pay and automatically the collection of *zakat* in the future will be increased.

As policy makers, government and *zakat* institutions should increase awareness on *zakat* among Muslim society by having open discussion about *zakat*, organizing forum and advertise the important point of *zakat*. Punishment such as fine or penalty should be imposed to those Muslim who is not paying *zakat* so that *zakat* funds can be collected in more effective and efficient manner.



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**COLLEGE OF BUSINESS
QUESTIONNAIRE**

**Zakat Compliance Intention on Saving among Lembaga Hasil Dalam Negeri
Malaysia's Staff**

Dear participant,

This questionnaire is designed to study about the perception of Lembaga Hasil Dalam Negeri Malaysia's staff towards zakat on saving income in the current situation. Your participation is highly appreciated.

Zakat on saving: Money belonging to individuals are subject to zakat on savings which comprised of cash in hand, cash deposited in banks (saving account, fixed deposit account and current account), cash deposited in the form of unit trusts (Amanah Saham Bumiputera, Amanah Saham Nasional), and money saved in financial institutions such as the EPF and Tabung Haji.

This study is conducted as a partial fulfillment for my Master of Science (International Accounting). The information you provide for the purpose of this study will be kept **STRICTLY CONFIDENTIAL** and for the academic purpose only.

Your input is highly valued. Thank you very much for your time and cooperation.

Yours sincerely,

Mat Jusoh Bin Deraman
Candidate
Master of Science (International Accounting)
Universiti Utara Malaysia

SECTION A: RESPONDENT PROFILE

BAHAGIAN A: PROFIL RESPONDEN

Please Tick (✓) in the box provided.

Sila tandakan (✓) di dalam kotak yang disediakan.

1. Sex / Jantina

- Male/ *Lelaki*
- Female / *Perempuan*

2. Age / Umur

- 20-30 years / *Tahun*
- 31 – 40 years / *Tahun*
- 41 years and above / *Tahun dan ke atas*

3. Current position holds at Lembaga Hasil Dalam Negeri Malaysia. / *Posisi dipegang sekarang di Lembaga Hasil Dalam Negeri Malaysia..*

- Technical staff / *Staf teknikal*
- Non-technical staff / *Bukan staf teknikal*

4. Academic Qualification/ Kelayakan Akademik

- PhD / *DoktorFalsafah*
- Master Degree / *Sarjana*
- Bachelor Degree / *Sarjana Muda*
- Others / *Lain-lain* : _____

5. Income / *Pendapatan*

- RM 3,500.00 - RM 5,000.00
- RM 5,001.00 - RM 6,500.00
- RM 6,501.00 - RM 8,000.00
- RM 8,001.00 – RM 9,500.00
- RM 9,501.00 and above / *ke atas*

6. Is your last balance of saving account / fixed deposit account / current saving account equivalent to RM10 000 a year?

Adakah baki terakhir akaun simpanan / akaun simpanan tetap / akaun semasa anda bersamaan dengan RM10 000 setahun.

- Yes / *Ya*
- No / *Tidak*

7. I have paid zakat on saving before.

Saya membayar zakat wang simpanan sebelum ini.

- Yes / *Ya*
- No / *Tidak*

SECTION B – ATTITUDE
 BAHAGIAN B – SIKAP

Based on the scale given below, please circle the number that you think appropriate for each item.

Berdasarkan skala yang diberi, sila bulatkan pada nombor yang sesuai menurut pandangan anda terhadap item di bawah.

1	2	3	4	5
Strongly disagree	Disagree	Not sure	Agree	Strongly agree
<i>Sangat tidak setuju</i>	<i>Tidak setuju</i>	<i>Tidak pasti</i>	<i>Setuju</i>	<i>Sangat setuju</i>

1	Paying zakat on saving is my priority. <i>Membayar zakat wang simpanan adalah keutamaan saya.</i>	1	2	3	4	5
2	I believe that paying zakat on saving is my responsibility. <i>Saya percaya membayar zakat wang simpanan adalah tanggungjawab saya.</i>	1	2	3	4	5
3	I believe that zakat on saving should be pay if it fulfill the requirements. <i>Saya percaya zakat wang simpanan perlu dibayar jika memenuhi syarat-syaratnya.</i>	1	2	3	4	5
4	I know where to pay my zakat on saving. <i>Saya tahu di mana hendak membayar zakat wang simpanan saya.</i>	1	2	3	4	5
5	I know how to pay zakat on saving. <i>Saya tahu bagaimana hendak membayar zakat wang simpanan.</i>	1	2	3	4	5

SECTION C – SUBJECTIVE NORM
 BAHAGIAN C – NORMA SUBJEKTIF

Based on the scale given below, please circle the number that you think appropriate for each item.

Berdasarkan skala yang diberi, sila bulatkan pada nombor yang sesuai menurut pandangan anda terhadap item di bawah.

1	2	3	4	5
Strongly disagree	Disagree	Not sure	Agree	Strongly agree
<i>Sangat tidak setuju</i>	<i>Tidak setuju</i>	<i>Tidak pasti</i>	<i>Setuju</i>	<i>Sangat setuju</i>

1	My parents agree that I should pay zakat on saving. <i>Ibu bapa saya bersetuju bahawa saya patut membayar zakat wang simpanan.</i>	1	2	3	4	5
2	My spouse agrees that I should pay zakat on my saving. <i>Pasangan saya bersetuju bahawa saya patut membayar zakat wang simpanan.</i>	1	2	3	4	5
3	My friends think that I should pay zakat on saving. <i>Rakan-Rakan saya berpendapat bahawa saya patut membayar zakat wang simpanan.</i>	1	2	3	4	5
4	My religious teacher thinks that I should pay zakat on saving. <i>Guru agama saya berpendapat bahawa saya patut membayar zakat wang simpanan.</i>	1	2	3	4	5

SECTION D – PERCEIVED BEHAVIORAL CONTROL (KNOWLEDGE)
 BAHAGIAN D – KAWALAN GELAGAT DITANGGAP (PENGETAHUAN)

Based on the scale given below, please circle the number that you think appropriate for each item.

Berdasarkan skala yang diberi, sila bulatkan pada nombor yang sesuai menurut pandangan anda terhadap item di bawah.

1	2	3	4	5
Strongly disagree	Disagree	Not sure	Agree	Strongly agree
<i>Sangat tidak setuju</i>	<i>Tidak setuju</i>	<i>Tidak pasti</i>	<i>Setuju</i>	<i>Sangat setuju</i>

1	I understand the zakat system. <i>Saya faham sistem zakat.</i>	1	2	3	4	5
2	I am aware of the most zakat regulations and guidelines about zakat on saving. <i>Saya sedar berkenaan dengan garis panduan dan peraturan-peraturan atas zakat simpanan..</i>	1	2	3	4	5
3	I understand most of the zakat regulations relating on my saving. <i>Saya faham peraturan-peraturan zakat yang berkaitan dengan simpanan saya.</i>	1	2	3	4	5
4	I am able to interpret zakat regulations when computing zakat payable. <i>Saya boleh mentafsir peraturan-peraturan zakat apabila membuat pengiraan zakat yang perlu dibayar.</i>	1	2	3	4	5
5	I do not have any problem with the zakat calculation on saving computing and payment. <i>Saya tidak bermasalah dalam membuat pengiraan dan pembayaran zakat atas simpanan.</i>	1	2	3	4	5
6	I know what all the requirement from me in respect of zakat on saving. <i>Saya tahu semua keperluan daripada saya berkenaan dengan zakat simpanan.</i>	1	2	3	4	5

SECTION E – PERCEIVED BEHAVIORAL CONTROL (TRUST)
 BAHAGIAN E – KAWALAN GELAGAT DITANGGAP (KEPERCAYAAN)

Based on the scale given below, please circle the number that you think appropriate for each item.

Berdasarkan skala yang diberi, sila bulatkan pada nombor yang sesuai menurut pandangan anda terhadap item di bawah.

1	2	3	4	5
Strongly disagree	Disagree	Not sure	Agree	Strongly agree
<i>Sangat tidak setuju</i>	<i>Tidak setuju</i>	<i>Tidak pasti</i>	<i>Setuju</i>	<i>Sangat setuju</i>

1	Zakat institution can be trusted with zakat fund. <i>Institusi zakat boleh dipercayai dengan dana zakat.</i>	1	2	3	4	5
2	Zakat institution has delivered zakat fund to the right recipients. <i>Institusi zakat membuat pembahagian yang tepat kepada penerima.</i>	1	2	3	4	5
3	Zakat institution has high credibility. <i>Institusi zakat mempunyai kredibili yang tinggi.</i>	1	2	3	4	5
4	Zakat institution is trusted by society. <i>Institusi zakat dipercayai oleh masyarakat.</i>	1	2	3	4	5
5	I believe in zakat institution. <i>Saya percayakan institusi zakat.</i>	1	2	3	4	5
6	Zakat institution has been transparent in financing. <i>Institusi zakat telah telus dalam pembiayaan.</i>	1	2	3	4	5
7	Zakat institution officer has knowledge, experience and competent about zakat. <i>Pegawai institusi zakat mempunyai pengetahuan, pengalaman dan kompetensi berkenaan zakat.</i>	1	2	3	4	5
8	Zakat institution officer can manage zakat fund well. <i>Pegawai institusi zakat boleh menguruskan dana dengan baik.</i>	1	2	3	4	5
9	Zakat institution management has good morals. <i>Pengurusan institusi zakat mempunyai akhlak yang baik.</i>	1	2	3	4	5
10	Zakat institution staff s always maintain the appearance. <i>Kakitangan institusi zakat selalu mengekalkan ketrampilan.</i>	1	2	3	4	5

SECTION F – INTENTION
 BAHAGIAN F – NIAT

Based on the scale given below, please circle the number that you think appropriate for each item.

Berdasarkan skala yang diberi, sila bulatkan pada nombor yang sesuai menurut pandangan anda terhadap item di bawah.

1	2	3	4	5
Strongly disagree	Disagree	Not sure	Agree	Strongly agree
<i>Sangat tidak setuju</i>	<i>Tidak setuju</i>	<i>Tidak pasti</i>	<i>Setuju</i>	<i>Sangat setuju</i>

1	I will pay zakat on saving for this year. <i>Saya akan membayar zakat wang simpanan pada tahun ini.</i>	1	2	3	4	5
2	I will pay zakat on saving in the future. <i>Saya akan membayar zakat wang simpanan pada masa depan.</i>	1	2	3	4	5
3	I will pay zakat on saving at zakat collection center. <i>Saya akan membayar zakat di pusat pungutan zakat.</i>	1	2	3	4	5
4	I will add the payment of zakat on saving if my saving increases. <i>Saya akan menambah bayaran zakat wang simpanan jika wang simpanan saya bertambah.</i>	1	2	3	4	5
5	I will contact zakat collection center for the payment of zakat on saving. <i>Saya akan menghubungi pusat pungutan zakat untuk membayar zakat wang simpanan.</i>	1	2	3	4	5

Appendix C: Result of SPSS analysis

Sex

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	88	42.9	42.9	42.9
Female	117	57.1	57.1	100.0
Total	205	100.0	100.0	

Age

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 20-30 years old	34	16.6	16.6	16.6
31-40 years old	126	61.5	61.5	78.0
41 years old and above	45	22.0	22.0	100.0
Total	205	100.0	100.0	

Position

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Technical staff	175	85.4	86.6	86.6
Non-technical staff	27	13.2	13.4	100.0
Total	202	98.5	100.0	
Missing System	3	1.5		
Total	205	100.0		

Academic

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Master Degree	46	22.4	22.4	22.4
Bachelor Degree	159	77.6	77.6	100.0
Total	205	100.0	100.0	

Last_balance

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	108	52.7	52.7	52.7
No	97	47.3	47.3	100.0
Total	205	100.0	100.0	

Paid_zakat_before

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	150	73.2	73.2	73.2
No	55	26.8	26.8	100.0
Total	205	100.0	100.0	

Income

N	Valid	205
	Missing	0
Percentiles	25	2.00
	50	3.00
	75	4.50

Income

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	RM3500-RM5000	41	20.0	20.0	20.0
	RM5001-RM6500	27	13.2	13.2	33.2
	RM6501-RM8000	64	31.2	31.2	64.4
	RM8001-RM9500	22	10.7	10.7	75.1
	RM9501 and above	51	24.9	24.9	100.0
Total		205	100.0	100.0	

RELIABILITY

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	205	100.0
	Excluded ^a	0	.0
	Total	205	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.885	.892	5

Item Statistics

	Mean	Std. Deviation	N
Att_1	4.48	.820	205
Att_2	4.64	.724	205
Att_3	4.69	.657	205
Att_4	4.63	.706	205
Att_5	4.39	.914	205

Inter-Item Correlation Matrix

	Att_1	Att_2	Att_3	Att_4	Att_5
Att_1	1.000	.844	.709	.527	.535
Att_2	.844	1.000	.847	.530	.541
Att_3	.709	.847	1.000	.493	.503
Att_4	.527	.530	.493	1.000	.691
Att_5	.535	.541	.503	.691	1.000

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Att_1	18.35	6.307	.772	.724	.849
Att_2	18.19	6.567	.826	.838	.838
Att_3	18.15	7.096	.752	.722	.858
Att_4	18.20	7.161	.662	.517	.874
Att_5	18.45	6.307	.657	.525	.884

Reliability

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	205	100.0
	Excluded ^a	0	.0
	Total	205	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.913	.915	4

Item Statistics

	Mean	Std. Deviation	N
SN_1	4.44	.853	205
SN_2	4.48	.820	205
SN_3	4.24	.934	205
SN_4	4.47	.783	205

Inter-Item Correlation Matrix

	SN_1	SN_2	SN_3	SN_4
SN_1	1.000	.802	.671	.744
SN_2	.802	1.000	.697	.757
SN_3	.671	.697	1.000	.706
SN_4	.744	.757	.706	1.000

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
SN_1	13.20	5.229	.817	.695	.881
SN_2	13.16	5.309	.837	.717	.875
SN_3	13.40	5.103	.751	.570	.908
SN_4	13.17	5.531	.814	.664	.884

Reliability

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	205	100.0
	Excluded ^a	0	.0
	Total	205	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.962	.962	6

Item Statistics

	Mean	Std. Deviation	N
KNOW1	4.09	.830	205
KNOW2	3.96	.853	205
KNOW3	3.96	.882	205
KNOW4	3.88	.894	205
KNOW5	4.01	.880	205
KNOW6	3.97	.868	205

Inter-Item Correlation Matrix

	KNOW1	KNOW2	KNOW3	KNOW4	KNOW5	KNOW6
KNOW1	1.000	.836	.776	.741	.711	.759
KNOW2	.836	1.000	.903	.796	.810	.851
KNOW3	.776	.903	1.000	.764	.784	.831
KNOW4	.741	.796	.764	1.000	.836	.835
KNOW5	.711	.810	.784	.836	1.000	.873
KNOW6	.759	.851	.831	.835	.873	1.000

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
KNOW1	19.78	16.528	.823	.717	.960
KNOW2	19.91	15.800	.919	.878	.950
KNOW3	19.91	15.800	.883	.830	.954
KNOW4	19.98	15.833	.862	.765	.956
KNOW5	19.85	15.871	.873	.806	.955
KNOW6	19.89	15.753	.908	.840	.951

RELIABILITY

scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	205	100.0
	Excluded ^a	0	.0
	Total	205	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.972	.972	10

Item Statistics

	Mean	Std. Deviation	N
TRUST1	4.02	.869	205
TRUST2	3.91	.872	205
TRUST3	3.94	.858	205
TRUST4	3.89	.812	205
TRUST5	4.06	.817	205
TRUST6	3.76	.900	205
TRUST7	4.04	.779	205
TRUST8	3.79	.887	205
TRUST9	3.83	.855	205
TRUST10	3.87	.776	205

Inter-Item Correlation Matrix

	TRUST1	TRUST2	TRUST3	TRUST4	TRUST5	TRUST6	TRUST7	TRUST8	TRUST9	TRUST10
TRUST1	1.000	.863	.830	.747	.813	.765	.695	.737	.737	.637
TRUST2	.863	1.000	.902	.844	.854	.827	.756	.829	.807	.707
TRUST3	.830	.902	1.000	.884	.894	.818	.723	.793	.787	.666
TRUST4	.747	.844	.884	1.000	.839	.768	.651	.770	.714	.662
TRUST5	.813	.854	.894	.839	1.000	.807	.720	.810	.788	.694
TRUST6	.765	.827	.818	.768	.807	1.000	.727	.826	.769	.680
TRUST7	.695	.756	.723	.651	.720	.727	1.000	.807	.798	.747
TRUST8	.737	.829	.793	.770	.810	.826	.807	1.000	.876	.801
TRUST9	.737	.807	.787	.714	.788	.769	.798	.876	1.000	.847
TRUST10	.637	.707	.666	.662	.694	.680	.747	.801	.847	1.000

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
TRUST1	35.08	46.204	.845	.775	.970
TRUST2	35.20	45.334	.923	.883	.967
TRUST3	35.17	45.649	.910	.900	.968
TRUST4	35.21	46.807	.853	.818	.970
TRUST5	35.04	46.273	.899	.842	.968
TRUST6	35.34	45.589	.867	.768	.969
TRUST7	35.06	47.560	.817	.714	.971
TRUST8	35.32	45.374	.901	.855	.968
TRUST9	35.27	45.964	.884	.855	.969
TRUST10	35.23	47.844	.791	.753	.972

Reliability**Scale: ALL VARIABLES****Case Processing Summary**

		N	%
Cases	Valid	205	100.0
	Excluded ^a	0	.0
	Total	205	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.876	.882	5

Item Statistics

	Mean	Std. Deviation	N
ITT_1	4.40	.843	205
ITT_2	4.49	.783	205
ITT_3	4.16	.957	205
ITT_4	4.43	.799	205
ITT_5	3.97	1.004	205

Inter-Item Correlation Matrix

	ITT_1	ITT_2	ITT_3	ITT_4	ITT_5
ITT_1	1.000	.813	.518	.675	.425
ITT_2	.813	1.000	.538	.772	.429
ITT_3	.518	.538	1.000	.571	.718
ITT_4	.675	.772	.571	1.000	.535
ITT_5	.425	.429	.718	.535	1.000

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
ITT_1	17.05	8.743	.710	.672	.849
ITT_2	16.96	8.856	.756	.755	.840
ITT_3	17.29	8.177	.712	.587	.849
ITT_4	17.01	8.745	.763	.651	.838
ITT_5	17.47	8.349	.626	.544	.873

**Factor Analysis
Correlation Matrix**

		Att_1	Att_2	Att_3	Att_4	Att_5
Correlation	Att_1	1.000	.844	.709	.527	.535
	Att_2	.844	1.000	.847	.530	.541
	Att_3	.709	.847	1.000	.493	.503
	Att_4	.527	.530	.493	1.000	.691
	Att_5	.535	.541	.503	.691	1.000

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.783
Bartlett's Test of Sphericity Approx. Chi-Square	730.917
df	10
Sig.	.000

Communalities

	Initial	Extraction
Att_1	1.000	.766
Att_2	1.000	.833
Att_3	1.000	.740
Att_4	1.000	.576
Att_5	1.000	.588

Extraction Method:
Principal Component
Analysis.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.503	70.061	70.061	3.503	70.061	70.061
2	.791	15.823	85.884			
3	.309	6.185	92.069			
4	.289	5.787	97.856			
5	.107	2.144	100.000			

Extraction Method: Principal Component Analysis.

**Component
Matrix^a**

	Component
	1
Att_2	.913
Att_1	.875
Att_3	.860
Att_5	.767
Att_4	.759

Extraction Method:
Principal
Component
Analysis.
a. 1 components
extracted.

**Rotated
Component
Matrix^a**

--

a. Only one
component was
extracted. The
solution cannot
be rotated.

**Factor Analysis
Correlation Matrix**

		SN_1	SN_2	SN_3	SN_4
Correlation	SN_1	1.000	.802	.671	.744
	SN_2	.802	1.000	.697	.757
	SN_3	.671	.697	1.000	.706
	SN_4	.744	.757	.706	1.000

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.845
Bartlett's Test of Sphericity	Approx. Chi-Square
	577.012
	df
	6
	Sig.
	.000

Communalities

	Initial	Extraction
SN_1	1.000	.814
SN_2	1.000	.835
SN_3	1.000	.734
SN_4	1.000	.807

Extraction Method: Principal
Component Analysis.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.191	79.764	79.764	3.191	79.764	79.764
2	.355	8.886	88.650			
3	.258	6.453	95.103			
4	.196	4.897	100.000			

Extraction Method: Principal Component Analysis.

Component Matrix^a

	Component
	1
SN_2	.914
SN_1	.902
SN_4	.898
SN_3	.857

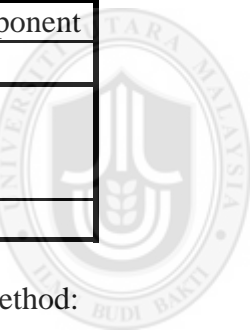
Extraction Method:
Principal Component
Analysis.

a. 1 components
extracted.

Rotated Component Matrix^a

--

a. Only one
component was
extracted. The
solution cannot
be rotated.



**Factor Analysis
Correlation Matrix**

		KNOW1	KNOW2	KNOW3	KNOW4	KNOW5	KNOW6
Correlation	KNOW1	1.000	.836	.776	.741	.711	.759
	KNOW2	.836	1.000	.903	.796	.810	.851
	KNOW3	.776	.903	1.000	.764	.784	.831
	KNOW4	.741	.796	.764	1.000	.836	.835
	KNOW5	.711	.810	.784	.836	1.000	.873
	KNOW6	.759	.851	.831	.835	.873	1.000

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.910
Bartlett's Test of Sphericity Approx. Chi-Square	1457.314
df	15
Sig.	.000

Communalities

	Initial	Extraction
KNOW1	1.000	.766
KNOW2	1.000	.895
KNOW3	1.000	.848
KNOW4	1.000	.817
KNOW5	1.000	.832
KNOW6	1.000	.879

Extraction Method: Principal Component Analysis.



Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.038	83.966	83.966	5.038	83.966	83.966
2	.355	5.922	89.888			
3	.240	3.992	93.880			
4	.161	2.689	96.569			
5	.119	1.989	98.558			
6	.087	1.442	100.000			

Extraction Method: Principal Component Analysis.

Component Matrix^a

	Component
	1
KNOW2	.946
KNOW6	.938
KNOW3	.921
KNOW5	.912

KNOW4	.904
KNOW1	.875

Extraction Method:
Principal Component
Analysis.

a. 1 components
extracted.

**Rotated
Component
Matrix^a**

--

a. Only one
component was
extracted. The
solution cannot
be rotated.



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**Factor Analysis
Correlation Matrix**

	TRUST1	TRUST2	TRUST3	TRUST4	TRUST5	TRUST6	TRUST7	TRUST8	TRUST9	TRUST10
TRUST1	1.000	.863	.830	.747	.813	.765	.695	.737	.737	.637
TRUST2	.863	1.000	.902	.844	.854	.827	.756	.829	.807	.707
TRUST3	.830	.902	1.000	.884	.894	.818	.723	.793	.787	.666
TRUST4	.747	.844	.884	1.000	.839	.768	.651	.770	.714	.662
TRUST5	.813	.854	.894	.839	1.000	.807	.720	.810	.788	.694
TRUST6	.765	.827	.818	.768	.807	1.000	.727	.826	.769	.680
TRUST7	.695	.756	.723	.651	.720	.727	1.000	.807	.798	.747
TRUST8	.737	.829	.793	.770	.810	.826	.807	1.000	.876	.801
TRUST9	.737	.807	.787	.714	.788	.769	.798	.876	1.000	.847
TRUST10	.637	.707	.666	.662	.694	.680	.747	.801	.847	1.000

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.947
Bartlett's Test of Sphericity Approx. Chi-Square	2681.851
df	45
Sig.	.000

Communalities

	Initial	Extraction
TRUST1	1.000	.766
TRUST2	1.000	.882
TRUST3	1.000	.863
TRUST4	1.000	.777
TRUST5	1.000	.846
TRUST6	1.000	.798
TRUST7	1.000	.722
TRUST8	1.000	.850
TRUST9	1.000	.823
TRUST10	1.000	.686

Extraction Method: Principal Component Analysis.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	8.014	80.141	80.141	8.014	80.141	80.141
2	.629	6.286	86.427			
3	.297	2.968	89.395			
4	.251	2.509	91.904			
5	.222	2.217	94.121			
6	.161	1.609	95.730			
7	.145	1.448	97.178			
8	.120	1.205	98.383			
9	.094	.942	99.325			
10	.068	.675	100.000			

Extraction Method: Principal Component Analysis.

Component Matrix^a

	Component
	1
TRUST2	.939
TRUST3	.929
TRUST8	.922
TRUST5	.920
TRUST9	.907
TRUST6	.893
TRUST4	.882
TRUST1	.875
TRUST7	.850
TRUST10	.828

Extraction Method:
Principal Component
Analysis.

a. 1 components
extracted.

**Rotated
Component
Matrix^a**

--

a. Only one
component was
extracted. The
solution cannot
be rotated.



**Factor Analysis
Correlation Matrix**

	ITT_1	ITT_2	ITT_3	ITT_4	ITT_5
Correlation ITT_1	1.000	.813	.518	.675	.425
ITT_2	.813	1.000	.538	.772	.429
ITT_3	.518	.538	1.000	.571	.718
ITT_4	.675	.772	.571	1.000	.535
ITT_5	.425	.429	.718	.535	1.000

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.781
Bartlett's Test of Sphericity Approx. Chi-Square	652.005
df	10
Sig.	.000

Communalities

	Initial	Extraction
ITT_1	1.000	.707
ITT_2	1.000	.762
ITT_3	1.000	.643
ITT_4	1.000	.755
ITT_5	1.000	.542

Extraction Method: Principal Component Analysis.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.408	68.156	68.156	3.408	68.156	68.156
2	.843	16.870	85.025			
3	.325	6.492	91.517			
4	.265	5.303	96.821			
5	.159	3.179	100.000			

Extraction Method: Principal Component Analysis.

Component Matrix^a

	Component
	1
ITT_2	.873
ITT_4	.869
ITT_1	.841
ITT_3	.802
ITT_5	.736

Extraction Method:
Principal Component Analysis.

a. 1 components extracted.

Rotated Component Matrix^a

--

a. Only one component was extracted. The solution cannot be rotated.

REGRESSION

Regression Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	REGR factor score 1 for analysis 4, REGR factor score 1 for analysis 1, REGR factor score 1 for analysis 3, REGR factor score 1 for analysis 2 ^b		Enter

a. Dependent Variable: REGR factor score 1 for analysis 5

b. All requested variables entered.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.755 ^a	.569	.561	.66272657

a. Predictors: (Constant), REGR factor score 1 for analysis 4, REGR factor score 1 for analysis 1, REGR factor score 1 for analysis 3, REGR factor score 1 for analysis 2

b. Dependent Variable: REGR factor score 1 for analysis 5

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	116.159	4	29.040	66.118	.000 ^b
	Residual	87.841	200	.439		
	Total	204.000	204			

a. Dependent Variable: REGR factor score 1 for analysis 5

b. Predictors: (Constant), REGR factor score 1 for analysis 4, REGR factor score 1 for analysis 1, REGR factor score 1 for analysis 3, REGR factor score 1 for analysis 2

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-3.667E-16	.046		.000	1.000
	REGR factor score 1 for analysis 1	.428	.077	.428	5.564	.000
	REGR factor score 1 for analysis 2	.156	.076	.156	2.065	.040
	REGR factor score 1 for analysis 3	.159	.063	.159	2.533	.012
	REGR factor score 1 for analysis 4	.181	.055	.181	3.309	.001

a. Dependent Variable: REGR factor score 1 for analysis 5

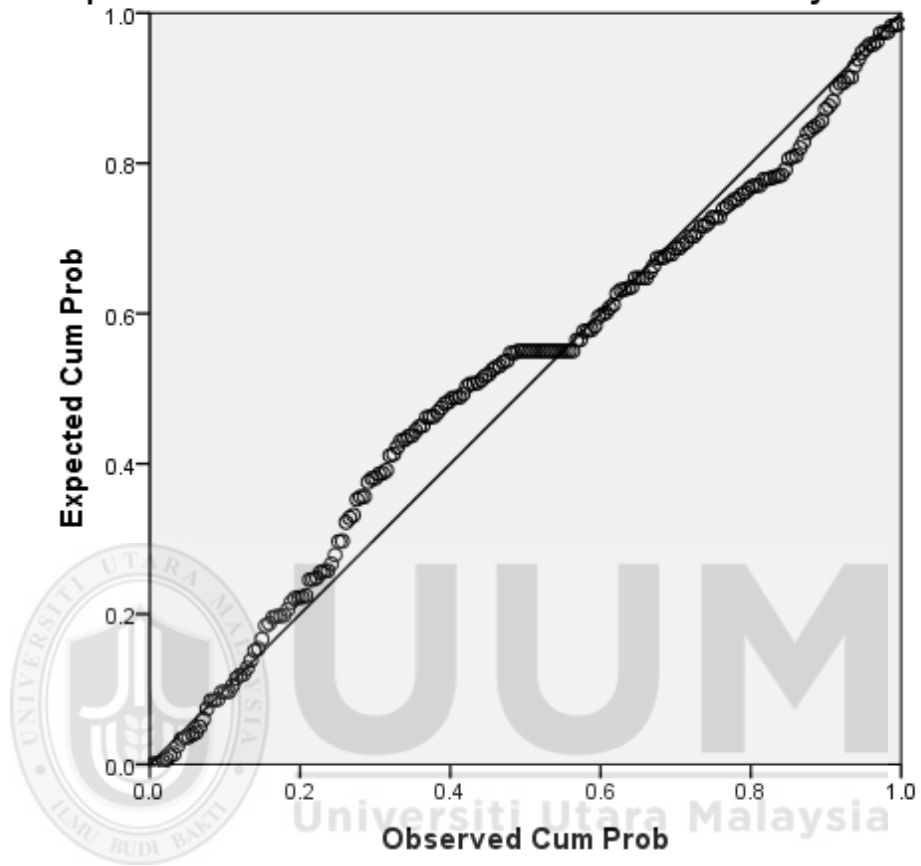
Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	-3.0437906	.8701642	.0000000	.75458955	205
Residual	-2.33507085	1.44220304	.00000000	.65619708	205
Std. Predicted Value	-4.034	1.153	.000	1.000	205
Std. Residual	-3.523	2.176	.000	.990	205

a. Dependent Variable: REGR factor score 1 for analysis 5

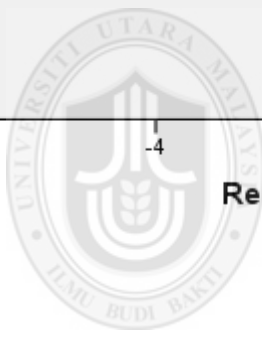
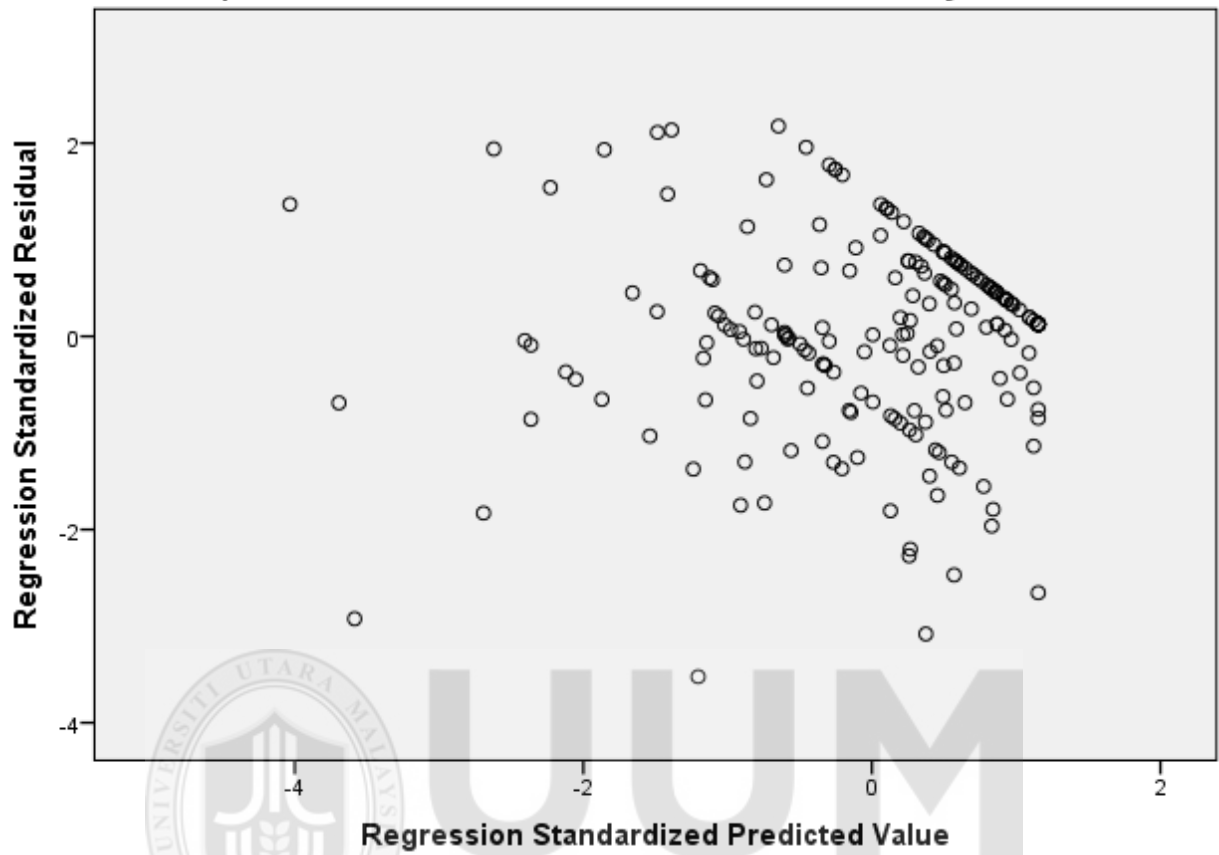
Charts

Normal P-P Plot of Regression Standardized Residual
Dependent Variable: REGR factor score 1 for analysis 5



Scatterplot

Dependent Variable: REGR factor score 1 for analysis 5



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Variables Entered/Removed^a

Mode	Variables Entered	Variables Removed	Method
1	MeanTRUST , MeanATT, MeanKNOW , MeanSN ^b		Enter

- a. Dependent Variable: MeanITT
 b. All requested variables entered.

Model Summary^b

Mode	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.744 ^a	.553	.544	.487

- a. Predictors: (Constant), MeanTRUST, MeanATT, MeanKNOW, MeanSN
 b. Dependent Variable: MeanITT

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	58.636	4	14.659	61.867	.000 ^b
	Residual	47.389	200	.237		
	Total	106.024	204			

- a. Dependent Variable: MeanITT
 b. Predictors: (Constant), MeanTRUST, MeanATT, MeanKNOW, MeanSN

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.223	.268		.832	.406
	MeanATT	.476	.090	.421	5.299	.000
	MeanSN	.149	.073	.156	2.028	.044
	MeanKNOW	.126	.059	.139	2.150	.033
	MeanTRUST	.187	.053	.196	3.524	.001

- a. Dependent Variable: MeanITT

Residuals Statistics^a

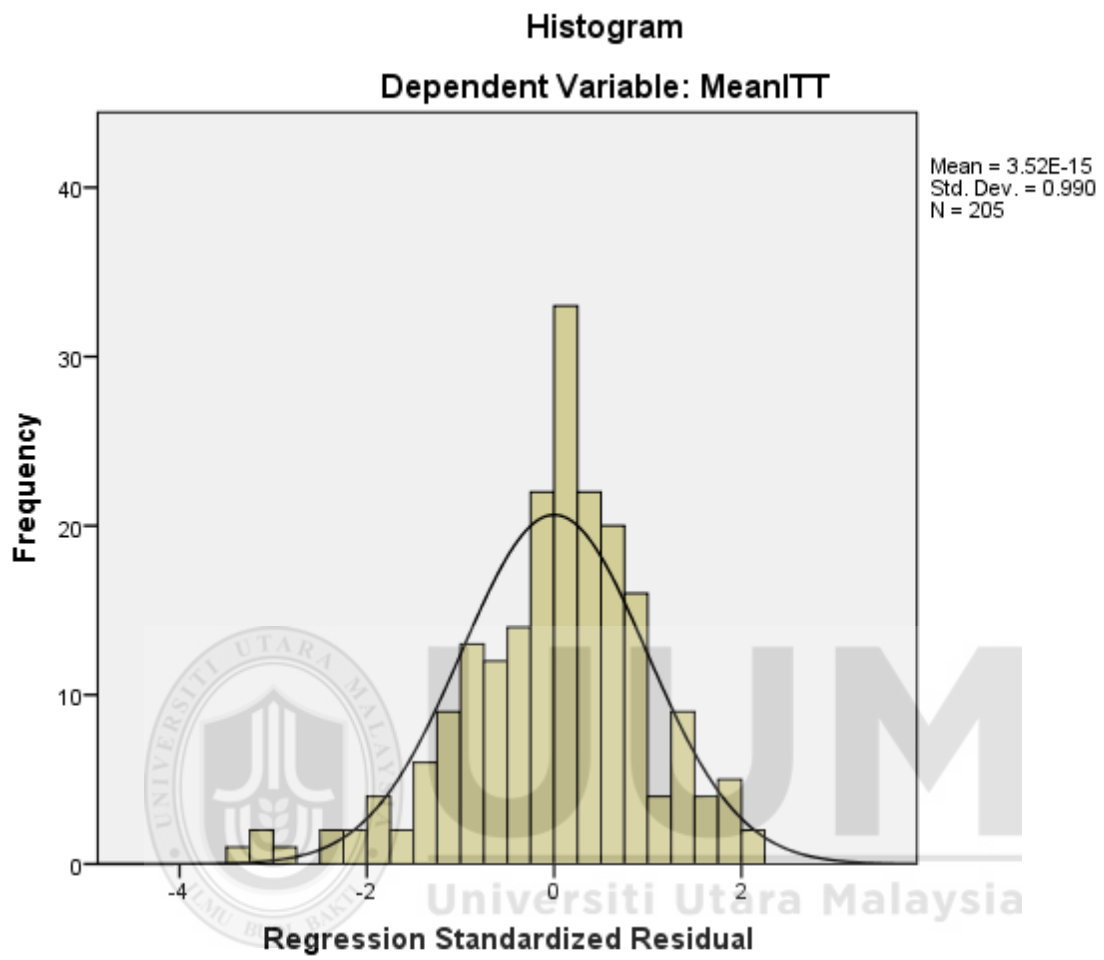
	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	2.15	4.92	4.29	.536	205
Residual	-1.583	1.073	.000	.482	205
Std. Predicted Value	-3.990	1.170	.000	1.000	205
Std. Residual	-3.251	2.205	.000	.990	205

a. Dependent Variable: MeanITT

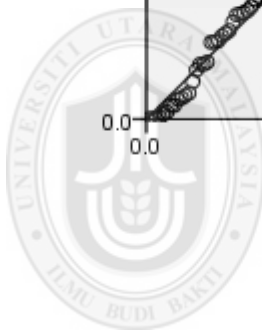
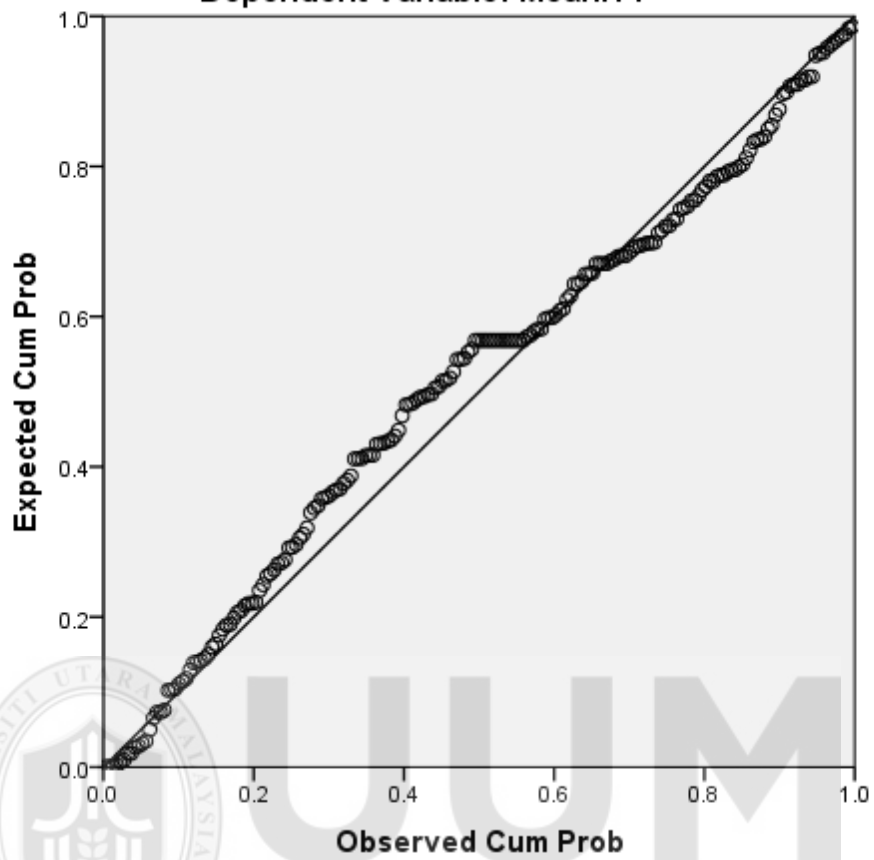


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Charts



Normal P-P Plot of Regression Standardized Residual
Dependent Variable: MeanITT



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Scatterplot

Dependent Variable: MeanITT

