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Editor-in-Chief

Professor Dr Hanudin Amin, SPDM, COFSA, CIB

PREFACE

The Labuan E-Journal of Muamalat and Society (LJMS), Volume 18, Issue 1, 2024, is pleased to publish the inaugural issue of 2024. The Labuan Faculty of International Finance founded LJMS, published by UMS Press. It provides a forum for Islamic finance researchers to present their findings and discoveries in Islamic banking and finance. This journal's coverage encompasses all aspects of Islamic banking and finance, including but not limited to Islamic economics, Islamic banking, Islamic marketing, and Islamic accounting, to name a few. LJMS strives to deliver peer-reviewed research papers on a wide range of Islamic banking and finance issues to readers all over the world.

In this issue, there are ten articles published. The first article by Rosman *et al.* (2024) describes the financial reporting practices of Islamic financial instruments for compliance with *Shariah* requirements. Ishak in his paper describes fund protection in equity crowdfunding based on *maqasid* values in Malaysia. They reported that three values linked with *maqasid al-Shariah* can strengthen crowdfunding activities – transparency, justice and oversight. In another paper, Kaweesa and Rosman (2024) examine financial literacy for Islamic banking and services using past studies for a systematic literature review. Their study identifies awareness, enhancement of the intention to use, directing financial decision making and financial behaviour modelling as the key roles of Islamic financial literacy towards the adoption of Islamic banking products and services.

The fourth article by Hassan and Towpek (2024) describes an interesting collection of ideas concerning *tasawuf* in addressing radicalism in religion. This article can improve one's mindset pertinent to the importance of moderation via *tasawuf*. The fifth article by Noor Hizam and Md Jusoh (2024) provides interesting research concerning youth's behaviour towards sustainability overpackaging of e-commerce purchases in Klang Valley. This study examined the behaviour using the theory of planned behaviour (TPB), a theory which can be applied to various settings due to its flexibility and dynamic variables. The sixth article by Muhammad *et al.* (2024) examines *hibah* practices among Muslim entrepreneurs in Kelantan Malaysia. The seventh article by Rosele *et al.* (2024) disseminates some knowledge pertinent to the status quo of zakat management in Malaysia in terms of its obstacles, future opportunities and some directions.

An article by Buyong (2024) provides an interesting integration between online donations and the theory of planned behaviour. The study found the theory is valid and relevant. The ninth article by Muhammad *et al.* (2024) explains an interesting assertion pertinent to duration analyses for relisting of the shares in the stock market in Malaysia. The last article by Abd Latib *et al.* highlights understanding and knowledge of Islamic estate planning strategies at Universiti Teknologi MARA, Shah Alam, Malaysia.

As the editor of this inaugural issue, I would like to thank all contributors and reviewers as well as personnel at the Editorial Office of UMS Press.

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EVALUATING THE FINANCIAL REPORTING PRACTICES OF ISLAMIC FINANCIAL INSTRUMENTS FOR COMPLIANCE WITH SHARIAH REQUIREMENTS

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ABSTRACT

The introduction of value-based intermediation in Malaysian financial industries creates demands for applied studies to provide empirical evidence on the impact of value-based intermediation in achieving *maqasid al-Shariah*. This is to reduce the gap between *Shariah* compliance and achieving *maqasid al-Shariah* by the industry. For instance, the *ijarah* financing contract in the financial statement is under the leasing contract term and is no different from the conventional banks offering vehicle loans. Similar to *murabahah* financing, there is no reporting of underlying assets bought by Islamic banks as inventory before the assets are sold to the customers. Hence, the objectives of this research are: (1) to examine the substance in reporting financial instruments adopted by Islamic banks; and (2) to adopt the *maqasid al-Shariah* principles in validating the substance of the financial instruments adopted by Islamic banks. This research analysis was based on focus group discussions with the experts, and thematic analyses were conducted to assess the financial reporting practices that validate the economic substance and legal form of Islamic financial instruments in Islamic banks whether achieve the *maqasid al-Shariah* or merely compliance with *Shariah*. The study suggested a need for accounting standards that focus on Islamic financial instruments to ensure faithful representation of the financial statements. Moreover, the substance and legal form will align to reflect the financial statement based on policy documents that have been developed and to show the uniqueness of Islamic financial instruments in financial reporting.

KEYWORDS: MAQASID AL-SHARIAH, AAOIFI, IFRS, ISLAMIC FINANCIAL INSTRUMENTS, VALUE-BASED INTERMEDIATION

ABSTRAK

Pengenalan pengantaraan berdasarkan nilai dalam industri kewangan Malaysia dengan mewujudkan tuntutan untuk kajian gunaan untuk menyediakan bukti empirikal tentang kesan VBI dalam mencapai *maqasid al-Shariah*. Ini bagi mengurangkan jurang antara pematuhan *Shariah* dan pencapaian *maqasid al-Shariah* oleh industri. Sebagai contoh, kontrak pembiayaan *ijarah* dalam penyata kewangan adalah di bawah tempoh kontrak pajakan dan tidak berbeza dengan bank

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konvensional yang menawarkan pinjaman kenderaan. Sama seperti pembiayaan *murabahah*, tiada laporan aset pendasaran yang dibeli oleh bank Islam sebagai inventori sebelum aset tersebut dijual kepada pelanggan. Justeru, objektif penyelidikan ini adalah: (1) untuk mengkaji kandungan pelaporan instrumen kewangan yang diterima pakai oleh bank Islam; dan (2) mengguna pakai prinsip *maqasid al-Shariah* dalam mengesahkan kandungan instrumen kewangan yang diterima pakai oleh bank Islam. Analisis penyelidikan ini adalah berdasarkan perbincangan kumpulan fokus dengan pakar, dan analisis tematik telah dijalankan untuk menilai amalan pelaporan kewangan yang mengesahkan bahan ekonomi dan bentuk undang-undang instrumen kewangan Islam di bank Islam sama ada mencapai *maqasid al-Shariah* atau sekadar pematuhan *Shariah*. Kajian itu mencadangkan keperluan untuk piawaian perakaunan yang memfokuskan kepada instrumen kewangan Islam untuk memastikan perwakilan yang benar bagi penyata kewangan. Selain itu, kandungan dan bentuk undang-undang akan diselaraskan untuk mencerminkan penyata kewangan berdasarkan dokumen dasar yang telah dibangunkan dan untuk menunjukkan keunikan instrumen kewangan Islam dalam pelaporan kewangan.

KATA KUNCI: MAQASID AL-SHARIAH, AAOIFI, IFRS, INSTRUMEN KEWANGAN ISLAM, PENGANTARAAN BERASASKAN NILAI

1. INTRODUCTION

The contemporary Islamic banking and finance practice has not been without its critics (El-Gamal, 2006; Nomani, 2006). Khan (2010) investigates to what extent actual Islamic banking practices live up to the ideal and to what extent Islamic banking is different from conventional banking. El-Hawary *et al.* (2007) provided the four defining characteristics of Islamic banking and finance as (1) risk-sharing; (2) materiality; (3) no exploitation; and (4) no financing of sinful activities. Then, based on these four characteristics, Khan (2010) evaluated how well contemporary Islamic banking and finance practices are based on the four characteristics. The findings can be summarized as follows:

1. Islamic banking and finance cannot be said to be risk-sharing in any meaningful sense. The argument further stresses that Islamic banking and finance mimic conventional, collateralized debt contracts very closely; and are often being benchmarked by market interest rates;
2. Contemporary Islamic banking and finance often have no meaningful underlying transaction. The argument is that the sale and lease-back of existing physical assets, common in many Sukuk transactions, is fictional materiality in that either no new asset is being financed or that there is no actual title transfer;
3. Islamic banking and finance have failed in this aspect where the arguments include the higher fees associated with Islamic mortgages and investment funds for doing nothing more substantial than mimicking conventional banking and finance products are exploitative; and
4. Islamic banking and finance institutions are sometimes guilty of not being *Shariah* compliant. The arguments on the commodity placements usually rely on the simple word of the borrowing bank or firm that the funds will not be used for 'sinful' activities and rarely are *Shariah* audits performed to validate these *Shariah* non-compliance issues.

Despite the arguments on Islamic banking and finance mimicking conventional banking, instead of the ongoing debates on the issues in practice, the proposed research will examine the different approaches that can support the development of the *maqasid al-Shariah* framework to explain the substance of Islamic financial instruments adopted by Islamic banks in their operations. The identification of the substance and forms of Islamic financial transactions is important to justify whether the operation of Islamic banks fulfils the *maqasid al-Shariah* or merely complies with the legal form of the contracts. There are few studies (AOSSG, 2018; Ansari & Tabraze, 2018; MIA, 2020; MASB, n.d; BNM, 2022) from the accounting and reporting perspective of Islamic financial transactions. MIA (2020) explains the fundamentals of accounting of Islamic finance by illustrating and explaining the financial statements of Islamic banks and *takaful* operators on the reporting of

their assets, liabilities, equities, income and expenses. Meanwhile, AOSSG (2018) illustrate the financial reporting issues relating to Islamic banking and finance on the applicability of IFRS 15 – Revenue from contracts with customers and IFRS 9 – Financial Instruments on the reporting of Islamic financial transactions, especially for Islamic sale-based contracts. This investigation is very critical to examine the findings from Khan (2010) on whether Islamic banks are mimicking conventional banking or not. Other accounting standards that can be examined include IFRS 16 – Leases.

The approaches taken by IFRS for reporting financial transactions are principally based that required judgements. In terms of the conceptual framework of the reporting for Islamic banks, both AAOIFI (2018) and BNM (2022) have explained the accounting concepts among others such as the application of time value of money, and substance over form (Ansari & Tabraze, 2018). These fundamental concepts are important as the basis to support whether Islamic financial transactions are compliant and also meet the *maqasid al-Shariah*. The earlier studies and policy documents have explained the issues on the operation of Islamic banking and finance that can be argued to mimic conventional banking. However, the justification may not be convincing. Hence, this research is among the few that adopt an accounting perspective by explaining through the application of accounting concepts and standards to determine the substance of each main Islamic financial transaction, especially the asset-based transactions such as *tawarruq*, *murabahah* and *ijarah*. From the findings, the *maqasid al-Shariah* framework in validating the substance of Islamic financial instruments can be proposed. Hence, the validation technique may support whether or not the current Islamic banking operations achieve the *maqasid al-Shariah*.

According to Kamali (2020), Malaysia has been seen to focus on important *maqasid*-related initiatives in recent years in the areas, particularly in Islamic banking and finance and government policy formulation. For example, in February 2015, the government introduced the Malaysia *Shariah* index, and in July 2017, Bank Negara Malaysia introduced “Value-Based Intermediation” (VBI). However, the realization of the value-based intermediation concept especially for Islamic banks is still questionable when many reporting made by Islamic banks on their VBI activities focus on their corporate social responsibilities and the utilization of *zakat* funds. However, the expectation of VBI is more than that, especially in the realization of *maqasid al-Shariah*.

Hence, this research will examine the application of Islamic financial instruments by Islamic banks based on the *Shariah* contracts. The analysis includes explaining the financial reporting in the financial statements of Islamic banks. The accounting approach of reporting a particular transaction based on its economic substance rather than its legal form will support development of the *maqasid al-Shariah* framework that validates the substance and forms of financial reporting. Hence, it can be concluded whether the objectives of *Shariah* are met or not in the operation of Islamic banks as VBIs. The framework will support the policymakers and standards setters in validating the application of Islamic financial instruments. This is critical as the ongoing issues of Islamic banks mimicking conventional banks may increase both *Shariah* non-compliance risks and reputational risks of Islamic banks. Hence, immediate prevention measures and action by the policymakers and standards setters deem necessary.

2. LITERATURE REVIEW

Islamic Financial Institutions as Value-Based Intermediaries

Bank Negara Malaysia (BNM) has authoritatively announced VBI as a new initiative for Islamic banking institutions (IBIs) to be more revitalized. The intent of this initiative by the BNM is not only for economic growth but also to allow them to have more involvement in social needs as part of *maqasid al-Shariah* which is beyond *Shariah* compliance in the business activities of IBIs. Accordingly, the concept of VBI is defined by BNM as “an intermediation function that aims to deliver the intended outcomes of *Shariah* through practices, conduct, and offerings that generate positive and sustainable impact to the economy, community and environment, consistent with the

shareholders' sustainable returns and long-term interests" (BNM, 2018a). VBI shares similarities with several established concepts such as Ethical Finance and Sustainable, Responsible, Impact Investing (SRI), Sustainable Development Goal (SDG), and Environmental, Social and Governance (ESG), especially on the objectives that are to promote proactive participation in societal well-being. It is not completely a new concept.

However, according to BNM, the aspect that makes VBI different from the other concepts is because of its *raison d'être* (reason of existence). VBI depend on *Shariah* in determining its underlying priorities, values, and moral compass. The idea of VBI is devised by the industry to revitalize the declining growth rates in IBIs, from inception to the following years recently. In line with the establishment of VBI, the BNM has also developed an assessment tool to measure the adoption of VBI in IBIs. This assessment was publicly disclosed to allow the stakeholders to compare the performance of IBIs (BNM, 2018a). Accordingly, the IBIs also need to ensure their intent, strategy and performance are based on the underpinning thrusts of VBI as a basis for collective action as in Figure 1:

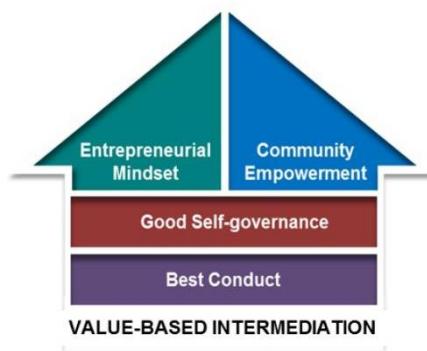


FIGURE 1: THE UNDERPINNING THRUSTS OF VBI

Source: Bank Negara Malaysia (2018a)

Four (4) underpinning principles must be manifested by IBIs:

1. Entrepreneurial mindset – Through IBI's holistic offers, which comprise funding and proactive assistance, i.e., advisory services, market infrastructure, and business networks, the goal of this principle is to encourage involvement in the promotion of entrepreneurial activities;
2. Community empowerment – Its goal is to empower communities by providing financial solutions that have a positive influence on them;
3. Good self-governance – this thrust instils organizational discipline (self-control) and guarantees meaningful engagement of all stakeholders in the governance framework; and
4. Best conduct – refers to the adoption of methods that help IBIs enhance their offers, procedures, and treatment of their stakeholders (such as customers and employees).

VBI is considered to be an attempt to promote a more holistic perspective of *Shariah* that goes beyond *Shariah* compliance in IBIs' commercial operations. One of the elements in *Maqasid al-Shariah* is the preservation of wealth, which forms the core of the financial transactions of IBIs. However, the approach of VBI on wealth preservation extends beyond its literal meaning by encouraging people to generate, accumulate, and distribute wealth in a just and equitable manner (BNM, 2018a). In other words, through VBI's ideas, IBIs have become a great place to contribute to social needs. It also fosters the creation of ethical values for IBIs within the framework of *Maqasid al-Shariah*. VBI tries to achieve the following aims in the context of general objectives, all of which are aimed at the public good as in Figure 2:

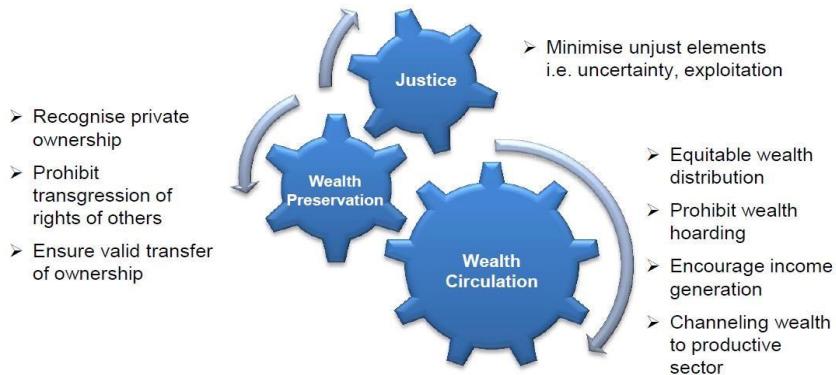


FIGURE 2: INTENDED OUTCOMES OF SHARIAH

Source: Bank Negara Malaysia (2018a)

A brief explanation of the intended outcomes of *Shariah* is as follows:

1. The pursuit of justice: In IBIs, there are two aspects to achieving justice i.e. macro and micro dimensions. The implementation of a just economic system can be achieved at the macro level through wealth distribution and circulation, resource efficiency, and societal progress (Laldin & Furqani, 2013). In this case, justice is reflected in the framework of VBI through underpinning thrusts such as "Best Conduct" and "Community Empowerment." The aim of "Best Conduct" in the micro-dimension emphasizes that stakeholder rights must be preserved through transparent and fair disclosure of all transactions and decisions made by IBIs;
2. Preservation of wealth through wealth circulation: There are at least two ways to circulate wealth i.e. doing business and facilitating a financial transaction (Lahsasna, 2013). It is envisaged that through implementing VBI, IBIs will be able to achieve their goal of wealth preservation through wealth circulation by engaging in *Shariah*-compliant entrepreneurship or company. Furthermore, providing comprehensive offers such as financial and proactive support, and enabling entrepreneurial activity as emphasized in VBI is one of the strategies for wealth circulation in IBIs; and
3. Preservation of wealth through wealth distribution: VBI's 'Community Empowerment' thrust emphasis on how the goal of wealth distribution can be achieved by development, finance, and providing solutions to difficulties that communities face, such as the integration of *waqf* and *sadaqah* into Islamic financial transactions. There are a few indicators that may be used to assess how well this drive is being implemented in IBIs. These indicators include the number of community-based services, goods, and projects, as well as the number of persons who benefited from the activities, as well as the social impact (BNM, 2018a).

Finally, VBI serves as a conduit for delivering *Shariah*'s desired objectives. These objectives will be achieved through a variety of tactics and practices. Firm and consistent regulation is essential in this regard. Beyond good practices, BNM must set higher requirements for sustainable finance in the country.

Maqasid al-Shariah Framework

Maqasid al-Shariah is developed to provide a framework for Islamic scholars and institutions including Islamic banks to address the *maslahah* of the Muslim community and human life. Fisol *et al.* (2017) and Saad and Fisol (2019) commented that *maslahah*, according to Muslim scholars (*Fuqaha'*) including al-Ghazali referred to an effort to seek benefits or repelling of harm. The preservation of the objectives of the *Shariah* including the protection of religion, life, progeny, intellect and wealth constitutes the fundamental meaning of *maslahah*. Sharing the same understanding of *maqasid* and public interest from the point of view of Al Ghazali. Dusuki and

Bouheraoua, (2011) highlighted that al-Shāṭibī defines *maṣlahah* as addressing the subsistence of human life, the completion of man's livelihood and the acquisition of what his emotional and intellectual qualities required of him. Scholars of *Maqasid* for Islamic banking (Chapra, 2008; Bedoui, 2012) highlighted the main *maqasid* frameworks that can be considered for their applicability to Islamic banks developed by Al-Ghazali and Al-Najjar. With Al-Ghazali providing classical text for *maqasid al-Shariah*, Al-Najjar's framework considers the dynamics of Muslim contemporaries with the changing socio-economic spheres of Muslim communities (Ridwan & Santi, 2019; Ahmad, 2014). Al-Ghazali considers the Protection of Faith (*Deen*); Human self (*Nafs*); Intellect (*Aql*); Posterity (*Nasl*); and Wealth (*Mal*) at individual levels as integral elements of *maqasid*. Bedoui (2012) commented that Al-Najjar considers macro elements in his categorization of *maqasid al-Shariah* including safeguarding human rights, society, wealth and environmental ecology.

Drawing from the Islamic moral economy, Asutay (2008) advocated that the Islamic bank and finance industry should operate within the *maqasid al-Shariah* framework to achieve human well-being and social justice in financial and economic activities. Submitting to both *maqasid al-Shariah* and *Shariah* laws, Islamic banks demonstrate their moral and religious characteristics by avoiding involvement in *riba*, *gharar* and *maysir* (Tarique *et al.*, 2021). Islamic banking provides an alternative to the conventional financial system and for Muslims to protect themselves from *riba* and *Shariah*-compliant financial transactions as a means of maintaining Islamic practices to be observed by Muslims. As economic and financial transactions take a big part of man's activities, the *maqasid* space is relevant to be considered in the development and sophistication of Islamic banks as Islamic institutions. Many studies in the literature consider this relevance. For instance, adopting the *maqasid* concept of Abu Zahrah, Hosen *et al.* (2019) highlight three dimensions of public interest (i.e. *maslahah*) applicable to Islamic banks' performance including profitability of the banks, redistribution of income and wealth, and investment in the real sector. Lateef *et al.* (2017) discussed the application of *maqasid* with its principles in Islamic banking products are to be clearly outlined and incorporated in the product contracts with the customers.

Interestingly, Bedoui (2012) further enhanced the *maqasid* model for Islamic banking by providing different weights for different dimensions of *maqasid* for Islamic banks to focus on in developing and defining the banks' performance measurement system. He does recognize that Islamic banks are more relevant for specific contributions to the development of wealth, and equitable distribution of income in the economy. Specifically, the protection of wealth as part of *maqasid* should be given due consideration by Islamic banks in their governance and operations. Dusuki and Abozaid, (2007) highlighted that to realize the *maqasid al-Shariah*, Islamic banking and finance institutions must ensure that all of their transactions are *Shariah* compliant not only in their form and legal technicalities but more importantly, the economic substance which is premised on the objectives outlined by the *Shariah*. With the importance of financial and economic transactions, Mohd Naim (2016) explains the relevance of *maqasid al-Shariah* to Islamic economics and finance from the perspective of *al-Daruriyyah*, *al-Hajiyah* and *al-Tahsiniyyah* as categories of *maqasid al-Shariah*. With *al-Daruriyyah* in upholding religious and worldly affairs, Islamic injunctions ensure fair distribution of economic resources, prohibition of *riba* and gambling, as well as the protection of properties as making its unlawful possessions a crime. With *al-Hajiyat* demonstrating the *Muamalat* transactions through contract details, flexibility in trade is needed to complete the transactions to satisfy all parties in the contracts. *Maqasid* is also in support of *al-Tahsiniyyat* which recognises practising *mahasin al-'adat* (i.e. good customs) and keeping away from *al-Ahwal al-Mudannisat* (i.e. vile things). In line with this, in undertaking financial transactions, it is not advisable to pressure others and to charge excess profits at the disadvantage of others even if they are permissible by Islam.

Studies on the impact of *Maqasid* on Islamic banking operations tend to focus on Islamic banks achieving social dynamics of *Shariah* (Asutay & Harningtyas, 2015); however, fewer studies focus on other dimensions of *Maqasid* including income distribution and protection of wealth of the

Muslims. As highlighted by Lateef *et al.* (2017) the primary objective of *maqasid al-Shariah* is to establish justice and away from injustice in society; an Islamic economic system should be devoid of all forms of injustice or exploitation including protection of wealth in undertaking economic activities. This means the contracting parties should preserve justice and avoid injustice in business transactions including the exploitation and abuse in the acquisition of properties of others. Al-Najjar made five indicators to safeguard property which are: (1) by seeking and developing, (2) by safeguarding damage, (3) by safeguarding property by maintaining ownership rights, (4) by safeguarding property by safeguarding value, and (5) safeguarding property by distributing or investment (Ridwan & Santi, 2019). Closely related to the discussion of the study, Ismail, (2010) promoted that *Maqasid al-Shariah*'s protection of wealth is to ensure the community's wealth preservation and growth. With the emphasis on achieving *maqasid*, Islamic banks in both products and operations should be designed to contribute to greater wealth creation in line with the *Shariah* and to ensure its equitable distribution in the community. The concentration of wealth in the hands of a few individuals is not consistent with the spirit of *maqasid*.

Reporting of Islamic Financial Transactions

The reporting standard in Malaysia is based on the MRFS framework that complies with IFRS which enhances the quality, credibility, and transparency of the financial information in the companies and financial institutions in Malaysia. The financial reporting is based on policy documents by Bank Negara Malaysia for the financial institutions and companies to prepare and publish the financial statements that disclose information to the users on the financial performance and position. From a Malaysian perspective, Figure 3 shows the composition of financing by concepts or *Shariah* contracts amounting to RM488 billion as of January 2018 (MASB, nd). The composition of financing by concepts or *Shariah* contracts in this study is summarised in Figure 3:

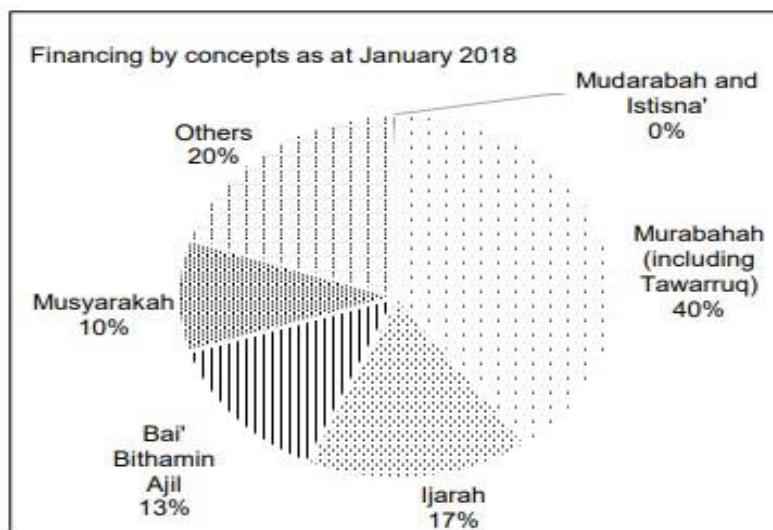


FIGURE 3: COMPOSITION OF FINANCING BY CONCEPTS OR SHARIAH CONTRACTS

Source: MASB (nd)

This shows that both *murabahah* (i.e. including *tawarruq*) and *iijarah* are the two most used contracts adopted by Islamic banks for their financing. Hence, it is important to examine the substance of both *murabahah* and *iijarah* financing adopted by Islamic banks and whether or not the instruments applied by Islamic banks achieve the *maqasid al-Shariah* or merely compliance with *Shariah*.

With the issues on the reporting of Islamic financial transactions, Asian Oceanian Standard-Setters Group (AOSSG, 2018) on the reporting of Islamic financial transactions under IFRS, highlighted the update on Financial Reporting Issues relating to Islamic finance. The working group on

AOSSG in 2010, had undertaken research to identify issues in applying IFRS to Islamic financial transactions and identified 15 issues including topics on recognition of financing effect, profit sharing contracts, *sukuk*, *takaful* and *ijarah* (AOSSG, 2018). For this research, the following are some summaries of the findings of the working group in Table 1 specifically on the recognition of the financing effect on the common contracts (i.e. asset-based financing and *ijarah*) that have been applied and being classified and recognised in the asset side of the Islamic financial institution's statement of financial positions in the perspective of accounting. Below is the summary of the findings on the selected issues from the working group committee of AOSSG in this study is summarised in Table 1:

TABLE 1: SUMMARY OF THE FINDINGS ON THE SELECTED ISSUES FROM THE WORKING GROUP COMMITTEE OF AOSSG, 2018

No.	Issues	Explanation
1.0	Recognising a financing effect	<p>When a contract is within the scope of IFRS 15, and that contract contains a significant financing component, IFRS 15 requires an entity to adjust its transaction price for the effects of the time value of money and account for a receivable arising from the contract under IFRS 9.</p> <p>Consequently, if the seller's sale contract meets the definition and scope of a contract with a customer under IFRS 15, the seller will recognise two types of revenue. One is the revenue for transferring promised goods to the customer, and the other is for deferring the consideration. The seller would recognise a financial asset under IFRS 9 if such a contract is not a contract within IFRS 15.</p> <p>The applicability of IFRS 15 to an Islamic sale-based contract that is used to facilitate a financing transaction with a customer involves judgment. Among others, things that have been discussed is whether such a financing contract is "a contract with a customer" within the scope of IFRS 15.</p>
2.0	<i>Ijarah</i>	<p>It is noted that the accounting for <i>ijarah</i>-based contracts remains controversial between "Islamic accounting standards" and IFRS. This stems from the <i>Shariah</i> requirement that a "lessor" must own the <i>ijarah</i> asset throughout the <i>ijarah</i> period regardless of the circumstances accompanying the <i>ijarah</i> arrangement. It must be noted that "ownership" under <i>Shariah</i> does not necessarily result in an asset being recognised for accounting purposes. For example, a lessor in an <i>ijarah</i> contract who has the legal title of the asset would need to derecognise the asset if it is a finance lease under IFRS 16 Leases. In addition, paragraph B45 of IFRS 16 Leases states "...Obtaining legal title does not in itself determine how to account for the transaction."</p> <p>Despite the differences, additional disclosures may help to reduce the gap. For example, when an <i>ijarah</i> is reported as a finance lease under IFRS 16, from a lessor's perspective, the standard requires the lessor to derecognise the <i>ijarah</i> asset. This has led to the contentious point that such a treatment is not acceptable from <i>Shariah</i> precepts. In this case, additional disclosure could be included, for example in accounting policies or notes to the financial statements to cater to <i>Shariah</i>-conscious users about the "ownership" of the <i>ijarah</i> asset.</p>

Additional disclosure is in line with paragraph 17 of IAS 1 Presentation of Financial Statements which states that a fair presentation also requires an entity "...to provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and performance."

The issues in recognizing the financing effects are due to the asset-based contract especially the Murabaha contract is in the category of the sale contract. In this case, a trust sells contracts. Besides, this issue also has been addressed in the Review of Bank Negara Malaysia (BNM) *Shariah Policy Documents from a Financial Reporting Perspective* issued by MASB. Accordingly, in general, financial reporting considerations can be summarised as follows (MASB, nd):

- a. Identification of the applicable MFRS. Amongst others, include the following considerations:
 - i. Faithful representation of economic substance versus legal form; and
 - ii. Elements of control and nature of returns associated with the contracts.
- b. Measurement of the contracts. The review noted that an Islamic financial institution must assess the components of cash flows to determine the appropriate classification and measurement of the contracts.

Concerning this research, two types of asset-based financing are explained which are: (1) *Murabahah* financing; and (2) *Ijarah* financing, to examine the financial transactions concerning the substance over form concept. Based on MASB, (n.d), *murabahah*'s structure concerning the *murabahah* policy document can be explained in Figure 4. The structure clearly explains the *murabahah* financing adopted by Islamic banks. In particular, it shows both the flows of money and assets, hence, evidencing that the financing is not merely the provision of a loan (i.e. conventional bank), but the involvement of sale contracts. This can be seen as follows:

1. Transfer of ownership of the assets to the Islamic bank from the vendor;
2. Payment of purchase price on the spot by the Islamic bank to the vendor;
3. Transfer of ownership of the asset from the Islamic bank to the customer; and
4. Payment of deferred basis at a "cost plus markup" by the customer to the Islamic bank.

In terms of structure, it is clear that Islamic banks should buy the asset first before the asset is transferred (i.e. sell) to the customer. In particular, to the application of the *murabahah* contract by Islamic banks, for sale-based contracts, the Islamic bank needs to consider whether the contracts fall within the scope of MFRS 15. MFRS 15 applies to "a contract with a customer" whereby a customer is defined as a party that has contracted with an entity to obtain goods or services that are an output of the entity's ordinary activities. However, since an Islamic bank is an Islamic financial intermediary that provides financing for their ordinary activities, currently, the contracts have been recorded as financial assets within the scope of MFRS 9 i.e., financial instruments. The illustration of the *murabahah* structure in this study is summarised in Figure 4:

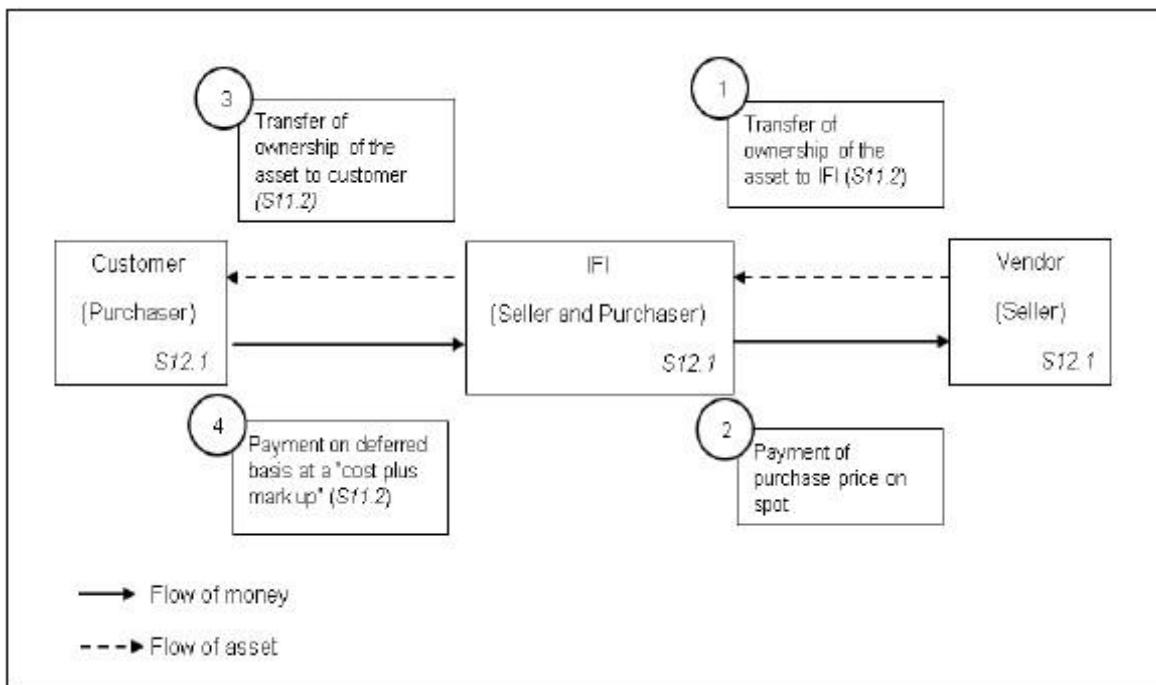
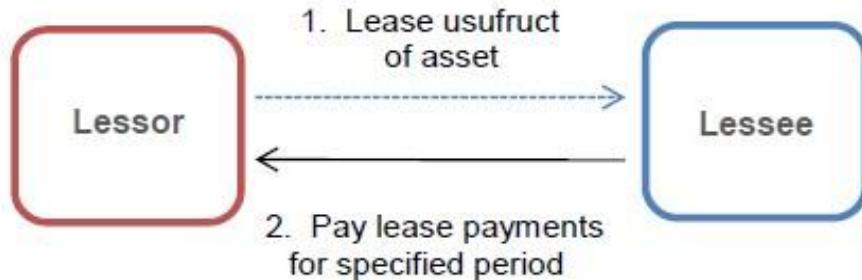


FIGURE 4: ILLUSTRATION OF MURABAHAH STRUCTURE
Source: MASB (n.d)

Concerning *ijarah*, The BNM *Ijarah* policy document distinguishes between primary *ijarah* and *ijarah* financing as indicated in Figures 5a and 5b. General application of primary *ijarah* is limited, and *ijarah* financing is broadly used for hire purchase financing. By examining the structure of *ijarah* financing, where this type of financing is accounted for following MFRS 16 if the *ijarah* meets the definition of a lease and the Islamic bank is exposed to not only credit risk but also residual asset risk. This may be true for the reporting of *ijarah* as in Figure 5a. However, it is found that the reporting of *ijarah* financing namely *al-Ijarah thumma al-bai* (AITAB) widely used for vehicle financing reported as financing (i.e. assets side of the balance sheet). Similarly, the Islamic bank as a financial intermediary is merely a financier, the contract is likely to be accounted for under MFRS 9 financial instruments. The illustration of the *ijarah* structure in this study is summarised in Figure 5a and Figure 5b below:

Ijarah:



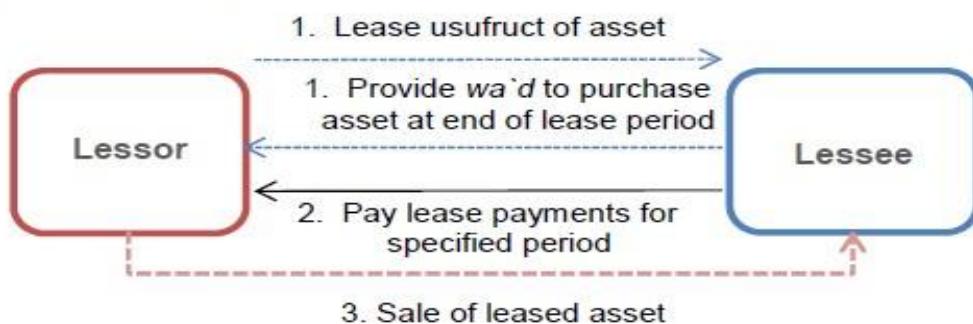
Note:

Asset ownership may remain with lessor after the end of lease period.

FIGURE 5A: ILLUSTRATION OF IJARAH STRUCTURE

Source: Bank Negara Malaysia (2018b)

Ijarah financing:



Note:

Asset ownership is transferred to the lessee at the end of the *ijarah* financing period.

FIGURE 5B: ILLUSTRATION OF IJARAH FINANCING STRUCTURE

Source: Bank Negara Malaysia (2018b)

3. METHODOLOGY

The research adopts qualitative methods and techniques. The quantitative analysis summary findings on the issues of economic substance and legal form of the Islamic financial instruments are presented to the expert in accounting and Islamic banking in a focus group discussion as in Figure 6 which briefly explains the conceptual framework concerning the research. Four experts participate in the focus group discussion who are exposed to accounting and Islamic banking. The conceptual framework in this study is summarised in Figure 6:

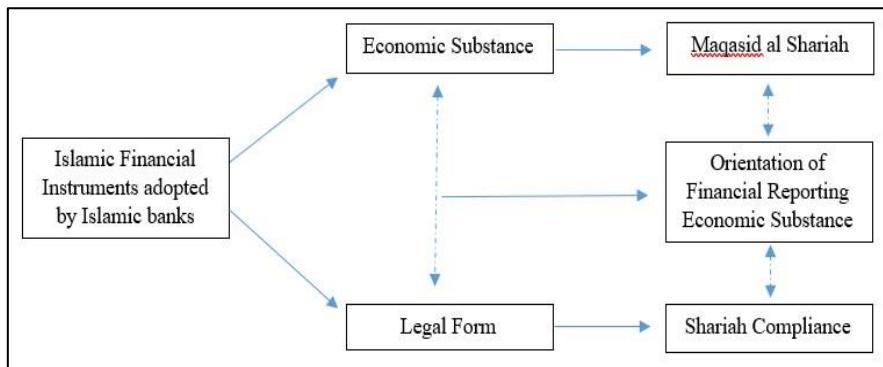


FIGURE 6: CONCEPTUAL FRAMEWORK

The focus group discussion was held for about two hours via the online platform and the questions were given before the discussion. During the focus group discussion, the reporting issues will be elicited from the views of the expert based on Islamic banks mimicking conventional banks, and whether the current practices achieve the *maqasid al-Shariah* will be debated and documented. The main questions for focus group discussion include the following:

1. Are Islamic banking activities expected to differ from the conventional bank in terms of their objectives and utilization (real economic benefits) of the assets as represented by the contractual relationships?
2. Should the financial products and instruments of Islamic banks comply with similar conventional bank regulatory and prudential requirements to safeguard and meet the needs of the Islamic finance community (such as financial reporting standards and requirements)?
3. Should the financial representation (reality) of Islamic bank activities be presented as similar or comparable to the conventional bank?
4. With only specific provisions on *Shariah* Compliance in IFSB (2013) do we expect the Islamic finance activities to be part (subset) of the single financial system?
5. To what extent do *Shariah* control functions in the BNM *Shariah* Governance Policy (2019) document distinguish the object and utilization of Islamic financial instruments to be consistent with *maqasid al-Shariah*?

The principles can then be applied to analyzing the reporting practices of Islamic bank's financing and investment activities as in the conceptual framework. The principles can be a basis to assess whether or not Islamic banking operations are consistent with *maqasid al-Shariah* and to explain to what extent its operations and reporting mimic conventional banking practices. The next section explains the main findings from the data analysis of the focus group discussion. The qualitative analysis addresses the issues found and groups them into several themes accordingly which identify the relevant *maqasid al-Shariah* principles for validating the substance of Islamic financial instruments. The principles can then be applied to analyzing the reporting practices of Islamic bank's financing and investment activities as in the conceptual framework. The principles can be a basis to assess whether or not the Islamic banking operations are consistent with *maqasid al-Shariah* and to explain to what extent its operations and reporting imitated conventional banking practices.

4. FINDINGS AND DISCUSSION

This section summarises the findings based on the questions that were asked and discussed during the focus group discussion. The findings have been categorised into the three (3) important themes as follows:

- i. Definition of object and utilization of asset in Islamic banking activities;
- ii. Interrelation among financial instruments and products of Islamic bank activities that comply with financial reporting requirements and financial representation; and
- iii. Issue and concern in the implementation of *Shariah* compliance on Islamic finance activities.

Theme 1: Definition of object and utilization of asset in Islamic banking activities

In general, the idea was to ascertain the expert view on the object and utilization of assets in Islamic banking activities. Indeed, all respondents posited that Islamic banking activities differ from conventional banks in terms of the object and utilization (real economic benefits) of the asset by the contractual relationships. One of the respondents remarked the following:

"...about how important the contractual nature of Islamic banking products is. Because the contractual nature will make it different from conventional. To me, the contracts are very important. When looking into the issue of accounting, we need to take consideration of the nature of the legal contracts, as it will make a bigger difference between Islamic products and conventional products." (Respondent 4)

It is important to note that there are a few Islamic financial instruments in particular the *murabahah* financing and *ijarah* financing that by their legal form should be the transaction of trading of assets and leasing of assets respectively. These are the arguments on economic substance versus legal form. One of the respondents pointed out that:

"...object is referring to the financing that recorded as a financial instrument using MFRS 9 however it is not tally with policy document which in Islamic banking required trade and ownership on the asset before sell or rent using MFRS 15 on the revenue recognition." (Respondent 1)

However, the fact that the contractual relationship has shown the similarity between Islamic banking and conventional banking even though there is a development in a product characteristic to adapt to the object and utilization. One of the respondents remarked as follows:

"In the contractual itself, it is quite blurred to me with the recent development. Some of the arguments coming, they would like to have the Murabahah Hakiki again, but now the Islamic bank come out with a new contract which is similar to "Murabahah Hakiki" but the product itself is specific and designed to tell the customer that it is real and own by the bank. The bank buys a piece of land and sells it to customers..." (Respondent 3)

In summary, all respondents have attempted to shed light on the various concepts of object and utilization of Islamic banking activities. Islamic banking is supposed to differ from conventional banking to remain competitive in the market; however, contractual relationship needs to be aligned with policy documents and reporting requirements in the financial instruments.

Theme 2: Interrelation among financial instruments and products of Islamic bank activities that comply with financial reporting requirements and financial representation

In general, most respondents agree that Islamic banks should not have complied with conventional bank reporting. The adoption of the MFRS and IFRS was significant to the capital market and is applicable for companies to prepare financial statements. However, there are characteristics of IFRS that are not transparent under *Shariah* reporting. Besides, the Islamic banks should look towards the real economic benefits by actively addressing the social issue besides profit orientation. One of the respondents pointed out that:

"Regulators need to have additional guideline issue even though not a full solution, at least provide the customer to understand the uniqueness of Islamic banking and Shariah contract requirement." (Respondent 1)

Moreover, one of the respondents suggested that to comply with conventional banks' standards, as long as it reflects the economic reality of the transactions. The contracts need to be clear and legal in terms of *Shariah* requirements. One of the respondents remarked as follows:

"Not reject but its more beneficial, look into more flexibility in adoption of financial standard where need additional guideline and additional rules and regulation which more accurate on the activity in Islamic banking because of uniqueness compared to conventional banking." (Respondent 3)

The most important is the substance, the content that can show the difference between Islamic and conventional banks which apply the *Shariah* principle in the financial statement. The items under the financial statement are different as compared to conventional banks such as financing, finance income and so on. Islamic banks in Bahrain, for instance, that adopted the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) have more items to show the uniqueness of Islamic banking transactions in the financial statement and the presentation items in the financial statement should reflect the contract. Therefore, the *Shariah* contract use needs to be reflected and useful information to the users. Auditors and users can compare Islamic banks and conventional banks that comply with a financial standard because of their legal requirements. One of the respondents pointed out that:

"...Good to have a presentation on what Bahrain and AAOIFI have done in the financial statement.... The presentation is the key part of the financial statement that should be reflected in that financial statement. Of course, the note just be the detail to be referred to later. So, I would say that it shouldn't be an issue that will reflect the liability, asset and equity, only the auditors will not want to be reflected there, as my experience dealing with external auditors when coming on the presentation, where they want to follow exactly like a commercial bank..." (Respondent 1)

In summary, the financial products and instruments of Islamic banks can comply with conventional banks' regulations and requirements if there are flexibility and additional guidelines that are more suitable for Islamic banking activities that can solve the issues in Islamic banks such as *Zakat*, *Waqf* dan other Islamic banking products. Moreover, convergence can be applied besides the standardisation concept to comply with and meet the requirements for Islamic banks as well as conventional banks.

Theme 3: Issue and concern in the implementation of *Shariah* compliance in Islamic finance activities

In general, most of the respondents agree with the specific provision on *Shariah* compliance in IFSA 2013 because there is an act on Islamic banks and *Takaful* on the dual legislation in Islamic finance. According to one of the respondents, there is a difference in implementing *Shariah* compliance in a financial system based on the *Shariah* law and constitutions of the country. However, Islamic banking needs to be clear and independent based on *Shariah* principles to implement in the accounting standard. One of the respondents remarked that:

*"Acheh has managed with qanun number 11-2013. Before the end of 2022, have optic of nearly 90 per cent of Islamic financial institutions from Acheh. It triggered the movement in other places as well, but again, they are very weak in terms of undang-undang (law) unlike Acheh the autonomy to regulate based on *Shariah*. So, if you would like to look at how Malaysian would be, look at Acheh, and to me is amazing. Bring peace and a clear understanding of the people of how Islamic banking looks like. Because everything is Islamic." (Respondent 2)*

Moreover, the *Shariah* committees need to have evidence when conducting the task in Islamic finance activities based on policy documents by Bank Negara Malaysia which can be referred to as a guideline and ensure it is placed properly. Besides, one of the respondents recommended suggesting a unique and different reference from the existing references. *Shariah* committees need to ensure the control functions will be based on the *Shariah* committee report to look into the object and utilization to do the task. One of the respondents pointed out that:

"When comes to Shariah audit and Shariah review, the references can either from Shariah committee ruling, Shariah Advisory Council (SAC) ruling and all policy documents of Bank Negara Malaysia, all the policy documents and parameters issued by Bank Negara Malaysia, I think whatever will be there will be used by control financial to perform their specific rule in audit or review." (Respondent 1)

Furthermore, there is an issue of the limitation on accounting. One of the respondents suggested to development of *Shariah* accounting ruling independently and having more collaboration or discussion with another Islamic countries to effectively reflect the accounting standard on *Shariah* and be more appropriate for Islamic banking. One of the respondents pointed out that:

"When it's come to accounting, it does not full blood. For example, in Malaysia, we try to use the IFRS framework for both, so I don't have negative regards to the use of IFRS, but of course, we need to understand when we take one accounting framework to support side of institutions; conventional and Islamic banking, there were some limitations, how accurate for example like IFRS can represent the uniqueness of Islamic banking operation." (Respondent 3)

In summary, the *maqasid al-Shariah* framework in Islamic banks needs to be compliant with the *Shariah* control function based on the Bank Negara Malaysia policy documents. The adoption of reporting in financial instruments for Islamic banks needs further discussion to develop the *Shariah* accounting ruling that can reflect the accuracy and manage the issue in Islamic banking. There are a lot of issues pertaining development of Islamic products, especially on the nature of the products themselves. Not only that but there are also no specific policy documents for *Waqf* and *Zakat* for Islamic banks. Hence, despite the current issues on reporting the Islamic financial instruments by Islamic banks, further complications may arise when the Islamic banks report the Islamic social finance instruments (e.g. *Zakat* and *Waqf*) adopted by Islamic banks.

5. CONCLUSION

The validating of substance and forms on the reporting in *maqasid al-Shariah* framework for the financial instruments can be applied by Islamic banks to ensure compliance. There is a need for accounting standards that focus on Islamic financial instruments to ensure faithful representation of the financial statements. For instance, under the *ijarah* financing contract, the bank has to buy and own the asset (i.e. lessor), and then customers (i.e. lessee) will pay the rental to the bank. Finally, the bank will transfer the ownership to the user during the settlement period. However, in the financial statement, *ijarah* financing does not reflect the leasing contract term and is no different from the conventional banks providing vehicle loans. Similar to *murabahah* financing, there is no reporting of underlying assets bought by Islamic banks as inventory before the assets are sold to the customers. The substance and legal form should be aligned to reflect the financial statement based on policy documents that have been developed and to show the uniqueness of Islamic financial instruments in financial reporting. The debate is still ongoing due to the reporting of Islamic financial transactions in Malaysia is currently are based on MFRS. Hence, it is hoped that more research can address the issues.

6. LIMITATIONS AND FUTURE RESEARCH

The paper's limitations stem from several factors: first, a lack of empirical evidence or case studies to substantiate the effectiveness of the proposed framework; second, a narrow focus on Malaysian financial reporting standards (MFRS), which limits the generalizability of findings to other jurisdictions; and third, an emphasis on accounting standards, which may overlook broader regulatory or operational challenges faced by Islamic banks in complying with Shariah requirements. Future research should address these limitations by conducting empirical studies to validate the framework's effectiveness, exploring the impact of regulatory frameworks beyond accounting standards, investigating practical challenges and implementation issues faced by Islamic banks, comparing reporting practices across jurisdictions and investigating the role of auditing and assurance practices in ensuring *Shariah* compliance.

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FUND PROTECTION IN EQUITY CROWDFUNDING BASED ON *MAQASID* VALUES IN MALAYSIA

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ABSTRACT

Crowdfunding, particularly equity-based, has widely been recognized as an alternative funding method for business projects and companies. This new trend has been strongly linked to the rapid development of Financial Technology (FinTech). From *Shariah*'s perspective, crowdfunding is in line with its objective in terms of wealth circulation. In addition, it enlarges the segment of the Islamic finance industry since its instruments can be modified to be *Shariah*-compliant. As a result, crowdfunding provides alternative financing to mainstream Islamic financial institutions. However, since this industry is still new, several issues are linked to modern crowdfunding, mainly regarding fund protection. Issues like lack of due diligence performed by platforms, incompetent projects and inadequate *Shariah* monitoring could threaten investor funds seeking profit and *Shariah*-compliant investment. Thus, this paper analyzes how far *maqasid al-Shariah* can strengthen crowdfunding activities, particularly the fund management aspect in Malaysia. Through the library research approach, it is discovered that three values associated with *maqasid al-Shariah* can be developed as a framework of application: promoting transparency, upholding justice and conducting *Shariah*-compliant oversight. While this conceptual study may be limited in data, it provides insights into how *maqasid al-Shariah* can be a direction in crowdfunding activities. Thus, the findings can benefit many stakeholders involved, including platform operators, funders, and project owners.

KEYWORDS: *EQUITY CROWDFUNDING, CROWDFUNDING, MAQASID AL-SHARIAH, ISLAMIC FINANCE, VALUE-BASED MAQASID*

ABSTRAK

Pendanaan awam, terutamanya yang berasaskan ekuiti, telah diiktiraf secara meluas sebagai kaedah pembiayaan alternatif untuk projek dan syarikat. Trend baharu ini telah dikaitkan dengan perkembangan pesat Teknologi Kewangan (FinTech). Dari perspektif Syariah, pendanaan awam selari dengan objektifnya dari sudut mempromosikan peredaran kekayaan. Di samping itu, ia meluaskan segmen industri kewangan Islam kerana instrumen pendanaan boleh diubah suai agar patuh Syariah. Hasilnya, pendanaan awam menyediakan pembiayaan alternatif kepada institusi kewangan Islam semasa. Walau bagaimanapun, memandangkan industri ini masih baharu, terdapat beberapa isu dikaitkan dengan pendanaan awam moden, terutamanya mengenai perlindungan dana. Isu seperti kurang pantauan oleh platform, projek yang tidak efisyen dan pemantauan Syariah yang tidak menyeluruh boleh mengancam dana para pelabur yang mencari keuntungan dan pelaburan patuh Syariah. Justeru, artikel ini menganalisis sejauh manakah *maqasid Syariah* boleh

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mengukuhkan aktiviti pendanaan awam, khususnya aspek pengurusan dana di Malaysia. Melalui pendekatan penyelidikan kepustakaan, didapati bahawa tiga nilai yang dikaitkan *maqasid Syariah* boleh dibangunkan sebagai kerangka kerja: menggalakkan ketelusan, menegakkan keadilan dan menjalankan pengawasan patuh Syariah. Walaupun kajian yang bersifat konseptual ini terhad dalam data, ia memberikan gambaran bagaimana *maqasid Syariah* boleh menjadi hala tuju untuk aktiviti pendanaan awam. Oleh itu, dapatan ini memberi manfaat kepada ramai pihak berkepentingan yang terlibat, termasuk pengendali platform, pembiaya dan pemilik projek.

KATA KUNCI: PENDANAAN AWAM BERASASKAN EKUITI, PENDANAAN AWAM, MAQASID SYARIAH, NILAI BERASASKAN MAQASID

1. INTRODUCTION

In Malaysia, equity-based crowdfunding has reportedly raised RM140.38 million through 65 issuers (CMM, 2023). In general, equity-based crowdfunding could potentially support any commercial project as long as the project manager creatively promotes his idea through an online campaign. Recently, equity-based crowdfunding has been considered among the most popular crowdfunding models (Bürger *et al.*, 2017). Like other models, this crowdfunding operates through a digital platform where funders receive financial returns through profit-sharing or equity-based income as promised by fundraisers or project managers (Collins & Pierrakis, 2012). Compared with other models, equity-based crowdfunding platforms are required to comply with specific laws and regulations. For example, equity-based crowdfunding operators in Malaysia must register with the Securities Commission (SC) of Malaysia (SCM, 2023a).

Nevertheless, as a young industry, equity crowdfunding activities have experienced critiques and issues, particularly regarding fund protection. For example, it is claimed that crowdfunding activities could lead to inherent hazards due to fraud or incompetent campaigns. These happen when crowdfunding platforms do not conduct a serious due diligence process on a project application (Cumming *et al.*, 2019). It is not a new issue, as scammed projects also appear on well-known crowdfunding sites (Saiti *et al.*, 2018). While investors in equity-based crowdfunding anticipate a profit return, some start-ups are unable to make a profit, which could result in a significant loss on their investment (Haniff *et al.*, 2019).

Another concern that may pose a risk to the fund is the lack of *Shariah* monitoring aspects, as most Muslim investors are seeking alternative *Shariah* investments (Ramli *et al.*, 2023). Like other Islamic financial institutions, equity crowdfunding platforms need to ensure their operation is end-to-end *Shariah*-compliant to attract Muslim investors (Ishak & Rahman, 2021). Unlike Islamic banking institutions, in which the Central Bank of Malaysia strictly monitors this aspect, *Shariah* oversees equity crowdfunding, which is still lenient. For instance, the current regulation did not strongly stress the role of *Shariah* advisors in equity crowdfunding, making their functions less significant regarding *Shariah* monitoring (Haniff *et al.*, 2019). At the same time, some crowdfunding platforms choose not to register as *Shariah*-compliant platforms formally. Instead, they prefer to call themselves a Muslim business platform (Ramli *et al.*, 2023).

These issues indicate that equity-based crowdfunding needs guidelines in terms of values, along with rulings that may take time to be established and implemented. In Malaysia, the Islamic finance industry is shifting direction to satisfy certain values set by related regulators. For example, the Central Bank of Malaysia has introduced Value-Based Intermediaries (VBI) and Value-Based Intermediaries Takaful (VBIT) for Islamic banking institutions and *takaful* operators, respectively. Thus, it is worth exploring *maqasid al-Shariah* values that can benefit equity crowdfunding practices in Malaysia as some of them are registered *Shariah* compliance. *Maqasid al-Shariah* reflects the values of *Shariah* beyond its technical rulings. Despite relying on literature and crowdfunding websites rather than empirical analysis, this study provides insights into how *maqasid al-Shariah* can be developed as a framework to guide crowdfunding activities in Malaysia. Thus, this paper

intends to analyze how far *maqasid al-Shariah* can strengthen crowdfunding activities, particularly the fund management aspect in Malaysia.

2. LITERATURE REVIEW

Crowdfunding: An Overview

Crowdfunding is a fundraising concept that connects two parties: individuals with extra money and those with ideas that require funding to make them a reality. Crowdfunding has recently drawn a lot of talented people to use online platforms to get their funds (Wahjono *et al.*, 2015). In general, since funders have different motivations, various crowdfunding models have been created, such as equity-based, reward-based, donation-based, and lending-based models. These models could support any project that needs funding as long as a project manager creatively promotes their campaign. Every model has different funders, and any project should utilize a proper model based on the type of project. For example, rewards and donations are more suitable for charity and non-profit projects, while platforms utilize equity and lending to attract investors. In other words, some funders join crowdfunding expecting monetary gains from the funding campaign, while others are motivated by a sense of social responsibility or self-gratification (Flórez-Parra *et al.*, 2020).

Through crowdfunding platforms, business owners can raise money using this unique technique of fundraising (Mollick, 2014). Consequently, crowdfunding has gained widespread recognition as a substitute for middlemen that allows companies to raise funds from the general public via an online platform. Usually, crowdfunding platforms provide real-time updates for campaigns launched on their website to enhance transparency (Khairuddin & Ishak, 2021). Every crowdfunding model could potentially support project managers in realizing their business idea as long as they can obtain the trust of funders (Wan Mohamad Nazarie & Williams, 2021). Numerous research studies have indicated that trust is the main reason for crowdfunding projects to be successful (Moysidou & Hausberg, 2020). In contrast, however, the lack of trust may lead to lower numbers of funders, and as a result, crowdfunding would become ineffective as a financing platform (Wan Mohamad Nazarie & Williams, 2021).

Among all crowdfunding models, equity-based is a digital platform in which funders obtain financial returns from fundraiser's equity-based revenue or profit-share arrangements (Collins & Pierrakis, 2012). When project managers launch a campaign on how much cash they need in exchange for a percentage of profit. Every funder receives a pro-rate share (usually ordinary shares) depending on the amount they commit (Wilson & Testoni, 2014). This platform may serve as an intermediary between start-up companies and investors as it is used to raise funds by advertising the business (Mohd Thas Thaker *et al.*, 2018). Meanwhile, Wilson and Testoni (2014) viewed the equity crowdfunding rate as the most complex crowdfunding model; if a funder buys a share in the company, then the value of return needs to be estimated. Equity-based crowdfunding is the fastest-growing model of crowdfunding as it has received more popularity across the world in comparison with other models. This is because young start-up businesses may face limited access to financial aid due to track records and the lack of assets that mainstream financial institutions require (Bernardino & Santos, 2020).

Equity crowdfunding is believed to benefit many parties. For investors, it serves as an ideal investment as they enjoy high returns rather than investing in traditional financial institutions (Nasir *et al.*, 2023). Meanwhile, for project managers, the benefit of raising funds through crowdfunding enables them to cut the cost of repayment instead of borrowing from mainstream financial institutions (Bade, 2018). As for society, it is undeniable that crowdfunding indirectly contributes to socio-economic development through job creation (Abdullah, 2016). On top of that, crowdfunding liberalizes financial resources, allowing the public to influence what kinds of businesses have an impact on society (InfoDev, 2013). Nevertheless, it is learned that crowdfunding has drawbacks. Even though crowdfunding has the power to gather funds from the public to finance small-scale projects, it may experience challenges in supporting big-scale projects. Even though crowdfunding

can attract many investors, their fund contribution is not significant since their contribution is small (Ramos & Stewart, 2014).

To attract Muslim investors, equity-based crowdfunding platforms must ensure their operation is end-to-end *Shariah*-compliant. In this regard, interest-based investment must be replaced with *Shariah*-compliant instruments like *murabahah* (mark-up sale), *salam* (forward sale) and *istisna'* (manufacturing contract) (Hendratmi *et al.*, 2019). Since equity-based crowdfunding is based on sharing and partnership, the platform can utilize contracts like *musharakah* (full partnership) and *mudharabah* (a partnership between capital provider and manager) to create a partnership between project managers and funders (Muneeza *et al.*, 2018).

In Malaysia, equity crowdfunding platforms have witnessed dramatic growth since 2016. This aligns with the government's aspiration to encourage financial service providers to embrace technology and be more inclusive, innovative, and efficient capital markets. Even though equity crowdfunding had skidded during the initial stages of movement restrictions in 2020 amid the economic slowdown, it eventually bounced back following subsequent years of relaxations. Since its first emergence, the equity crowdfunding industry has raised RM 560.4 million for 305 issuers through 330 campaigns at the end of 2022. In terms of legal aspects, the SC, as the regulator for equity crowdfunding in Malaysia, has issued the Guideline on Recognized Markets (GRM), which represents a regulatory framework that enables equity crowdfunding to operate (SCM, 2023a). GRM requires *Shariah* compliance if a platform prefers to declare Islamic equity crowdfunding in this country.

Maqasid al-Shariah: Realizing Maslahah in Human Life

Maqasid al-Shariah is one of the essential disciplines in *Shariah*. Technically speaking, this term can be understood as the wisdom that God considers through his rulings (Al-Yubi, 1998). In this regard, rulings in *Shariah* are established for a specific wisdom that must be emphasized for application. Since God declares Himself as al-Hakim (the all-wise), all rulings revealed for humankind reflect His omniscience (Hamidan, 2004).

Thus, *maqasid al-Shariah* brings values and wisdom known as *maslahah* (public interest) of rulings. The terms *maslahah* in which the origin of *maqasid al-Shariah* was first referred to by al-Ghazali as protecting five components of life: *din* (religion), *nafs* (soul), *aql* (intellect), *nasb* (progeny) and *mal* (property) (Al-Ghazali, 1992). Al-Shatibi, a scholar known as the father of *maqasid*, has come up with the concept of *maslahah*, which represents the essential of human life in realizing their livelihood and enjoying the quality of emotion as well as intellect that requires them to be in an absolute sense (Al-Shatibi, 2004). Meanwhile, Ibnu Ashur, a modern scholar, explains *maslahah* as an attribute of an action that realizes goodness, which always or usually benefits the public or individuals. In contrast, *mafṣadah* is an attribute of an action that always or usually leads to corruption or harm towards the public or individual (Al-Ashur, 2001).

Exploring the Qur'an and the Hadith, achieving *maslahah* is deemed the aim of applying rulings. For instance, removing difficulties and promoting mercy are the two greatest *maslahah* in Islam. At the same, some rulings are designed to achieve specific *maslahah*. For example, the ruling of *qisos* (law of equality), the protection of life (Qur'an: 179:2) and the equal wealth distribution by implementing *fai'* (spoil of war) (Qur'an: 59:7).

Scholars have presented *maqasid al-Shariah* in the form of promoting the well-being of human life through *Shariah* rulings (Shinkafi & Ali, 2017). In this regard, *maqasid al-Shariah* plays a significant role in harmonizing between revealed rulings and reality. In more detail, *maqasid al-Shariah* provides a guideline to integrate *Shariah* principles and rulings and the current situation regarding the change in human needs and customs (Zahraa, 2003). Nevertheless, it is crucial to stress that considering *maqasid* must not lead to amended *Shariah* rulings due to the reality, particularly mandatory rulings like the prohibition of *riba*. *Maqasid* aims to avoid literal understanding of *Shariah* rulings as well as ignoring the *Shariah* spirit to bring kindness to human beings (Al-Qardawi, 2005).

Over the period, many studies have been conducted to link *maqasid al-Shariah* and the economy, banking, finance, and financing products. It is discovered that *maqasid al-Shariah* promotes proper wealth management, socio-economic security, an entrepreneurial mindset, and equality and social economics principles (Shinkafi & Ali, 2017). At the same time, its values guide several aspects of profitability, efficiency, and risk management. Since crowdfunding is a new industry, studies to link the two subjects are still limited.

3. METHODOLOGY

This study is conceptual research that relies on literature to reach its objectives. At the same time, it also refers to the current crowdfunding platform, especially in Malaysia. This method encompasses a systematic procedure for collecting and presenting data in academic papers (Saunders *et al.*, 2019). A literature review may need to be revised to provide research due to its status as a secondary source, which contains incomplete, outdated, and biased elements since it is collected for different objectives. At the same time, secondary data may be challenging to interpret. Nevertheless, using literature or secondary data undeniably did not involve high cost compared with empirical data (Hox & Boeije, 2005). Since this study is at the initial stage of proposing a special model of *maqasid*-based values for fund protection, relying on the literature is sufficient for this objective.

4. FINDINGS AND DISCUSSION

Based on *maqasid al-Shariah*, wealth (*mal*) must be protected as it is one of the five fundamentals in human life alongside *din*, *nafs*, *aql* and *nasb*. Wealth in the form of property, house, land, and money represents individual necessity. The Prophet (SAW) has mentioned that "All things of a Muslim are inviolable for his brother in faith: his blood, his wealth and his honour" (Muslim 2012, 4: 2564). It is learned that *Shariah* placed the position of wealth alongside life and dignity, as both are necessary for people to be alive as humans, and wealth joins them.

In this regard, the *Shariah* principle in transferring the ownership of the wealth is evident, as mentioned in the Qur'an: O you who have believed, do not consume one another's wealth unjustly but only business by mutual consent (al-Nisa': 29). A Muslim is forbidden from taking other wealth through illegal way like obtain it without a fair exchange that required by the original owner. In addition, financial activities that are strongly condemned by *Shariah* as *riba* are part of taking other wealth unjustly, even though all contracting parties agree on it (Al-Zuhaili, 2007). Since wealth is attractive, its owner is vulnerable. Not surprisingly, many rulings are established to protect wealth. These include imposing strict punishment for theft and robbery, and even the owner is prohibited from dealing with his wealth if he is not qualified. All of these rulings aim to preserve individual wealth from damage, violation and misuse.

In this regard, five values are identified as the following:

Promoting Transparency

To protect the wealth, *Shariah* requires transparency in all business activities (Al-Ashur, 2001). All deals and transactions should be conducted transparently, as all contracting parties must be clear about them. This includes all essential facts of a transaction, particularly the items that can potentially lead to a dispute. Thus, *gharar* is forbidden as it leads to uncertain results that could cause dissatisfaction and conflict among contracting parties. Even though rewards in investments and business require risk-taking, they must be carefully mitigated. In other words, both parties should be more responsible and accountable in dealing with business and financial activities (Iqbal & Mirakhor, 2007). To ensure transparency, writing an agreement in matters relating to the debt is encouraged in *Shariah*, as mentioned in the longest verse of the *Qur'an*. Involving in long-term financial commitment is essential with a written agreement and witnesses (Ibn Kathir, 2000). These approaches aim to avoid disputes among parties since financial agreements involve many people's rights. In contrast, financial agreements could negatively impact certain people if they are not

adequately managed.

Regarding equity-based crowdfunding, protecting the funds of investors is crucial since it is part of an individual's wealth. Therefore, crowdfunding platforms must conduct due diligence on every project application to avoid the funds being channelled wrongly. In addition, since crowdfunding is conducted through public fundraising, all projects must increase transparency as well as minimise asymmetric information. In addition, business owners are encouraged to disclose certain information like resources, company costs and operating expenses, as all of them can attract investors. At the same time, the documentation process between funders and project managers. The document provides security and protection for contracting parties, such as their rights, obligations and responsibilities, clearly spelt out as the terms of any agreement. Legal documentation enables parties, customers and Islamic financial institutions, to seek legal protection in case the outcome of the contract is not realized as agreed (Lee, 2014).

Upholding Justice

In general, justice must be applied through financial deals between contracting parties (Laldin & Furqani, 2013). Financial transactions encompass rights and opportunities from contracting parties, as they bear risks and liabilities. Through the principle of justice, *maisir* is strongly prohibited by *Shariah*. Even though risk-taking is necessary for a business to justify profit like risk in selling, it must be fair for all involved parties. Either the risk would bring benefits for both parties, or its loss is borne by them. Nevertheless, risk in *maisir* is unavoidable as only one party cruelly gains the benefit by causing the other to lose everything.

Concerning equity crowdfunding, applying *Shariah* contracts as the instrument of investment and financing must consider the element of justice for all parties. For example, *mudharabah* represents two parties: *rab al-Mal* as investor and *mudharib* as project manager. All requirements of *mudharabah* must be fulfilled by all parties. In more detail, the capital must be provided before the project begins. At the same time, the amount of the campaign must achieve the target set by a project manager. Otherwise, it would be unfair for the manager to commit to the proposed return. As for the profit, for the sake of justice, it must be decided based on ratio, not in the form of a fixed amount (Al-Zuhaili, 2006). If the project successfully creates a return, it should be distributed based on a pre-agreed ratio. In contrast, if a loss occurs, even though in *mudharabah*, the loss must be borne by the *rab al-Mal*, by applying the principle of justice, an investigation must be conducted to ensure that the loss is not the result of breaching the conditions, misconduct or negligence by the *mudharib* (BNM, 2012).

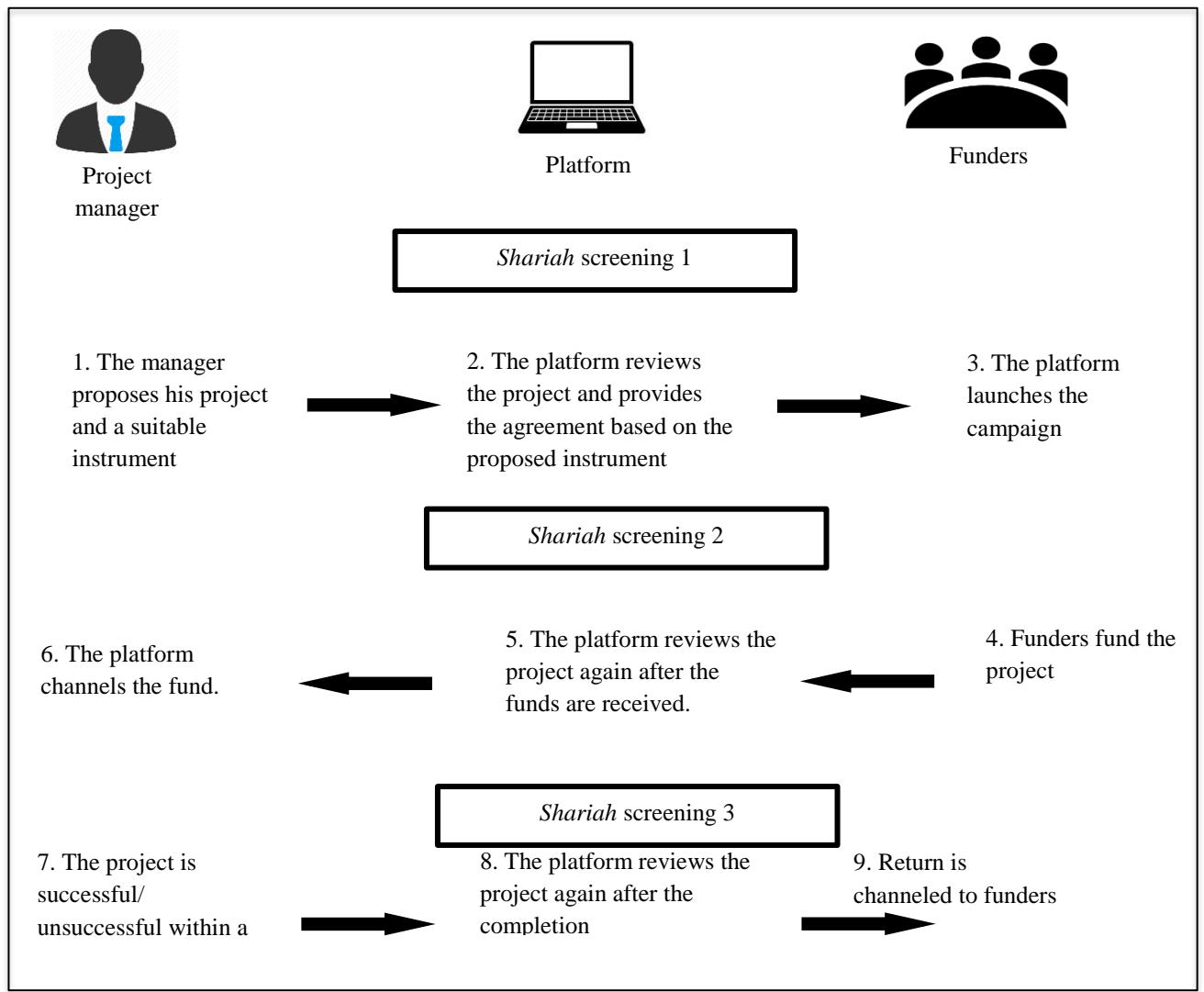
Conducting Shariah-Compliant Oversight

The areas of commerce, finance, and economy are flexible for Muslims as *Shariah* allows them to initiate those activities creatively, as long as those practices do not contradict *Shariah* principles and rulings. It is well-known that the general principle in these areas is: the original rulings of contracts and *muamalat* are permitted unless it is mentioned by *Shariah* of its prohibition' (Al-Shatibi 2004). Therefore, any contract and condition in financial practices is allowed without special evidence of permissibility from the *Qur'an* and the *Sunnah*. Both sources usually come up in the form of general principles or general rulings instead of providing details in this area (Shibayr, 2007). Thus, it can be understood that Islam strongly encourages creativity and innovation in the economy to fulfil people's needs.

Unlike others, most Muslims are very concerned about *halal* dan *Shariah*-compliant practices in their life, including matters related to business, finance and economic activities. Thus, when Islamic financial institutions declare themselves as an alternative to conventional institutions for Muslims, they must carefully carry the name of Islam, as any non-*Shariah*-compliant actions could erode public trust and, ultimately, their ability to do business. This may be seen in 2008 when the sale of *sukuk* dropped by 50%, and its price declined by 1.51% on average. It is believed that the view of Muhammad Taqi Usmani, a well-known scholar in Islamic finance, who claimed that 85% of *sukuk* in the Gulf are not compliant with *Shariah* had affected Muslim investors (ISRA, 2023). Thus, not

surprisingly, the regulator strictly monitors Islamic banking institutions in Malaysia, especially in aspects that comply with *Shariah*.

Concerning equity-based crowdfunding, it is learned that the current regulation on *Shariah* aspects is more lenient. This may happen since this industry is still new and needs the flexibility to grow. Nevertheless, since the platforms utilize the name of Islam, *Shariah* oversight should not be compromised. Thus, it is suggested that Islamic crowdfunding apply the *Shariah* screening process into three stages as the Figure 1:



Source: Figure of Author

As for the first stage, the platform needs to review whether the project initiated by the applicant is *Shariah*-compliant or not. At the same time, the investment instrument that may proposed by the project manager needs to be reviewed. For example, using *mudharabah* as an instrument must comply with its *Shariah* rulings. Once approved, the campaign can be launched in public.

In the second stage, another *Shariah* screening is conducted. This process may not be as strict as the first one as it aims to ensure that if there is an amendment due to the final amount of funds, it may need *Shariah* consideration. For example, if the amount does not reach the target, the project manager may need to adjust the return or any related condition. As for the last stage, once the

project has successfully yielded the return, *Shariah* screening should be applied again to ensure that the project runs based on *Shariah* compliance as agreed before.

To ensure end-to-end *Shariah*-compliant aspects in Islamic financial operations, it is crucial to establish a body called *Shariah* governance. It is defined as a set of institutional and organizational arrangements through which Islamic financial institutions ensure effective independent oversight of *Shariah* compliance over the issuance of relevant *Shariah* pronouncements, dissemination of information, and an internal *Shariah* compliance review.

Based on this definition set by IFSB, three components are vital. Firstly, *Shariah* governance should be institutional with *Shariah* Committees along with all internal *Shariah* functions: *Shariah* Risk, *Shariah* Review and *Shariah* Audit. Secondly, the board and management must ensure that all *Shariah*-relevant parties can exercise their duties independently, and their decisions must be free from any influences. Thirdly, the internal arrangement process that covers the pre-transaction review and post-transaction review is needed to ensure the *Shariah* compliance framework (ISRA, 2023).

Based on the current situation, the equity-crowdfunding industry is still new, and its platform may not be capable of establishing systematic *Shariah* governance like Islamic banking institutions. In general, non-banking Islamic institutions enjoy some flexibility in *Shariah*-compliant aspects due to the different sizes of their institutions and the complexity of their products. Even though this flexibility may become an advantage for non-banking institutions, a comprehensive *Shariah* oversight is essential, particularly from the check and balance perspective. Thus, equity-based crowdfunding should not ignore this element since, for pious Muslims, revenue from haram means nothing to them.

5. IMPLICATIONS AND CONTRIBUTIONS

This paper can be considered among initial efforts to integrate *maqasid al-Shariah* and crowdfunding activities, especially for the equity-crowdfunding sector. Nowadays, *maqasid al-Shariah* has been promoted as a key reform for the Islamic finance industry, particularly to ensure its outcome contributes to human well-being. Many *maqasid*-based values have been introduced, mainly Value Based Intermediation (VBI) for the Islamic banking industry and Value-Based Intermediation for Takaful (VBIT) by the Central Bank of Malaysia (BNM 2018; MTA 2023). In addition, the Securities Commission Malaysia has launched its *Maqasid al-Shariah* Guideline, which aims to promote the creation of economic values and progressive development of the sustainability agenda, while cultivating ethical conduct in Islamic capital market activities (SCM, 2023b). Thus, empowering crowdfunding with *maqasid al-Shariah* aligns with the current direction of the Islamic finance sector in Malaysia. Crowdfunding has emerged to promote financial inclusion and sustainable impact towards the economy, community, and environment. This paper also supports government policies in strengthening entrepreneurs particularly it is in line with the National Entrepreneurship Policy (NEP), in terms of optimizing access to funding for entrepreneurs through alternative financing of crowdfunding (MEDAC, 2020).

6. CONCLUSION, LIMITATIONS AND FUTURE RESEARCH

This study examines the issue of fund protection for equity-based crowdfunding in Malaysia. Crowdfunding has become an alternative financing method for business projects and companies either to start their business or to expand it. From *Shariah*'s perspective, crowdfunding enlarges the segment of Islamic finance since its practice encourages wealth circulation. Nevertheless, since this industry is still new, several issues are linked to its operation, mainly concerning fund protection. This includes inadequate *Shariah* monitoring aspects, lack of due diligence performed by platforms, and insufficient protection of the fund from a legal aspect. This study discovered that several values of *maqasid al-Shariah* can strengthen the protection of funds in crowdfunding activities in Malaysia. Through the library research approach, it is discovered that three values associated with *maqasid al-Shariah* can be developed as a framework of guidelines: promoting transparency, upholding justice

and conducting *Shariah*-compliant oversight. This framework initially provides insights into how *maqasid al-Shariah* can be a direction for crowdfunding activities. Thus, the findings can benefit many stakeholders involved, including platform operators, funders, and project owners. Since this paper relies on literature, it can be considered as a conceptual idea that may be limited in terms of its practicality. Therefore, future studies can expand on the empirical sides, like obtaining expert panels' opinions on the proposed *maqasid* framework.

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THE ROLE OF ISLAMIC FINANCIAL LITERACY TOWARDS ADOPTION OF ISLAMIC BANKING PRODUCTS AND SERVICES: A SYSTEMATIC LITERATURE REVIEW

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ABSTRACT

Following the increased demand for Islamic banking products and services in different economies, research on the effect of Islamic financial literacy in the adoption of Islamic banking products and services has increased in recent years. The purpose of this study is to identify and explore the role of Islamic financial literacy towards the adoption of Islamic banking products and services as it has not been categorically addressed in the prevailing literature so far. The study used a systematic literature review following the PRISMA protocol to execute the analysis of the review. The results identified awareness, enhancement of the intention to use, directing financial decision making and modelling financial behaviour as the key roles of Islamic financial literacy towards the adoption of Islamic banking products and services. The study helps in directing future research on Islamic financial literacy towards understanding it in line with the identified roles.

KEYWORDS: *ISLAMIC FINANCIAL LITERACY, SYSTEMATIC LITERATURE REVIEW, ISLAMIC BANKING AND FINANCE, SHARIAH FINANCIAL LITERACY*

ABSTRAK

Ekoran peningkatan permintaan terhadap produk dan perkhidmatan perbankan Islam dalam ekonomi yang berbeza, penyelidikan tentang kesan celik kewangan Islam dalam penggunaan produk dan perkhidmatan perbankan Islam telah meningkat semenjak beberapa tahun kebelakangan ini. Tujuan kajian ini adalah untuk mengenal pasti dan meneroka peranan literasi kewangan Islam terhadap penggunaan produk dan perkhidmatan perbankan Islam kerana ianya tidak dirungkaikan secara kategori dalam sorotan literatur semasa dewasa ini. Kajian ini menggunakan kajian literatur bersistematis mengikut protokol PRISMA untuk melaksanakan analisis kajian. Hasilnya mengenal pasti kesedaran, peningkatan niat untuk menggunakan, mengarahkan membuat keputusan kewangan dan memodelkan tingkah laku kewangan sebagai peranan utama celik kewangan Islam terhadap penggunaan produk dan perkhidmatan perbankan Islam. Kajian ini membantu dalam mengarahkan penyelidikan masa depan tentang celik kewangan Islam ke arah memahaminya selari dengan peranan yang dikenal pasti.

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KATA KUNCI: LITERASI KEWANGAN ISLAM, TINJAUAN LITERATUR SISTEMATIK, PERBANKAN DAN KEWANGAN ISLAM, LITERASI KEWANGAN SYARIAH

1. INTRODUCTION

The emergence of modern Islamic finance can be traced back to the 1940s with the commencement of an Islamic financial movement in a village in Pakistan (Merah, 2011). For several decades, the industry has become very popular not only in the Arab and Islamic world but also in different parts of the world. However, the robustness of the system to withstand Global financial crises like that of 2008 (Pala *et al.*, 2023), has helped the industry experience and enjoy immense growth despite the numerous shocks in the past decade. The concentration of most industrial assets in oil-exporting countries and the complexity of transactions and standards are the major challenges.

Despite the Islamic financial assets more than doubling in the last decade to almost USD 3trillion YE2022 (Islamic Financial Services Industry Stability Report, 2023), many more studies are being done to analyze determinants of adoption of Islamic banking products and services in different jurisdictions at the expense of simplifying and disseminating the information related to Islamic financial transactions and their implications to the consumers of *Shariah*-compliant products. Besides, financial literacy today is globally acknowledged as a crucial element of economic and financial stability and development (Huston, 2010). This implies that financial literacy is a key life skill that not only enhances the "financial capability" of individuals but also translates into increased demand for and supply of financial products and services (OECD, 2012). Indeed, the desire by consumers to know whether the *Shariah* products or services they are choosing are compliant with Islamic principles has also been a challenge in the industry (Albaity & Rahman, 2019) - coupled with their desire to become knowledgeable of financing aspects and terms like the length of financing, economic situations in respective jurisdictions among others. Such challenges would be addressed through rigorous development of Islamic financial literacy programs to boost awareness and financial competencies of Islamic products and services consumers to be able to make informed Islamic financial choices that would significantly affect the adoption of Islamic banking in general (Pala *et al.*, 2023).

Importantly, Scholars of Islamic finance have picked interest in the study of Islamic financial literacy recently in 2016, when studies pertaining Islamic financial literacy measurement scale were devised (Antara *et al.*, 2016). This gave a basis for later studies that have used the Islamic financial literacy scale with improvements, to study the consumers' intention to adopt Islamic banking and finance (Albaity & Rahman, 2019). Thus, it is essential to treat Islamic financial literacy as a determinant of adoption alongside cost, benefit and awareness. Besides, in the 27 documents considered for this review, there is only one review done through bibliometric analysis whose aim was to highlight research opportunities in the Islamic financial literacy field. The research keywords in the review were diverse and some were not directly tailored to the Islamic financial literacy concept. The review's research keywords used were "financial literacy", "financial inclusion", "Islamic financial literacy", "financial planning" and "household finance" (Sevriana *et al.*, 2022).

However, limited studies are highlighting the clear-cut role of Islamic financial literacy in impacting the adoption of Islamic banking & financial services and products. So, in this systematic review, this study contributes to closing this literature gap by exploring the current studies from the Scopus database - and then analyzes the relationship between Islamic financial literacy and Islamic banking through understanding the key roles of Islamic financial literacy in aiding the adoption of Islamic Banking products and services. The study used specific search terms of "Islamic Financial Literacy", "Adoption of Islamic Banking and Finance" and "*Shariah* financial literacy" that was not considered by the only review article considered for this study. Therefore, this study is central in attracting scholars' attention to focus on studying Islamic financial literacy in reflection of its major roles that enable consumers to get exposed to diversified and complex products and services structures of Islamic banking and finance, leading to easy adoption of services and products in the industry.

2. LITERATURE REVIEW

Consumers of Islamic banking and finance seeking financing face the challenge of understanding the products and services available (Albaity & Rahman, 2019) and understanding whether such products and services are *Shariah* compliant despite being branded so. However, all this would be limited if consumers' exposure to Islamic financial literacy is high enough (Pala *et al.*, 2023) something that aids appropriate decision-making (Zulfaka *et al.*, 2023), translating into enhanced financial well-being. Therefore, Islamic financial literacy is a crucial concept that not only helps consumers stay aligned with the consumption of *Shariah*-compliant services and products but also enables them to cope with the prevailing financial challenges (Abdullah *et al.*, 2023).

Moreover, financial literacy has been defined in different folds by several researchers and it is diverse. Huston (2010) divided it into 4 categories as inclusive of personal finance basics, borrowing, saving/investing, and protection. He further conceptualized it as having two dimensions understanding (personal financial knowledge) and use (personal financial application). Besides, Pala *et al.*, (2023), defined financial literacy as a composition of awareness, knowledge, skill, attitude, and behaviour essential to making sound financial decisions and finally achieving individual financial wellbeing. According to the Organisation for Economic Co-operation and Development (OECD) (2012), financial literacy is a combination of awareness, knowledge, skills, attitude, and behaviour necessary to make sound financial decisions and ultimately achieve individual financial well-being.

Indeed, increased financial literacy is a key factor considered in the growth and development of an economy (Dinc *et al.*, 2021). Thus, this justifies the considerable investment by countries and organizations like the World Bank into financial literacy enhancement amongst the masses. Besides, financial literacy concepts have been developed mostly based on/reflective of interest-based financial concepts, an assumption that financial literacy has been developed to make interest-based concepts acceptable in societies although interest highly violates financial ethical principles and is thus rejected in most religions (Dinc *et al.*, 2021). Moreover, Islamic financial literacy emerged as reflective *Shariah* compliance for Muslims where they are equipped with awareness, skill, knowledge, and financial decision-making to enable them to make informed choices in line with Islamic rules (Antara *et al.*, 2017). Therefore, as *riba* begets injustice and discontent in society, Muslims should have a clear understanding of why it was prohibited and what the real alternative to it is through Islamic financial literacy.

Moreover, there is not yet a standardized definition of Islamic financial literacy as there are varied definitions that we found given by authors in the publications we considered for this review. However, important to note from the definitions given is that Islamic financial literacy elaboration is based on the components of the conventional definition of financial literacy (Huston, 2010) highlighting the ability to have knowledge, skills, and confidence to make informed decisions.

Therefore, from the varied studies on Islamic financial literacy, it can be defined as the degree of knowledge, awareness, and skill related to Islamic financial services (Yildiz, 2020). The ability to understand finance based on *Shariah* compliance (Abdullah *et al.*, 2016). Besides, Antara *et al.* (2016) defined Islamic financial literacy as the ability to have knowledge about Islamic products and services, to observe the basic principles of Islamic finance while making financial decisions and to act with an awareness of Islamic rules.

It's worth noting though that Islamic financial literacy extends to include the aspect of consumers having the skills, Islamic financial knowledge, and confidence to make financial decisions all aligned with *Shariah* compliance (Pala *et al.*, 2023). It is ideally conceived that as a person's Islamic financial literacy increases, their financial attention towards an interest-free banking system increases (Albaity & Rahman, 2019).

Therefore, Islamic financial literacy knowledge levels can be identified in financial decisions and behaviours like investment, savings (Pala *et al.*, 2023), retirement planning and bank preferences (Al-

Awlaqi & Aamer, 2022). The result of this can be enhanced awareness of the consumers about Islamic banking & financial services and products (Abdullah *et al.*, 2022, Dinc *et al.*, 2023), consumers' behaviours getting modelled towards the intention to use Islamic banking services and products (Lajuni *et al.*, 2020, Albaity & Rahman, 2018), affecting their decision-making process on the choice of services and products to be consumed (Nur, 2022, Osman *et al.*, 2023, Setiawati *et al.*, 2018, Hadajati & Hamdani, 2017, Kevser *et al.*, 2021), and thus impact their financial behaviour getting directed towards Islamic banking and financial products consumption leading to the enhanced financial well-being of the consumers (Patrisia *et al.*, 2023, Gunawan, 2023).

Hence, it is ideal in this review that with effective consideration of Islamic financial literacy guidelines and their dissemination (Abdullah *et al.*, 2022) within communities, adversaries like bankruptcy would be minimized since Islamic banking and finance consumers would know which products and services to access and for what outcomes. Thus, there would be financial inclusion for many in most communities (Mujiatuni *et al.*, 2023). Consequently, we contribute to the literature by analyzing the role of Islamic financial literacy towards the adoption of Islamic banking financial products and services. The rest of this paper is organized as follows: next is the method used to conduct this systematic review, after which we present the results and discussion and finally the conclusion with recommendations on possible research areas regarding the role of Islamic financial literacy in the field of Islamic banking and finance.

3. METHODOLOGY

The study used a systematic review that was performed following the preferred reporting items for systematic reviews and meta-analyses (PRISMA) (Page *et al.*, 2020). The PRISMA methodology follows a checklist of items that were considered throughout the review to achieve the required transparency while executing the review. This systematic approach has been widely used and recognized in the health field (Page *et al.*, 2020), tourism (Pahlevan Sharrif *et al.*, 2019) and agricultural field (Sekabira *et al.*, 2022) among others. Therefore, it's appropriate to apply to gain a deeper understanding of the role of Islamic financial literacy in the adoption of Islamic Banking products and services while reviewing the existing literature.

Indeed, with the use of this methodology, the study was able to identify articles that have so far addressed the different components of Islamic financial literacy thus making it easy to further analyze the respective roles of these components towards the adoption of Islamic banking. The approach of systematically reviewing Islamic financial literacy literature is employed for the first time as no papers accessed from Scopus had employed this method before, yet it is key in identifying gaps in the existing body of literature of any discipline.

To create the main dataset, a review protocol was developed in advance to guide the literature search. The protocol reflected information on the search terms, databases, and screening criteria. A review protocol improves the reliability of the review as it enhances consistency (Pahlevan Sharrif *et al.*, 2019), transparency and reproducibility (Sekabira *et al.*, 2022).

Identification of Relevant Studies and Search Strategies

As a strategy, the study focused on performing a primary search in the database of Scopus using search key terms of "Islamic financial literacy", "Shariah financial literacy", and "Adoption of Islamic banking and finance". The data was obtained from Scopus on 9th October 2023 and the search key terms were combined by the Boolean operator "OR" commanded to expose results from "Article titles", "Abstracts" and "Keywords" of possible publications that fit the search key terms about the field of Islamic financial literacy (Sekabira *et al.*, 2022).

To ensure eligibility of the publication in consideration, we made sure that it was published in Scopus only because we were interested in reviewing articles from peer-reviewed journals to get the profound opinions of leading authors in the Islamic financial literacy field as it's still a new field of research. The publication had to be full-length, published in English and addressed the concept of

Islamic financial literacy and the adoption of Islamic Banking & Finance specifically. It was also key for the articles to be the subject areas of Business management and accounting, Economics, Econometrics and finance, social sciences, Computer sciences, decision sciences and Arts and Humanities.

The publications considered from the search in Scopus included 28 journal articles, 3 book chapters, 2 conference papers, 1 review article and 1 pre-print article. The publications considered from Scopus as a widely accessed database for many scholars covered the time frame between 2016-2023 as the earliest publications about Islamic financial literacy directly are traced by 2016 with articles addressing the scale of Islamic financial literacy assessment to measure its level among the consumers for different economic jurisdictions (Antara *et al.*, 2016).

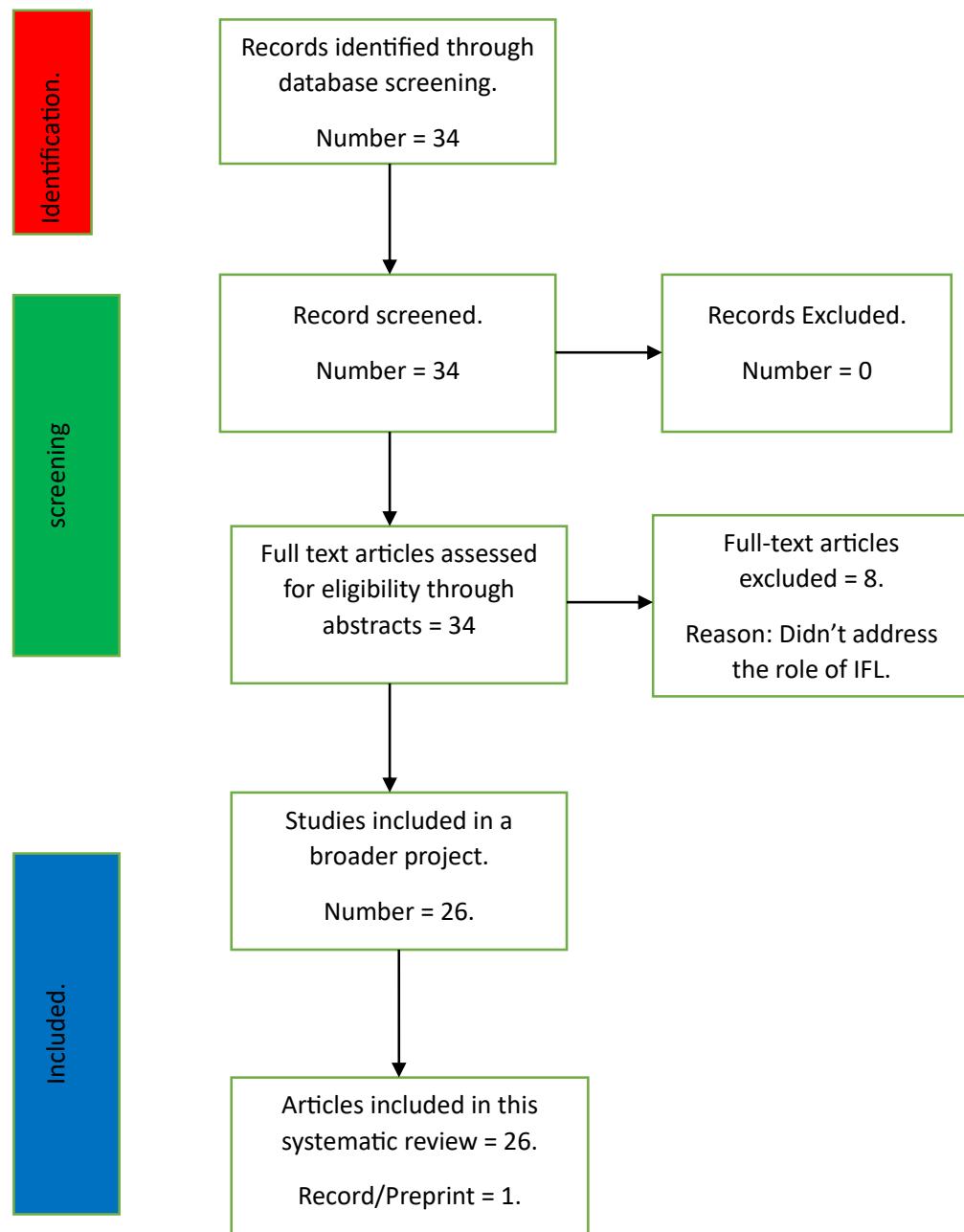
Screening Strategies and Eligibility Criteria

The study sourced 34 articles and 1 pre-print from the Scopus database for their relevance to the objectives of this study based on Titles, Abstracts and Keywords. So, after these articles had been sourced, they were further screened based on their abstracts as a secondary layer screening process. The abstract screening was done with the help of the MS Excel spreadsheet that had been created as a composition of the Titles, Abstracts, Keywords, Authors' names and affiliations, journal name, funding information, institute of article publication and year of publication an approach that was descriptive to source data. Accordingly, a total of 26 articles from the 34 sourced articles and 1 pre-printed article were vetted as eligible as 8 didn't qualify to pass this level (Sekabira *et al.*, 2022).

Therefore, the full texts of the 26 articles and 1 preprint article were retrieved and subjected to a complex-text screening to find out whether the entire content indeed aligned well to analyze the role of Islamic financial literacy towards the adoption of Islamic banking products and services. This resulted in all 26 articles and 1 preprint being identified as relevant to the needed data and thus considered potentially fit to provide information on the role of Islamic financial literacy towards the adoption of Islamic banking products and services and thus adoption.

This study therefore gathered impacting factors that give a qualitative assessment of the effect of Islamic financial literacy on the adoption of Islamic banking products and services. The flow chart below shows the selection criteria for the documents included in the review.

Flow Chart of the Study Selection Process



4. FINDINGS

This section summarises the key categorical roles of Islamic financial literacy towards the adoption of Islamic banking services and products, segmented in Islamic financial literacy categories of awareness, attitude, skill (financial decision making), and behaviour as they were dominantly reported in various studies. Besides, it has been identified that Islamic financial literacy creates awareness in communities and is thus a pivotal contributor to aiding the application of Islamic finance principles in individuals' daily lives (Dewi & Ferdian, 2021). This has translated into not only boosting individuals' attitudes towards Islamic banking but also adoption of the industry's products and services. In other findings, it has been revealed that Islamic financial literacy significantly influences consumers' intention to use Islamic banking (Albaity & Rahman, 2019). Thus, 27 documents were explored in this review to analyze the relationship between Islamic financial literacy and Islamic banking in trying to understand its categorical role towards the adoption of Islamic banking products and services. The categories identified based on the concepts of Islamic financial literacy were (awareness about Islamic banking products and services, intention to use Islamic banking products and services, financial decision-making, and financial behaviour) where respective key categorical roles of Islamic financial literacy towards adoption of Islamic banking products and services were summarized.

Besides, the main distinction between the products used in the Islamic financial system from those of the conventional system lies in their philosophical differences (Pala *et al.*, 2023). Thus, from this point of view, the concept of Islamic financial literacy reflects the Islamic philosophy of *Shariah* compliance as the same aspects of knowledge, skill, attitude, and behaviour as used in conventional financial literacy are being utilized. Therefore, Islamic financial literacy is vast as reflected in its components where a respective component plays a key role in the adoption of Islamic banking products and services with the major objective of enhancing individuals' financial wellbeing in line with the Islamic rules. In the review analysis below, the study identifies which respective component of Islamic financial literacy has contributed to which role in the eventual adoption of Islamic banking products and services.

TABLE 1: SUMMARY OF KEY STUDIES REVIEWED ON AWARENESS COMPONENT

Reference	Country	Sample size	Data Type	Category/role	Summary on awareness	Analytical method.
Dinc <i>et al.</i> , (2023)	Turkey	3579	Survey Data	Awareness and knowledge among consumers	It enhances awareness leading to the general acceptance of Islamic finance principles	Quantitative (CFA)
Abdullah <i>et al.</i> , (2022)	Malaysia	Not mentioned	Survey Data	Raised awareness helping to change the attitudes and behaviors of debtors.	Awareness raised helps in minimizing bankruptcy	Qualitative (inductive & deductive approach)
Mujiatun <i>et al.</i> , (2023)	Indonesia	252	Survey Data	Awareness about Islamic products	It positively & significantly influences Islamic financial inclusion and business performance	Quantitative (CB-SEM)
Satria <i>et al.</i> , (2023)	Indonesia	380	Survey Data	Awareness enhancement	Increase in the growth of SMEs through engagement of the business actors involved	Quantitative
Daradkah <i>et al.</i> , (2020)	Jordan	385	Survey Data	Awareness enhancement	It can enhance awareness of the public towards Islamic banking across different categories of individuals	Quantitative (Ordered Logistic Regression)

TABLE 2: SUMMARY OF KEY STUDIES REVIEWED ON ATTITUDE COMPONENT

Reference	Country	Sample Size	Data Type	Category/Role	Summary on Attitude	Method Used.
Lajuni <i>et al.</i> , (2020)	Malaysia	300	Survey Data	Intention to use Islamic financial products and services	Yields predictive power to predict individual intention to implement financial products	Quantitative (PLS-SEM)
Nur, (2022)	Indonesia	Not mentioned	Survey Data	Intention to use <i>Shariah</i> mobile banking	There is an influence on the intention of consumers to use <i>Shariah</i> mobile banking	Quantitative (PLS-SEM)
Majid & Nugraha, (2022)	Indonesia.	100	Survey Data	Intention to use Islamic finance by Muslim investors	There is an effect on the behavioural intention of prospective Muslim investors to invest through Islamic securities crowdfunding	Quantitative (PLS-SEM)
Osman <i>et al.</i> , (2023)	Malaysia	300	Survey Data	Influence on behavioural intention	It has a positive & significant influence on financial attitude and thus can influence financial management behavioural intention	Quantitative (PLS-SEM)
Albaity & Rahman, (2019)	UAE	350	Survey Data	Intention to use Islamic banking	It influences the intention to use Islamic banking in countries like the UAE	Quantitative (PLS-SEM)
Yusfiarto <i>et al.</i> , (2023)	Indonesia	251	Survey Data	Influences investment intention	Intentions to invest in the Islamic capital	Quantitative (PLS-SEM)

markets are
impacted

TABLE 3: SUMMARY OF KEY STUDIES REVIEWED ON THE SKILL COMPONENT – FINANCIAL DECISION-MAKING

Reference	Country	Sample Size	Data Type	Category/Role	Summary on Skill component.	Method Used.
Maharani <i>et al.</i> , (2023)	Indonesia	128	Survey Data	Decision-making enhancement	It has an influence on <i>Shariah</i> investment decision-making for individuals trying to understand fund management contracts	Quantitative
Zulfaka <i>et al.</i> , (2023)	Malaysia	Not mentioned	Conceptual Framework proposition.	Decision making among working adults	The development of financial products can be matched with its enhancement to enable smooth decision-making by consumers	Qualitative
Kevser <i>et al.</i> , (2021)	Turkey	479	Survey Data	Decision-making process	It aids the decision-making process for stakeholders about increasing Islamic financial products & services	

TABLE 4: SUMMARY OF KEY STUDIES REVIEWED ON THE BEHAVIOR COMPONENT

Reference	Country	Sample Size	Data Type	Category/Role	Summary findings of behaviour component.	Analytical Method Used.
Gunawan, (2023)	Indonesia	Not mentioned	Survey Data	Financial behaviour	Helps to rectify errors that occur because of	Quantitative (SEM)

Ahmed <i>et al.</i> (2020)	Indonesia	472	Survey Data	Financial behavior. Financial decision making	personal financial mismanagement It is human capital impacting financial behaviour to trigger good financial decision-making	Quantitative (EFA)
Patrisia <i>et al.</i> (2023)	Indonesia	571 Gen. Z born between 1995 & 2001	Survey Data	Financial behavior	It has a profound impact on the risk tolerance and financial behaviour of Generation Z, especially students	Quantitative (PLS-SEM)

5. DISCUSSION

The section brings to fold a discussion of some of the components of Islamic financial literacy that have been identified from the reviewed literature reflective of their key respective roles towards the adoption of Islamic banking products and services. There have been four major components identified and their roles were discussed subsequently.

Awareness of Islamic Banking products and Services

Awareness is the knowledge of existing and potential customers about the products and services in the context of Islamic banking & finance constituting the public being aware of the product's name, brand, characteristics, scope, and qualities (Naz *et al.*, 2020, Albaity & Rahman, 2019). Indeed, Islamic financial literacy through the aspect of awareness in societies can get to buttress other channels used, to boost public exposure to Islamic banking & financial products and services. For example, the enhanced awareness of the public towards Islamic banking & financial products and services across different categories of individuals' education level, the field of study, and region of residence potentially manifest in the adoption of Islamic banking (Daradkah *et al.*, 2020). Islamic financial literacy through enhanced awareness has also been found to have the capacity to enhance the growth of Islamic SMEs when business actors in this field are introduced to Islamic financial literacy as a way of strengthening their capacities since they already have entrepreneurial experience (Satria *et al.*, 2023). Indeed, Islamic financial literacy enhances the knowledge sufficiency of customers about Islamic banking in general (Pala *et al.*, 2023). Thus, in the long run, Islamic financial literacy through enhanced awareness in communities elevates the prominence of Islamic finance as individuals get to apply Islamic financial principles in their daily lives leading to the eventual adoption of Islamic banking (Dewi & Ferdian, 2021).

Intention to Use Islamic Banking Services and Products (Attitude)

Intention to use Islamic banking services and products has been predicted by several determinants like awareness, and attitude among others (Albaity & Rahman, 2019). However, in several studies done about the adoption of Islamic banking and finance in the recent past, Islamic financial literacy has been identified to impact individuals' attitudes and thus being one of the key influential determinants in the adoption of Islamic banking and financial services and products - thus Islamic financial literacy being key in influencing consumers' intention towards the eventual adoption of

Islamic banking and finance. For example, Islamic financial literacy was found to have a positive and significant effect on investment intentions in the Islamic capital markets directly or indirectly (Yusfiarto *et al.*, 2023). Yet Islamic financial literacy as an indicator of Islamic financial education can positively help in the establishment of positive attitudes in society towards the general concept of Islamic finance. Indeed, Islamic financial literacy together with other determinants of Islamic banking and financial adoption like attitude yield predictive power to predict individual intention to implement financial services and products (Lajuni *et al.*, 2020). However, it is worth noting that in communities where customers have already embraced/adopted Islamic banks, Islamic financial literacy has no significant effect on customers' interest in Islamic banking and services (Yeni *et al.*, 2023) and in such communities, customers focus on how they can spiritually benefit from the Islamic banking and finance services and products they intend to consume. Likewise, among the millennials more so college students, Islamic financial literacy is found to have no significant effect on their intention to invest in *Shariah* Equity funds instead it's Muslim religiosity that played a key role as a determinant for their investment in such Islamic products (Sumiati *et al.*, 2021).

Besides, Islamic financial literacy as a determinant of Islamic banking and finance is key in influencing customers' intention to use Islamic banking and finance varied products in line with even those that would wish to invest in such products and services. Lately, it's determined that Islamic financial literacy positively affects the intention of the public to use *Shariah* mobile banking services (Nur, 2022) and the intention of prospective Muslim investors to invest through Islamic securities Crowdfunding which implies that Islamic financial literacy has a positive affective role on the general behavioural intention of Islamic Banking & Financial users (Majid & Nugraha, 2022, Osman, 2023).

Financial Decision-Making (Skill)

There have been increased Islamic financial products and services as the industry progresses to conquer a wider scope on the global scene. This has proved a challenge to consumers as far as the choice of which products to consume – appropriate to their needs. In this review study, however, Islamic financial literacy has been found to have a significant role in the financial sharpening of skills and thus aiding the decision-making process for consumers (Hadajat & Hamdan, 2017) in varied categories. Indeed, Islamic financial literacy aids decision-making as regards Islamic financial products and services available given the complex financial instruments leading to the adoption of Islamic banking products (Setiawati *et al.*, 2018). Even for stakeholders like government, and institutions, determining the level of Islamic financial literacy in populations or communities (Setiawati *et al.*, 2018) can aid their decision-making process as regards which Islamic products and services to offer to communities and specifically tailored across different categories like gender, age, profession among others (Kevser *et al.*, 2021). Hence, the development and growth of financial products can be matched by the enhancement of Islamic financial literacy to make it possible for appropriate decision-making (Zulfaka *et al.*, 2023).

Enhancement of Financial Behavior

Islamic financial literacy in general is enhanced through Islamic financial awareness and knowledge among Islamic banking and finance consumers leading to the general acceptance of Islamic finance principles (Dinc *et al.*, 2023). However, Islamic financial literacy goes a step further to model the financial behaviour of those who have made decisions to use Islamic banking and financial products because Islamic financial literacy has the element of being human capital – a trait that enables consumers to appropriately model individuals' financial-behavior (Ahmed *et al.*, 2020). Thus, Islamic financial literacy positively influences financial behaviour in general and thus helps to check errors that occur because of personal finance mismanagement that can eventually affect the bigger population (Gunawan, 2023). So, enhanced financial behaviour as a component of Islamic financial literacy minimizes financial problems like bankruptcy in communities (Abdullah *et al.*, 2022). This is because, through Islamic financial literacy comprehensive guidelines for borrowers, lenders, financial institutions, and society at large, there has been a change in the attitudes and behaviours of main debtors, leading to their improved financial well-being. Indeed, the enhanced financial behaviour through Islamic financial literacy has further enabled financial inclusion in countries like Indonesia

where a positive and significant effect between Islamic financial inclusion and business performance has been exhibited (Mujiatun *et al.*, 2023). This is because Islamic financial literacy enhances the skill of personal resources management which not only affects decision-making in individuals but also enhances their general financial behaviour leading to financial well-being (Abdullah *et al.*, 2022). Indeed, financial behaviour, financial stress, and financial well-being are good predictors of determining the level of Islamic financial literacy (Dolah *et al.*, 2023).

6. IMPLICATIONS/CONTRIBUTIONS

Besides, Islamic financial literacy can aid in expanding the Islamic banks' share in the Global market and specifically aid these banks to dominate markets in several Islamic countries (Al-Awlaqi & Aamer, 2022). Indeed, the level of awareness and knowledge of Islamic financing can affect the attitude towards Islamic financing (Antara *et al.*, 2017). To this end, Islamic financial literacy can be a key determinant of bank selection preference as regards Islamic banks over conventional banks. So, to the industry, this study will help industrial players to easily identify which component of Islamic financial literacy can best be utilized to foster the adoption of respective Islamic banking products and services. Thus, to achieve this, the Islamic financial literacy concept vast as it is, was analyzed in the review reflective of its varied components of knowledge, skill, attitude, and behaviour – tracing how each affects the adoption of Islamic banking in line with fostering wellbeing of individuals with the observance of Islamic rules.

7. CONCLUSION, LIMITATIONS AND FUTURE RESEARCH

This review study tried to understand the role of Islamic financial literacy in determining the adoption of Islamic banking products and services reflecting on the major Islamic financial literacy components. Generally, there can be other roles that can be identified as contributions of the components of Islamic financial literacy but the above are the major ones that are discussed randomly in the Scopus available literature. Indeed, Islamic financial literacy has a positive and significant influence on risk tolerance and financial behaviour (Patrisia *et al.*, 2023) – a basic tool required by every consumer to manage their finances and avoid financial problems. However, the limited publications on Islamic financial literacy and less attention given to the concept in the realm of Islamic banking and finance are still undermining efforts of most benefits to be effectively appreciated by the scholarly community and society at large.

The review also found that previous studies have not specifically studied Islamic financial literacy's role as a determinant of Islamic banking and finance adoption as they have studied it alongside other factors like attitude, and religiosity among others. Previous studies have not also highlighted specific avenues that can be used to enhance Islamic financial literacy among communities and different stakeholders. The studies were done mainly in countries where Islamic banking has taken precedence and other regions are ignored and most studies can hardly be generalized. Giving Islamic financial literacy more scholarly attention and funding from institutions can help realize the financial benefits that can result from its enhancement. These studies have not also looked at respective components of Islamic financial literacy but rather broadly analysed the role of Islamic financial literacy in the adoption of Islamic banking in general terms.

Besides, the component of knowledge has not been well analyzed about enhancing the adoption of Islamic banking by the varied studies reviewed as compared with other components. However, it has been used interchangeably with awareness in instances where it has been accorded attention (Dinc *et al.*, 2023). This can be attributed to the researchers' efforts in studying Islamic financial literacy to be so industrial rather than academic and to the fact that Islamic financial literacy literature is still evolving, and thus scholarly attention is given to standardizing the measurement scale of Islamic financial literacy and its main items (Antara *et al.*, 2017, Dinc *et al.*, 2023).

Therefore, future research should consider that research be done trying to harmonize the identified categorical roles in a single conceptual framework towards the adoption of Islamic banking and

services – to come up with models relating to their chronological flow as put in this review. It is also observed that the Islamic financial literacy literature available is much centred in Indonesia, Malaysia, Turkey, and a few in the GCC countries like the UAE. It is still complicated to generalize the Islamic financial literacy findings to other countries that have just embraced Islamic banking and finance or whose economies are smaller compared to those of countries like Malaysia. So, to enhance the theoretical rigour and literature in the Islamic financial literacy field, more studies should be carried out in poorer countries that use Islamic banking and finance services and products. Besides, most of the reviewed studies used varied innovative data analysis methods and software like SmartPLS4 which can be considered for adoption by subsequent studies in the Islamic financial literacy field.

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TASAWUF KONTEMPORARI DALAM MENANGANI PEMIKIRAN RADIKALISME BERAGAMA: ANALISIS LITERATUR UTAMA

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ABSTRAK

Kesedaran beragama dalam kalangan masyarakat Islam merupakan suatu perkembangan yang sangat baik terhadap sesuatu kelompok masyarakat di sebuah negara. Namun terdapat juga di satu sisi perkembangan ini menimbulkan masalah sekiranya tidak diawasi dengan baik, iaitu pengaruh media massa menyebarluaskan fahaman radikalisme beragama. Justeru, berangkat dari situasi tersebut artikel ini merungkai persoalan dan isu mengenai pemikiran radikalisme beragama dan peranan pendekatan tasawuf kontemporari dalam menangani isu tersebut. Secara khususnya, artikel ini merupakan sorotan literatur menumpukan berkenaan dengan kajian terdahulu yang meliputi permasalahan sikap radikalisme yang berlaku di Malaysia khususnya di Sarawak. Artikel ini secara khusus berobjektifkan untuk mengkaji peranan agama dalam kehidupan manusia, mengkaji pengaruh media massa dalam penyebaran pemikiran radikal beragama, menganalisis pendekatan tasawuf kontemporari dapat menangani pemikiran radikal beragama, menganalisis fahaman radikalisme dan kecenderungan perilaku keganasan dalam mencorakkan amalan keberagamaan, dan menilai kesan pengamalan tasawuf kontemporari dalam menangani pemikiran radikal beragama khususnya di Sarawak. Rumusan dapatan kajian dalam artikel ini menunjukkan bahawa sorotan literatur lepas menjurus kepada kaedah pemulihan yang dilakukan bagi mengatasi gejala-gejala yang sedia ada. Kaedah pemulihan adalah dengan menggunakan elemen-elemen tasawuf. Ia adalah untuk menjelaskan berkenaan keberkesanan kaedah tasawuf dalam mencegah dan memulihkan. Di samping itu juga sumber literatur lepas ini tidak menolak keperluan untuk membuat penambahbaikan terhadap konsep tasawuf yang sedia ada dengan menekankan beberapa perkara seperti penekanan terhadap adab dan akhlak, pembersihan hati, latihan kerohanian, pembinaan strategi bagi melahirkan generasi *ulu al-albab* yang menguasai ilmu-ilmu turath serta menterjemahkan hal tersebut ke dalam individu generasi sekarang sebagai generasi *ulu al-albab* iaitu generasi bijak pandai yang berfahaman akidah Ahli Sunnah Wal Jamaah. Kesungguhan dalam melaksanakan elemen-elemen tasawuf dalam pendidikan merupakan usaha berterusan untuk mengekang daripada perkembangan pemikiran yang bercanggah dengan aliran Islam sebenar serta usaha mengekang aliran pemikiran ekstrim yang sudah membudaya dalam masyarakat yang akan merugikan umat Islam di Malaysia.

KATAKUNCI: TASAWUF KONTEMPORARI, PEMIKIRAN RADIKALISME BERAGAMA, PERANAN AGAMA, PENGARUH MEDIA MASSA, PERILAKU KEGANASAN

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ABSTRACT

Religious awareness among the Muslim community represents a positive development for a particular segment of society in a given country. However, on the flip side, this development can also pose problems if not carefully monitored, such as the influence of mass media in propagating radical religious ideologies. Thus, stemming from this context, this article addresses the issues surrounding religious radicalism and the role of contemporary Sufi approaches in addressing these issues. This article specifically is a literature review focusing on previous studies covering the problem of radicalism attitudes occurring in Malaysia, particularly in Sarawak. This article specifically aims to examine the role of religion in human life, assess the influence of mass media in spreading radical religious ideologies, analyze how contemporary Sufi approaches can address radical religious ideologies, analyze radicalism ideologies and tendencies towards violent behavior in shaping religious practices, and evaluate the impact of contemporary Sufi practices in addressing radical religious ideologies, particularly in Sarawak. The findings of this study indicate that past literature has focused on recovery methods to address existing phenomena. The recovery method involves using Sufi elements to explain the effectiveness of Sufi methods in prevention and recovery. Additionally, past literature does not dismiss the need to improve existing Sufi concepts by emphasizing several aspects such as emphasis on manners and morals, spiritual purification, spiritual training, and the development of strategies to produce a generation well-versed in traditional knowledge and translate it into the current generation as a generation of ulu al-albab, namely the generation of wise individuals who adhere to the beliefs of Ahli Sunnah Wal Jamaah. The commitment to implementing Sufi elements in education represents an ongoing effort to curb the development of thinking that contradicts true Islamic teachings and to curb extremist thinking that has become prevalent in society, which would be detrimental to the Muslim community in Malaysia.

KEYWORDS: CONTEMPORARY SUFISM, RADICAL RELIGIOUS THOUGHT, ROLE OF RELIGION, INFLUENCE OF MASS MEDIA, VIOLENT BEHAVIOR

1. PENGENALAN

Kesedaran beragama dalam kalangan masyarakat Islam merupakan suatu perkembangan yang sangat baik terhadap sesuatu kelompok masyarakat di sesebuah negara. Namun terdapat juga di satu sisi perkembangan ini menimbulkan masalah sekiranya tidak diawasi dengan baik. Jika dahulu, apabila masyarakat memiliki kesedaran yang tinggi, maka mereka akan mendatangi masjid, surau bahkan mendatangi pondok-pondok bagi mendalami ilmu-ilmu berkenaan dengan agama. Hal ini merupakan suatu perkara yang tepat dilakukan.

Namun demikian, permasalahan mula timbul apabila seseorang itu mempunyai kesedaran agama, maka mereka akan mencari sumber yang mudah akses seperti melayari media sosial untuk mencari pengetahuan atau jawapan kepada kemosyikilan agama dihadapi. Tanpa mengetahui dengan jelas sumber yang diakses, maka penilaian dan maklum balas yang digunakan adalah berdasarkan kepada penjelasan yang diperolehi daripada sumber tersebut. Ia ditanggapi langsung sebagai suatu pegangan mutlak, yang tidak tertolak.

Kesalahan dalam mendapatkan ilmu agama ini akan mengakibatkan kesalahan dalam memahami ilmu agama sebagaimana kehendak Nabi Muhammad SAW khususnya fahaman yang berteraskan akidah *Ahli al-Sunnah wa al-Jama'ah* (ASWJ). Dalam perkara bersifat ibadah seperti fekah, tauhid, muamalat dan sebagainya akan menjadi haru-biru jika mereka mengambil pandangan daripada kelompok yang salah. Berdasarkan latar sejarah, negeri-negeri Melayu telah meletakkan kesepakatan menjadikan mazhab Syafie sebagai pegangan rasmi atau rujukan bagi perkara-perkara yang melibatkan keputusan-keputusan fatwa dan hukum hakam di Jabatan Kehakiman Syariah (Hasliza Hassan, 2014). Maka sewajarnya masyarakat harus memahami kerangka apa yang sesuai diikuti di Malaysia. Namun apabila budaya ilmu tidak diamalkan serta kejahilan dalam ilmu agama

akan menyebabkan mereka tidak mempunyai pengetahuan berkenaan aliran fekah, mazhab dan aliran akidah yang sepatutnya menjadi pegangan dalam beramal.

Perkembangan media sosial pada dekad ini juga menyumbang kepada perkembangan ideologi. Penyebaran ideologi yang terdapat dalam media sosial berperanan dalam mempengaruhi masyarakat terutama dari sudut cara berfikir. Umpamanya, dalam kes kematian Dr. Azahari bin Hussin, Amrozi dan Imam Samudera, tidak mengendurkan semangat ahli kumpulan pengganas ini, bahkan mereka dianggap mati dalam perjuangan pada jalan Allah. Begitu juga rakaman video ucapan dan kata-kata semangat daripada mereka sebelum mati terus-menerus dilayari di media sosial. Implikasinya, ia secara berterusan melahirkan semakin banyak pengikut, dan berterusan juga proses perekutan lebih ramai orang terutamanya orang muda yang terpengaruh dengan ideologi jihad versi mereka (Nafi' Muthohirin, 2015).

Berhadapan dengan isu ideologi radikal ini, tasawuf diangkat sebagai antara jalan terbaik mengadapi dan merawati permasalahan ini. Tasawuf adalah manifestasi daripada *syafa'* atau kesucian dengan sifat terpuji dalam setiap ucapan (Qusyairy, n.d.). Menurut anda, apakah yang difahami dengan tasawuf dalam erti kata yang mudah? Penekanan terhadap tasawuf kepada masyarakat adalah bertujuan untuk melepaskan diri daripada amalan hati yang buruk iaitu *takhalli* dan memasukkan amalan hati yang mulia iaitu *tahalli* pada diri mereka. Usaha tersebut adalah untuk masyarakat mempunyai elemen dalam diri mereka dan menterjemahkan dalam perbuatan sehari-hari mereka. Hasil daripada kefahaman elemen tasawuf ini, akan melahirkan generasi cemerlang dan generasi yang akan membina ketamadunan sebagaimana zaman kegemilangan Rasulullah SAW dan para sahabat terdahulu. Ilmu tasawuf sebenarnya adalah cara hidup Rasulullah SAW dan segala apa sahaja yang dilakukan dan diucapkan oleh baginda merupakan akhlak dan manifestasi ilmu tasawuf.

Penekanan elemen tasawuf sangat besar dalam pengajian agama Islam khususnya di masjid-masjid dan surau-surau. Elemen mengenal Allah dan adab merupakan kombinasi yang terdapat dalam ilmu tasawuf. Tasawuf kontemporari pula adalah elemen tasawuf yang disesuaikan pada masa sekarang yang menekan soal ilmu ketuhanan serta menterjemahkan disiplin keilmuan tradisional tersebut bersesuaian kepada keilmuan berbentuk moden namun tidak mengurangkan prinsip-prinsip yang terdapat dalam ilmu tasawuf tradisional (Zuhriy, 2011).

Justeru, berangkat dari situasi tersebut artikel ini merungkai persoalan dan isu mengenai pemikiran radikalisme beragama dan peranan pendekatan tasawuf kontemporari dalam menangani isu tersebut. Secara khususnya, artikel ini merupakan sorotan literatur menumpukan berkenaan dengan kajian terdahulu yang meliputi permasalahan sikap radikalisme yang berlaku di Malaysia khususnya di Sarawak.

2. persoalan dan objektif

Secara khususnya artikel ini mengetengahkan lima persoalan utama untuk dirungkai, sebagaimana berikut:

1. Apakah peranan agama dalam kehidupan manusia?
2. Apakah pengaruh media massa dalam penyebaran pemikiran radikal beragama?
3. Bagaimanakah pendekatan tasawuf kontemporari dapat menangani pemikiran radikal beragama?
4. Bagaimanakah fahaman radikalisme dan kecenderungan perilaku keganasan dalam mencorakkan amalan keberagamaan?
5. Apakah kesan pengamalan tasawuf kontemporari dalam menangani pemikiran radikal beragama di Sarawak?

Berdasarkan lima persoalan di atas, artikel ini mensasarkan lima objektif utama sebagaimana berikut:

1. Mengkaji peranan agama dalam kehidupan manusia
2. Mengkaji pengaruh media massa dalam penyebaran pemikiran radikal beragama
3. Menganalisis pendekatan tasawuf kontemporeri dapat menangani pemikiran radikal beragama
4. Menganalisis fahaman radikalisme dan kecenderungan perilaku keganasan dalam mencorakkan amalan keberagamaan
5. Menilai kesan pengamalan tasawuf kontemporeri dalam menangani pemikiran radikal beragama di Sarawak

3. DAPATAN DAN PERBINCANGAN

Peranan Agama dalam Kehidupan Manusia

Dalam konteks yang luas, pandangan Idris Zakaria (2010) adalah begitu relevan dicermati apabila beliau membentangkan dalam Muhadharah Pemikiran Islam pada siri 10 dengan tajuk: *Falsafah Hidup Manusia: Perbandingan antara Islam, Hindu-Buddha, Kristian dan Ideologi Moden*. Beliau berpendapat bahawa agama memiliki sumbangan penting terhadap kehidupan dan kemajuan manusia. Salah satu sumbangannya ialah membina pandangan dunia, mengawal tingkah laku, dan menyediakan kerangka rohani untuk menjawab persoalan-persoalan besar yang bersifat ontologi dan metafizik. Agama juga memberi ketenangan kepada individu yang memahaminya dengan baik. Ahli psikologi klasik dan moden juga sepakat bahawa agama membantu membentuk kehidupan seseorang dengan memberikan pemahaman tentang makna kehidupan, termasuk asal-usul, tujuan, dan akhir kehidupan manusia. Dengan pemahaman ini, seseorang dapat menjalani kehidupannya dengan keyakinan dan fokus.

Sementara Dr. Rita K. Baltus (2000) dalam bukunya bertajuk: *Personal Psychology for Life and Work* pula menjelaskan berkenaan pentingnya keperluan untuk memiliki pandangan yang tepat tentang maksud dan tujuan kehidupan, sebagaimana berikut:

It is desirable not only to determine the purpose of life in a universal sense but also to work out the primary purpose of your individual life. It is not necessary that you interpret the meaning of life in the same way as someone else, but it is important that your life have meaning and purpose. Determination of your life's primary purpose will affect all your other goals. Often a person's primary purpose is closely related to one's religious beliefs or a basic belief in the origin of life.
(Baltus, 2000)

Dalam konteks ini, Baltus juga menggariskan pentingnya peranan agama dalam memberi arahan kepada manusia tentang cara hidup yang mereka lalui. Fakta ini telah berlaku sejak zaman purba lagi. Bahkan, fakta ini diakui oleh seorang tokoh utama dalam bidang psikologi yang juga seorang atheist, dalam satu gambaran yang agak kritikal terhadap agama. Beliau menjelaskan bahawa:

Religion has clearly performed great services for human civilization. It has contributed much towards the taming of the social instincts. But not enough. It has ruled human society for many thousands of years and has had time to show what it can achieve.
(Freud, 1961)

Kemudian, beliau meneruskan alasannya dengan beberapa perspektif yang sangat sinis dan agak berspekulasi mengenai peranan agama dalam sejarah manusia. Beliau menerangkan bahawa:

If it had succeeded in making the majority of mankind happy, in comforting them, in reconciling them to life and in making them into vehicles of civilization, no one would dream of attempting to alter the existing conditions. But what do we see instead? We see that an appallingly large number of people are dissatisfied with civilization and unhappy in it, and feel it as a yoke which must be shaken off; and that these people either do everything in their power to change that civilization, or else go so far in their hostility to it that they will have nothing to do with civilization or with a restriction of instinct. At this point it will be objected against us that this state of affairs is due to the

very fact that religion has lost a part of its influence over human masses precisely because of the deplorable effect of the advances of science. We will note this admission and the reason given for it, and we shall make use of it later for our own purposes; but the objection itself has no force.

(Freud, 1961)

Seterusnya, perkara juga boleh dirujuk dalam tulisan Mashitah Sulaiman dan Marina Munira Abdul Mutualib (2011) dengan tajuk: "Agama Sebagai Faktor Pelestarian Pembangunan Mapan: Nilaianya dari Perspektif Kehidupan Belia Masa Kini". Penulisan ini menyimpulkan bahawa walaupun terdapat pelbagai persepsi yang berbeza mengenai agama, baik atau buruk, positif atau negatif, agama tetap merupakan realiti yang penting dalam membentuk pandangan dunia, kepercayaan, kata-kata, perbuatan, dan amalan seseorang. Dengan erti kata lain, agama juga memainkan peranan penting dalam mempengaruhi sikap, mentaliti, dan perilaku seseorang dalam kehidupan harian mereka. Manusia sering merujuk kepada agama sebagai panduan, motivasi, dan pemandu dalam membuat keputusan dalam kehidupan mereka, sama ada pada peringkat individu, keluarga, atau masyarakat (Mashitah & Marina Munira, 2011).

Dengan momentum yang hampir sama, pandangan terbaru boleh dihubungkan cetusan idea bernas oleh Mohd Farid Mohd Shahran (2023) menerusi kertas pembentangan beliau yang bertajuk: *The Role of Adab and Ta'dib in Facing the Challenge of Extremism: A Civilizational*, yang dibentang dalam *International Seminar on Islamic Education 2023* di Kuching, Sarawak. Pandangan beliau mempunyai kaitan langsung menerusi petikan berikut:

"The root of extremism can always be traced to the distorted worldview due to error and confusion in knowledge and thinking. The knowledge and understanding, if further analysed, is the result of previous life experience or education that the person has received, be it formal or informal, throughout his or her life."

Berdasarkan dengan apa yang telah disebutkan bahawa sememangnya akar kepada pemikiran ekstrim ini adalah kekeliruan dalam ilmu pengetahuan yang didapati oleh seseorang itu berdasarkan latar belakang pendidikan dan kehidupannya.

Pengaruh Media Massa

Masyarakat Islam di Sarawak terdedah dengan elemen perkembangan yang terdapat dalam media sosial yang lebih banyak memberikan implikasi yang negatif berbanding dengan manfaat yang diperolehi daripadanya. Jumlah individu yang menggunakan agama sebagai justifikasi untuk bertindak keganasan telah meningkat secara ketara dalam masyarakat baru-baru ini. Mereka mula mentafsir ayat al-Quran dan al-hadis tanpa melalui pentafsiran mengikut pandangan para ulama. Perkembangan ini boleh dilihat melalui media sosial seperti *Facebook*, *Instagram* ataupun *Twitter*. Hasil daripada pengaruh tidak sihat dalam media sosial terutamanya, lahir golongan-golongan yang telah nipis budi pekerti dan tatasusila dalam menyikapi isu semasa terutama dalam isu agama. Masyarakat mengetahui bahawa isu-isu agama merupakan satu isu yang sangat sensitif serta dalam menghadapinya kita memerlukan sikap berhati-hati, namun pada waktu ini ia dihadapi dengan sikap bersahaja dan secara tidak beradab.

Sarawak juga tidak terlepas daripada hal ini. Melalui operasi yang dilakukan oleh pihak Bahagian Cawangan Khas Bukit Aman, *E8 Counter Terorism* Tahun 2017, seramai 20 orang individu telah ditangkap kerana menyertai kumpulan Daesh yang menggelar diri mereka dengan nama *The Rise of Jundullah*. Salah seorang daripada mereka merupakan bekas guru sekolah rendah di Kuching, Sarawak. Mereka cuba untuk menyerang acara *The Better Beer Festival 2017*. Menurut Ketua Polis pada waktu itu, Tan Sri Mohd Fuzi Harun, PDRM telah membuat tangkapan melibatkan seorang suspek berusia 46 tahun yang merupakan bekas guru di sebuah sekolah rendah di Kuching. Tangkapan dibuat pada 1 Disember 2017 di Lapangan Terbang Antarabangsa Kuala Lumpur (KLIA).

Berdasarkan perkembangan ideologi radikal ini di Asia Tenggara pasca kejadian 11 September 2001, peningkatan jumlah kejadian radikalisme di Asia Tenggara meningkat khususnya di tiga buah negara ini iaitu Filipina, Thailand dan Indonesia. Kejadian pengeboman di Bali pada 12 Oktober 2002 yang mengorbankan 202 orang, pengeboman di Hotel J.W Merriot di Kuningan, Jakarta, serangan di Kedutaan Besar Australia di Jakarta serta pusat membeli belah Sarenah di Jakarta Pusat. Kes penculikan di Sabah oleh pengganas Filipina iaitu *Moro Islamic Liberation Front* (MILF) dan Abu Sayyaf juga meningkat. Komander Kawasan Keselamatan Khas Pantai Timur Sabah (ESSCOM), Datuk Victor Sanjos menyatakan bahawa perkongsian maklumat perisikan dengan pihak berkuasa Malaysia, Filipina dan Indonesia telah meningkat kejayaan dalam operasi anti pengganasan di rantau ini. Sejak 2015, seramai 20 anggota militan Kumpulan Abu Sayyaf (ASG) mati ditembak, manakala 17 anggota ASG atau *Kidnapping For Ransom Group* (KFRG) dithaan. Selain itu, sepanjang 2014 hingga 2018, sebanyak 12 percubaan untuk menculik, merampas dan merompak digagalkan dengan penculikan terakhir berlaku pada 14 Januari 2020. (Juwan Riduan, 2024) Peningkatan aksi perlakuan bom kereta di Thailand oleh Barisan Revolusi Nasional (BRN) dan *Pattani United Liberation Organization* (PULO). Hal ini menunjukkan perkembangan ideologi radikalisme di Asia Tenggara semakin merisaukan (Kusuma, 2016).

Secara luarannya aktiviti keganasan di Malaysia tidak terlalu ketara, namun ia tidak dapat dikatakan tidak berlaku kerana melihat apa yang berlaku bahwasanya fakta telah menunjukkan perancang kepada aktiviti keganasan di Indonesia dan Malaysia merupakan anak kelahiran Malaysia seperti Nordin Mat Top dan juga Dr. Azahari Husin. Begitu juga dengan 40 orang warga negara Malaysia yang dilatih menjadi kelompok ISIS yang melibatkan diri dengan perperangan di Syria (Hashim, 2015). Terdapat ramai warga Malaysia yang menjadi mentor kepada rekrut-rekrut baru kem militan di Filipina (Kusuma, 2016). Keterlibatan rakyat Malaysia dalam aktiviti radikalisme ini adalah kerana kurangnya ilmu dalam agama Islam serta pemahaman yang dangkal terhadap kandungan al-Quran dan al-sunnah.

Malah, perkembangan terkini menunjukkan peningkatan ideologi yang cenderung ke arah fahaman keras, radikal, dan ekstrem, yang berpotensi mempengaruhi masyarakat untuk bertindak di luar batas. Ini melibatkan provokasi, ancaman, keganasan, penculikan, penderaan, rampasan, perperangan, pengeboman, pembunuhan, dan sebagainya. Tambahan pula, terdapat peningkatan kejadian keganasan yang dilakukan oleh golongan pelampau, radikal, atau ekstremis. Perkara yang menarik perhatian ialah mereka tidak hanya menyerang bukan Muslim, tetapi juga menyasar masyarakat Islam sendiri. Dalam kata lain, mereka menggunakan keganasan terhadap orang Islam sendiri. Ini menjelaskan kelompok-kelompok ini menolak konsep hikmah dan akhlak Islamiyah. Ini kerana, biarpun setiap manusia ada hak masing-masing dalam membuat tindakan, namun dari sudut falsafahnya ia tetap tidak boleh melampaui batasan kemanusiaan apatah lagi menghilangkan nilai akhlaknya. (Zul'azmi & Sunawari, 2015)

Menurut SAC Dato Ayub Khan bin Mydin Pitchay, Ketua Penolong Pengarah Cawangan Khas E8, satu operasi yang dilakukan oleh pihak PDRM dari bulan Julai hingga September 2019 berjaya menangkap 16 individu yang disyaki terlibat dengan kumpulan pengganas di Sabah, Sarawak, Selangor, Pulau Pinang, Pahang, Kuala Lumpur, dan Johor. Pada 10 Julai, tangkapan dilakukan di Keningau, Sabah, melibatkan seorang lelaki warga Indonesia berusia 25 tahun yang bekerja sebagai pekerja ladang kelapa sawit. Suspek telah berhubung dengan pemimpin Daesh, Abu Bakar al-Baghdadi, melalui aplikasi Telegram. Dia bertindak sebagai pengurus yang mengatur kemasukan sepasang suami isteri warga Indonesia bersama tiga anak mereka yang melakukan serangan bunuh diri ke atas sebuah gereja di Jolo, Filipina, pada Disember 2018. Suspek juga didakwa menyalurkan dana kepada kumpulan pengganas Maute di Selatan Filipina serta merancang untuk berjihad di Syria. Tangkapan kedua di Subang Jaya pada 2 Ogos 2019 melibatkan seorang wanita warga India berusia 38 tahun yang bekerja sebagai pembantu pembersihan rumah (Muhammad Afham Ramli, 2019). Wanita tersebut telah menjadi ahli kumpulan Sikh for Justice (SFJ) yang dilarang di India sejak tahun 2017, selain daripada berperanan sebagai penyalur dana kepada kumpulan tersebut.

Sebagai tindak balas terhadap kejadian tersebut, dua lelaki tempatan berusia 21 dan 26 tahun telah berjaya ditangkap di Keningau dan Tenom, Sabah, pada 6 September atas tuduhan menjadi fasilitator untuk serangan di Jolo, Selatan Filipina. Selain itu, dalam operasi yang berlangsung dari 14 hingga 25 September di Miri, Sarawak, Pulau Pinang, Pahang, Kuala Lumpur, Selangor, dan Johor, pihak polis berjaya menggagalkan satu sel baru Daesh yang melibatkan rakyat Malaysia dan Indonesia, termasuk seorang wanita berusia antara 22 hingga 36 tahun. Tangkapan ini melibatkan seorang lelaki tempatan dan 11 warganegara Indonesia, termasuk wanita tersebut. Kumpulan ini aktif mengiklankan fahaman Daesh dan melatih ahli baharu melalui platform media sosial, terutamanya dalam kalangan warganegara Malaysia dan Indonesia, dengan rancangan untuk menjalankan serangan di kedua-dua negara tersebut setelah berjaya melatih sebanyak mungkin ahli (Muhammad Afham Ramli, 2019).

Dalam menyelami pemahaman golongan radikal beragama ini, pandangan Imam al-Ghazali boleh dijadikan rujukan. Beliau mengatakan bahawa kebanyakan manusia yang terdiri daripada ahli ibadah, masyarakat awam, ahli ilmu apabila mereka mengabaikan urusan hati iaitu perkara yang berkaitan dengan ilmu tasawuf, mereka akan terdedah kepada tipu daya yang dilakukan oleh iblis, syaitan dan agen mereka iaitu hawa nafsu. Mereka akan melakukan perkara-perkara yang bertentangan dengan kehendak al-Quran dan al-sunnah. Tindakan yang mereka dilakukan seolah-olah bersesuaian dengan syariat agama tetapi sebenarnya adalah bertentangan dengan apa yang dikehendaki agama. Bahkan ianya hanya untuk kepuasan hawa nafsu semata-mata (al-Ghazali, 2019).

Radikalisme dalam sebuah ideologi agama berlaku kerana kesilapan dalam memahami makna dalil yang terdapat dalam firman Allah serta kesilapan dalam menterjemah hadis-hadis Nabi Muhammad SAW secara komprehensif melalui jalur fahaman ASWJ. Seterusnya kumpulan radikal ini menterjemahkan al-Quran dan sunnah melalui kefahaman akal yang jauh daripada kesucian hati dan nurani kerana mereka menolak konsep tasawuf dan tidak mementingkan tasawuf dalam kehidupan seharian (Moh Hasyim Afandi, 2016).

Menurut Profesor Dr. Nicholas Majid, antara cara mengekang ideologi radikal ini adalah dengan memantapkan kefahaman dan melebarkan dimensi dalaman dan rohani, kasih sayang kepada ketuhanan dengan menghayati segala makna dalam ibadah seperti solat sebagai perhambaan kepada pencipta, zakat sebagai khidmat kepada manusia, ibadah haji sebagai pengabdian untuk manusia sejagat, dan berpuasa sebagai cara untuk mengingati akan kelaparan. (Moh Hasyim Afandi, 2016). Jelaslah bahawa maksud di sini adalah konsep kefahaman dalam ubudiyyah kepada Allah SWT menurut Nicholas Majid adalah manifestasi ilmu ketuhanan atau tasawuf sebagai kaedah untuk menghalang ideologi radikal ini masuk ke dalam kefahaman masyarakat.

Pendekatan Tasawuf Kontemporari Menangani Pemikiran Radikal Beragama

Perbincangan mengenai tasawuf dalam dunia kontemporari telah dibahaskan dengan cukup baik oleh Mohamad Nidzam bin Abd. Kadir (2010) dalam bukunya yang bertajuk: *Tasawuf Kontemporari: Implimentasi Tasawuf dalam Dunia Kini*. Selain itu, tulisan H. Muzakkir (2007) juga masih membincangkan tema yang sama apabila menghasilkan sebuah artikel dalam *Jurnal Usuluddin* dengan tajuk: “Tasawuf dalam Kehidupan Kontemporari: Perjalanan Neo-Sufisme”. Apa yang jelas Mohamad Nidzam (2010) dan Muzakkir (2007), merumuskan bahawa tasawuf dalam dunia kontemporari adalah tasawuf yang cuba difahami berdasarkan suasana zaman pada hari ini. Mereka yang menjalani perjalanan tasawuf ini ada pelbagai jalan. Terdapat pihak yang menumpukan perjalanan ibadah sahaja apabila memasuki perjalanan tasawuf. Mereka dikenali dengan kelompok batiniah. Terdapat kelompok lain yang menumpukan jalan syariah sahaja sehingga dikenali sebagai kelompok lahiriah apabila menumpukan segala perkara hanya disandarkan kepada sistem perundungan Islam yang terkandung dalam al-Quran dan al-sunnah. Maka Imam al-Ghazali menampilkkan gagasan syariat, tarikat dan hakikat. Menurut Imam al-Ghazali, proses penghayatan agama haruslah berperingkat, iaitu seseorang itu perlu memantapkan kefahaman syariat terlebih dahulu sebelum mengamalkan tasawuf. Kesannya dia dapat memahami hakikat beragama yang benar dalam pergaulan seharian, dengan gabungan hidup bersyariat dan bertarikat.

Selanjutnya Muzakkir (2007) turut mengulas pandangan Abdul Malik Karim Amrullah (dikenali juga dengan nama Hamka) dalam bukunya *Tasawuf Moden*, dengan ulasan bahawa kesejajaran idea Imam al-Ghazali dan Hamka dalam menterjemahkan kaedah tasawuf tradisional kepada pengembangan dan penyesuaian pelaksanaan dan penonjolan pada zaman kontemporari ini. Perbezaan antara Imam al-Ghazali dengan Hamka adalah dalam kaedah untuk mencapai hakikat atau makrifat di mana Imam al-Ghazali menekankan untuk mencapai makna hakikat, maka manusia harus melaksanakan *uzlah* sedangkan menurut Hamka, mencari kebenaran sejati adalah dengan aktif dalam pelbagai bidang kehidupan sosial.

Selanjutnya, dalam era pasca-modernisme, kita melihat suasana yang diwarnai oleh pelbagai krisis sosial yang semakin meruncing dalam pelbagai aspek kehidupan. Akhlak masyarakat semakin tercalar dan kejadian jenayah semakin meningkat. Usaha untuk mengembalikan nilai-nilai keagamaan telah mendorong kebangkitan karya-karya klasik dengan pendekatan baru, termasuk dalam bidang tasawuf. Karya-karya tasawuf yang dihasilkan oleh penulis kontemporari seperti al-Taftazani menunjukkan perkaitan yang kukuh dengan tradisi Islam. Ini menggambarkan bahawa kebangkitan tasawuf kontemporari disifatkan oleh pendekatan yang mantap yang menggabungkan spiritualisme tasawuf dengan prinsip-prinsip syariah.

Lebih lanjut lagi perkara ini menjadi minat oleh seorang ilmuan Muslim Moinuddin Chisti (1985) apabila menghasilkan karya bertajuk: *The Book of Sufi Healing*. Dalam bukunya, Chisti menjelaskan bahawa tasawuf yang diamalkan dan dilebar-luaskan oleh sufi kontemporari adalah berbeza dari sufisme yang telah difahami oleh ramai selama ini, iaitu sufisme yang hampir terputus daripada akar (Islam) dan cenderung untuk berpisah atau eksklusif. Dalam konteks ini, perkembangan sufisme baru-baru ini, seperti yang dinyatakan oleh Akhbar S. Ahmed (1992) dalam bukunya berjudul: *Post-Modernism and Islam*, menunjukkan bagaimana pasca-modernisme membawa kesedaran masyarakat tentang kepentingan nilai-nilai agama, keperluan untuk toleransi, dan pentingnya memahami orang lain, semua ini tersirat dalam neo-sufisme.

Neo-sufisme secara terminologi telah dipopularkan oleh Fazlur Rahman (1984), pemikir Islam kontemporari dalam bukunya *Islam*. Fazlur Rahman (1984) menyebut bahawa neo-sufisme adalah reform-sufism yang bermaksud sufisme yang diperbaharui. Sekiranya zaman kegemilangan sufism dahulu, aspek yang paling dominan adalah sifat ekstatik-metafizik atau *mistik-filosofus*, maka dalam sufisme baharu ini ia digantikan dengan prinsip Islam ortodok. Neo-sufisme mengalihkan pusat pengamatan kepada pembinaan semula sosial-budaya masyarakat Muslim, sedangkan pengamalan sufisme terdahulu lebih kepada individualistik dan hampir tidak melibatkan diri dalam hal-hal kemasyarakatan.

Dalam hal ini, Fazlur Rahman (1984) mengungkapkan bahawa ciri-ciri neo-sufisme adalah puritanis (terlampaui warak) dan aktivis. Tokoh-tokoh dan kumpulan yang bertanggungjawab dalam kebangkitan neo-sufisme disebut *ahl al-hjadi>s*. Kumpulan ini cuba untuk menyesuaikan sebanyak mungkin amalan-amalan warisan ahli sufi yang dapat diharmonikan dengan amalan Islam tradisional terutama dari sudut teknik-teknik zikir dan *mura>qaba>t* atau cara mendekatkan diri kepada Allah SWT. Menurut al-Qushashi (1909) dalam kitabnya berjudul: *al-Simt al-Majid* menyatakan bahawa sufi yang sebenarnya bukanlah yang mengasingkan dirinya dari masyarakat tetapi sufi yang sebenar adalah yang sentiasa berada di tengah masyarakat dan melakukan *al-'amr bi al-ma'ru>f wa al-nahy 'an al-munkar*, demi kemajuan dan kesejahteraan masyarakat.

Dalam hal ini, Said Ramadhan al-Buti (1965), tokoh ulama Syria mengutarakan konsep *al-ruhaniyya>t al-ijtima>iyya>t* atau *spiritualisme sosial*. Pendekatan beliau adalah sama dengan konsep yang dibawa oleh Fazlur Rahman dan beliau merupakan penggerak kepada konsep tersebut di Geneva. Al-Buti juga mengecam berkenaan dengan sikap dan cara hidup sufi yang banyak melakukan ibadah ukhrawi sehingga menyisihkan diri mereka daripada kehidupan bermasyarakat yang menurut beliau adalah kehidupan yang egois dan pengecut. Sikap ini adalah sikap pengecut. Menurut Syeikh Ramadhan al-Buti, sikap hidup yang benar adalah sikap *tawa>zun* iaitu sikap yang

menyeimbangkan kehidupan dunia dan akhirat disamping termasuk amalan kehidupan spiritualnya sangat tinggi.

Berdasarkan pandangan beberapa tokoh pemikir Islam, neo-sufisme atau boleh juga diidentifikasi dengan tasawuf kontemporari ini merupakan suatu aliran pemikiran yang membawa kaedah ibadah secara tradisional kepada suatu kaedah yang lebih mencapai kepada masyarakat. Ia tidak lagi dikhususkan kepada kumpulan-kumpulan atau jemaah-jemaah tertentu sahaja yang diamalkan secara tertutup tetapi membawa cara tradisional Islam ini kepada masyarakat umum yang pastinya kelak akan diperhalusi caranya tanpa meninggalkan disiplin-disiplin khusus serta adab-adab khusus dalam mengangkat amalan tersebut kepada masyarakat. Ini kerana amalan-amalan tasawuf, sufisme atau tarikat ini adalah amalan yang memerlukan disiplin yang tinggi. Nilai inilah yang menjelaskan Islam dengan nilai *kaffah* iaitu sempurna, mencakupi segala elemen kehidupan serta *tawazun* dalam segala aspek kehidupan dan segala segi ekspresi kemanusiaan (Muzakkir, 2007).

Tasawuf kontemporari ini sebenarnya merupakan penterjemahan amalan yang dipraktikkan oleh baginda Nabi SAW berdasarkan perilaku, percakapan, tindakan, tindak balas yang terdapat dalam al-Quran dan hadis Nabi SAW dalam bentuk moden ataupun semasa. Kontemporari adalah segala kaedah yang dilakukan seperti cara pemakaian, kenderaan, penampilan, pendekatan adalah dalam bentuk moden. Namun perlakuan dalam bentuk kerohanian itu seperti zikir, suluk (pengasingan diri), riadah, doa atau apa sahaja amalan yang mendekatkan diri kepada Allah itu adalah kekal dengan nilai-nilai tradisional sebagaimana amalan terdahulu.

Fahaman Radikalisme dan Kecenderungan Perilaku Keganasan dalam Mencorakkan Amalan Keberagamaan

Beberapa kajian lepas yang boleh dijadikan kayu ukur berkenaan dengan fahaman radikalisme boleh dilihat melalui penulisan-penulisan lepas dengan sumber literatur. Terdapat jurang kajian terhadap kajian yang dilakukan dan seterusnya melihat tahap kesesuaian kajian ini untuk kepentingan atau keperluan ilmiah bagi masyarakat.

Umpamanya, sebuah kajian ilmiah yang boleh diteliti dan dihadami ialah kajian kumpulan penyelidik yang terdiri daripada Che Mohd Aziz et al. (2019) telah menulis sebuah artikel bertajuk: “Pengaruh Kefahaman dan Penerimaan Rakyat Malaysia terhadap Perjuangan Ideologi Daesh”, yang diterbitkan dalam jurnal *Kajian Malaysia*. Kajian ini melaporkan bahawa masyarakat Malaysia secara terbuka menerima idealogi radikal ini rentetan daripada perkembangan menular dan terikut-ikut dengan fahaman neo-salafi yang berlaku di Malaysia bahkan juga di Asia Tenggara hingga ke Asia Barat. Fahaman neo-salafi ini terkenal dengan sikap keras dalam keberagamaan, bahkan juga menonjolkan agenda politik menerusi sama ada kumpulan Daesh mahupun ISIS.

Che Mohd Aziz et al. (2019) seterusnya mempersoalkan dakwaan kuasa Barat yang mengakui telah melumpuhkan dan mengalahkan gerakan kumpulan Daesh di Syria, tetapi tidak dapat menyekat dan menghalang penyebaran ideologi ke pelusuk dunia sehingga ia disambut baik di wilayah Asia Tenggara. Perkara ini dilakukan dengan mudah dan cepat asalkan mempunyai akses aplikasi media sosial mereka berjaya menanam racun dan dakyah ideologi jihad. Bahkan terma ‘jihad’ begitu diterima umum untuk menakluki mangsa bukan sekadar untuk mendapat belas kasihan dan ihsan mereka malahan juga terselit elemen-elemen pujukan dan rayuan untuk terlibat sama dalam menegakkan ‘jihad’ ini. Penglibatan dalam jihad bersama mereka merupakan panggilan untuk mendapat gelar syuhada’ dan mudah memasuki syurga.

Gerakan Daesh di wilayah Asia Tenggara ini termasuklah di Malaysia mahupun Filipina memberi ancaman yang membahayakan berikutnya daripada perekutan berterusan dan sanggup menggadai nyawa demi ketiaamanan kepada pimpinan Daesh. Menurut Che Mohd Aziz Yaacob (2019), berdasarkan sumber laporan PDRM, pihak polis mengesahkan bahawa pihak ini pernah membuat perancangan untuk melakukan huru-hara acara besar di Kuala Lumpur iaitu acara penutupan tamasya Sukan Asia Tenggara (2017) dan tamasya perbarisan Hari Kemerdekaan ke-60. Pihak

PDRM telah melumpuhkan perancangan tersebut ekoran daripada tangkapan 19 individu yang terdiri daripada 8 rakyat Malaysia dan 11 bukan rakyat Malaysia. Bahkan sumber PDRM melalui Cawangan Khas telah mengumumkan bahawa perancang serangan tersebut adalah ahli kumpulan Abu Sayyaf berwarganegara Filipina. Pada 2015, dia telah menyeludup masuk menerusi Sandakan, Sabah dan kemudiannya ke Kuala Lumpur. Berita tangkapan ini disiarkan di akhbar tempatan di Malaysia seperti *Utusan Borneo Online* bertarikh 6 September 2017.

Pembongkaran oleh PDRM ini membuka tembelang ideologi militan Daesh yang bukan dari syariat Islam, bahkan ia bercanggah dan bertentangan kehendak maqasid syariah. Mereka menggunakan apa-apa sahaja cara untuk mencapai matlamat mereka walaupun dengan membunuh orang Islam sendiri tanpa mengira peringkat umur. Pemikiran serong ini mengakar umbi kelompok ini sehingga melakukan keganasan terhadap sesiapa sahaja yang tidak sefahaman dengan mereka.

Seterusnya kajian Moh Hasyim Afandi (2016) juga mempunyai kaitan langsung dengan isu radikalisme. Kajian beliau bertajuk: “Menghadang Radikalisme di Bumi Nusantara” telah diterbitkan dalam *Jurnal Lanter: Kajian Keagamaan, Keilmuan dan Teknologi*. Artikel ini menjelaskan bahawa syariat Nabi Muhammad SAW bersih daripada elemen keganasan, bahkan ia membawa obor perdamaian dan kerahmatan. Dalam hal ini, Islam menolak elemen keganasan yang timbul lantaran daripada perbezaan pandangan. Islam hanya menggunakan kekuatan apabila hendak menghentikan kejahatan manusia yang membawa kehancuran masyarakat umum.

Dalam konteks ini, pandangan tegas Profesor Dr. Azumardi Azra telah dipetik dan diulas oleh Muzayyinatul Hamidi (2015) menerusi tulisannya bertajuk: “Menenun Perdamaian, Menangkal Radikalisme”. Tulisan ini merumuskan pandangan Profesor Dr. Azumardi Azra secara tuntas bahawa radikalisme Islam merujuk kepada gagasan, pemikiran, ideologi, dan gerakan Islam yang melibatkan tindakan seperti intimidasi, kekerasan, dan ancaman. Ini boleh berpunca daripada doktrin agama, membela kumpulan, atau sebagai maklum balas terhadap lawan politik yang ditentang. Menurut garapan definisi yang disampaikan oleh seorang tokoh akademik terkemuka dari Indonesia, ancaman radikalisme merupakan satu risiko kepada semua pengikut agama di seluruh dunia. Ini kerana dalam ideologi radikal, tidak wujud konsep keamanan dan kedamaian; sebaliknya, hanya tindakan bersenjata dan kekerasan yang digalakkan. Ideologi mereka telah meresap begitu dalam dalam diri mereka, menyebabkan mereka hanya bertindak mengikut keyakinan mereka.

Bagi Asep Syamsul M. Ramlil, seorang pengkaji gerakan radikal di Nusantara, terdapat kelompok-kelompok fundamentalis yang mempunyai pandangan yang berbeza dan sering menggunakan nama perjuangan Islam, al-Quran, dan al-sunnah. Namun, pandangan fundamentalis ini sering melampaui batas-batas yang sebenar dalam agama Islam. Ini kerana sesetengah daripada kelompok-kelompok ini menganut pandangan tersebut atas dasar kepentingan politik dan habuan dunia. Ciri-ciri fundamentalis yang radikal ini biasanya bersifat kaku dan literalis. Hasilnya, cara pemikiran sedemikian menyebabkan kelompok atau individu tersebut menjadi tidak toleran, radikal, sempit pemikiran, bersemangat secara berlebihan, atau cenderung ke arah mencapai matlamat dengan menggunakan kekerasan. (Moh Hasyim Afandi, 2016).

Seterusnya kajian Mohd Mizan Aslam (2018) dengan tajuk: *A Model of Deradicalism in Malaysia*, yang diterbitkan dalam buku *International Case Study of Terorist Rehabilitation*, mempunyai elemen-elemen penting berkaitan kumpulan radikal. Dalam hal ini, Mohd Mizan Aslam menjelaskan bahawa kumpulan radikal berkecenderungan menyalah-gunakan terma jihad sebagai perjuangan yang suci dan diiktiraf Tuhan, lantas mereka bertindak keras berperang dengan pihak Barat. Mereka memanipulasikan golongan muda dengan *brain-wash* pemikiran dan tindakan golongan muda ini supaya meyakini tindakan tersebut adalah perintah Tuhan dan mereka dapat menyucikan dosa dan kesalahan mereka yang lalu.

Aktiviti bersifat *ghuluw* (melampau) ini perlu di atasi kerana jika ia dibiarkan dalam masyarakat, sudah pasti akan menjadi barah yang boleh merebak dan merosakkan organ-organ lain di tubuh

badan (Islam). Profesor Dr. Nicholas Majid menyebut terdapat beberapa kaedah yang boleh digunakan untuk berhadapan dengan kelompok ini. Antaranya menurut beliau ialah:

1. Memahami dan mengembangkan kefahaman al-Quran yang tidak dibatasi dengan pola penterjemahan Timur Tengah sahaja.
2. Memahami dan mengembangkan pola dimensi kerohanian dan kecintaan Ilahi sebagaimana memahami makna solat boleh difahami sebagai penyatuan dengan Allah, zakat sebagai penyatuan dengan kemanusiaan, haji sebagai penyatuan dengan umat, puasa sebagai penyatuan dengan orang yang kelaparan.
3. Memahami dan mengembangkan kefahaman dimensi interaksi sosial Islam dalam memahamkan masyarakat kepentingan besar masyarakat itu lebih utama berbanding kepentingan peribadi seseorang itu. Ia juga bermaksud memberikan kefahaman terhadap kepentingan hubungan sosial itu kepada masyarakat.

Selanjutnya, tinjauan literatur kajian lepas juga memfokuskan kepada kecenderungan perilaku dan sikap radikal. Isu kecelaruan pemikiran ini boleh dirujuk dalam banyak tulisan, antaranya ialah tulisan Wan Ismail Wan Dagang, Mohd Nasir Masroom, Ahmad Syukran Baharuddin, dan Mohd Ismail Mustari (2015) dengan judul: “Ancaman Pemikiran Aliran Islam Liberal Kepada Umat Islam di Nusantara: Satu Sorotan Kajian”, yang diterbitkan dalam *Jurnal Sains Humanika*. Wan Ismail (2015) menjelaskan bahawa kecelaruan pemikiran dalam sejarah umat Islam terlah berlaku pada setiap zaman. Ia telah mewarnai rantaian sejarah yang panjang bermula daripada zaman baginda Nabi Muhammad SAW, zaman sahabat, zaman *t'abi* dan *t'abi* 'al-*t'abi* 'i>n, zaman Khalifah Uthmaniah, Khalifah Abassiyah dan Khalifah Othmaniah. Ia berlanjut sehingga zaman sekarang, dan sehingga berlakunya hari kiamat nanti. Kemunculan kecelaruan pemikiran dalam Islam ini telah banyak menyebabkan umat Islam tergelincir kepada kancang kesesatan dan kerosakan akidah. Antaranya ialah munculnya aliran pemikiran seperti postmodernisme, rasionalisme, liberalisme, pluralisme dan sekularisme. Ia muncul atas bermacam-macam nama kemajuan dan teknologi serta kemodenan yang bersesuaian dengan peredaran zaman atau pasca-modernisme. Pola fikir ini telah dibentuk dengan mendepankan kebebasan dan keterbukaan sehingga melanggar prinsip-prinsip syariah dan hukum-hukum yang terdapat dalam kitab dan agama-agama lain khususnya agama Islam. Pengaruh pemikiran ini bermula di Barat serta sudah mula masuk ke rantau Nusantara dan idea-idea mereka sudah mula menular, mencapah dan menguasai ke dalam pemikiran masyarakat Islam.

Sumber Wan Ismail (2015) ini juga mengaskan bahawa perancangan untuk menjatuhkan imej Islam merupakan suatu perancangan yang telah disusun dengan rapi pada tempoh yang cukup lama. Ini kerana musuh-musuh Islam telah mengkaji, mempelajari serta mencari di mana kelemahan umat Islam. Sejarah lampau telah memberikan jawapan kepada kekuatan-kekuatan serta kelemahan-kelemahan umat Islam maka melalui infomasi dan dapatan yang telah mereka perolehi selama puluhan bahkan ribuan tahun, maka mereka boleh merangka acuan untuk menakluki umat Islam sebagaimana yang mereka kehendaki. Kaedah yang paling berkesan dalam menundukkan umat Islam bukanlah dengan cara perperangan yang terbuka kerana di situ merupakan kekuatan sebenar umat Islam, tetapi cara menakluki umat Islam adalah dengan serangan pemikiran dan kebudayaan (*ghazwat al-fikr wa al-thaqafi*). Ia merupakan sebuah bentuk serangan yang secara tidak langsung tetapi tersusun bagi tujuan untuk meruntuhkan pegangan agama masyarakat Islam dan akhirnya akan memberi kesan kepada keruntuhan tamadunnya.

Seterusnya Wan Ismail (2015) juga membangkitkan pandangan sarjana Islam bahawa kecenderungan perilaku radikalisme ini adalah daripada sikap kejahilan yang melibatkan kefahaman ilmu agama. Kejahilan agama merupakan asas kepada *world view extremist*. Asas kepada agama Islam adalah memerangi kejahilan dengan ilmu pengetahuan sebagaimana hadis, iaitu:

طَلَبُ الْعِلْمِ فَرِيْضَةٌ عَلَى كُلِّ مُسْلِمٍ.

Maksudnya: Menuntut ilmu adalah kewajiban bagi setiap individu Muslim. (HR Ibnu Majah, No. 224)

وَمَنْ سَلَكَ طَرِيقًا يَلْتَمِسُ فِيهِ عِلْمًا سَهَلَ اللَّهُ بِهِ طَرِيقًا إِلَى الْجَنَّةِ.

Maksudnya: Siapa yang menempuh jalan untuk mencari ilmu, maka Allah akan mudahkan baginya jalan menuju syurga.

(HR. Muslim, no. 2699)

Selanjutnya, kecenderungan perilaku dan sikap radikal turut menjadi subjek utama kajian oleh kumpulan penyelidik Universiti Malaya yang terdiri daripada Rahimin Affandi Abdul Rahim, Mohd Anuar Ramli, Mohd Imran Abdul Razak, Siti Maimunah Haji Kahal, Rabiatul Adawiyah binti Mohamed Ratha, dan Muhammad Izzul Syahmi Zulkepli (2018). Kumpulan penyelidik ini menghasilkan artikel berjudul: “Psikologi Terorrisme Agama: Antara Bebalisme dan Fanatisme”, yang telah diterbitkan dalam *Jurnal Wasatiyyah Malaysia*. Artikel jurnal ini merumuskan bahawa Islam menekankan pentingnya ilmu dan menetapkan syarat bahawa ilmu adalah keperluan asas dalam memahami dan melaksanakan tugas-tugas agama. Agama Islam menyeru penganutnya untuk memperoleh pengetahuan yang komprehensif dan menyeluruh serta menolak dengan tegas kejahilan dan tindakan-tindakan yang mengakibatkan kejahilan, terutamanya dalam hal agama. Kejahilan ini menyebabkan ramai masyarakat Islam terperangkap dalam perilaku yang menunjukkan sifat rohani yang lemah dan degil, ketegaran hati, dan keengganan untuk memperoleh ilmu walaupun melalui pengajaran dan ceramah di masjid dan surau. Sikap kejahilan ini menjadi punca kepada tindakan ekstremisme yang bercanggah dengan objektif syariat.

Pendapat di atas sinonim dengan gambaran kejadian yang berlaku dalam kes pengeboman di Bali pada tahun 2002. Dalam hal ini, hasil penelitian dan kajian Mirra Noor Milla (2013) boleh dirujuk-silang. Beliau telah menghasilkan tulisan berjudul: “*The Impact of Leader–Follower Interactions on the Radicalization of Terorists: A Case Study of the Bali Bombers*” yang telah diterbitkan dalam *Asian Journal of Social Psychology*. Kajian Milla ini secara umumnya merumuskan bahawa kecetekan ilmu agama merupakan penyebab kepada tindakan kes pengeboman di Bali. Sementara secara terperinci kajian Mila ini boleh diklasifikasikan sebagaimana berikut:

1. Kelompok yang cetek ilmu agama membuka ruang luas dipengaruhi dengan propaganda keganasan seperti Amrozi.
2. Mereka tidak menyesal atas tindakan yang mengakibatkan kematian seramai 202 dan kecederaan parah seramai 240 orang.
3. Pemikiran sempit dalam pengajian agama.
4. Terpengaruh dengan indoktrinasi ideologi salafi jihadi di Afghanistan

Kesannya, pandangan dunia Islam boleh menjadi keliru apabila dipengaruhi oleh pemikiran ekstremis. Oleh itu, adalah sukar untuk menyelamatkan individu yang terjebak dalam ideologi ekstremis kerana mereka menganut pandangan dunia yang salah. Lantaran itu, adalah penting untuk memahami Islam sepenuhnya sebagaimana yang diajarkan oleh Nabi Muhammad SAW. Ini kerana keperluan hidup manusia tidak hanya berkaitan dengan aspek jasmani dan kebendaan, tetapi juga melibatkan dimensi spiritual yang penting dalam membentuk pandangan dunia dan kerangka pemikiran seseorang (Nasr, 1990). Dimensi rohani merujuk kepada aspek hati (*qalb*) yang menggalakkan pembangunan personaliti manusia secara harmoni. Dimensi rohani berfungsi sebagai benteng dalaman yang menggalakkan kebaikan. Hati diisi dengan kekuatan iman, taqwa, tawakal, kesabaran, ketulusan, kejujuran, dan amanah yang membawa kebahagiaan dan kesejahteraan (Abdullah Muhamad Zain, 2017).

Selanjutnya, sumber penting juga telah dihasilkan oleh Kumar Ramakrishna (2009) dengan tajuk: “*Govermental Responses to Extremism in Southeast Asia: Hard Versus Soft Approches Conflict, Community and Criminality in Southeast Asia and Australia*”. Kumar Ramakrishna mendapati

bahawa ideologi pengganas ini telah menerapkan *world-view* Islam yang keliru terhadap mereka. Menurut beliau lagi bahawa seorang yang terjebak dengan pemikiran terorisme biasanya adalah seorang yang bermasalah dengan kerohanianya. Mereka berlatar-belakangkan dengan masalah kekosongan pegangan agama dan kecelaruan jiwa. Beberapa faktor juga turut mengundang perilaku tersebut sebagaimana dirumuskan seperti berikut:

1. Mereka dahagakan sentuhan spiritual.
2. Terlalu mempercayai seseorang sehingga menjadikan seseorang ekstrimis sebagai rujukannya.
3. Cenderung kepada menjadi insan yang kuat beragama tetapi tidak mengikuti ajaran agama yang menekankan budaya ilmu sebagai asas ibadah.
4. Habuan dan himpitan kewangan.

Kelompok yang bercirikan empat faktor di atas merupakan golongan yang berpotensi untuk menjadi sasaran dan habuan oleh perekut kumpulan ekstrimis dengan memenuhi segala kekurangan yang terdapat dalam hidup mereka. Mereka akan dibawa untuk mengikuti program-program usrah yang berbentuk keagamaan. Kecetekan ilmu agama yang terdapat pada mereka menyebabkan mereka sangat senang sekali untuk dimanipulasi dan di doktrinasi dengan agenda-agenda terorisme. Bentuk-bentuk program akan dilakukan secara rahsia dengan menamakan program-program dengan nama-nama agama seperti kaedah dakwah rasul ketika mula-mula Islam diturunkan dengan nama dakwah secara *sir* (sembunyi). Kajian lapangan daripada Wakhid Sugiyanto (2015) dengan tajuk: *Profil Keagamaan Terpidana Terorisme di Nusa Kembangan Jawa Tengah (Kasus Imam Samudera)*, menemukan dapatan yang mustahak. Kajian yang dilakukan oleh Wakhid Sugiyanto ini menghuraikan profil perilaku keagamaan dalam kalangan tahanan pengganas di penjara Indonesia, dan menemui bahawa:

1. Kebanyakan dari penjenayah melampau Islam ini memiliki tahap pendidikan yang rendah. Hanya dua orang pelaku yang diketahui memiliki pendidikan tinggi.
2. Mereka menganut aliran Nahdatul Ulama (NU), yang mempunyai kesedaran agama yang tinggi tetapi tidak sehaluan dengan model tradisional yang diamalkan oleh NU. Akhirnya, mereka membuat perubahan dengan menerima fahaman yang lebih tegas dan ketat seperti aliran Wahabisme.
3. Dorongan untuk menyertai jihad diperolehi melalui penglibatan dalam program-program ringkas di kem-kem di Indonesia yang bertopengkan atas nama program Islam.
4. Bagi mereka, jihad bermakna membela nasib umat Islam yang tertindas, seperti penindasan yang berlaku di Ambon, Indonesia. Sungguhpun sebahagian besar mereka membantah Imam Samudera yang melakukan pengeboman di Bali, namun terdapat sebahagian kecil yang menyokong tindakan tersebut dengan alasan-alasan yang dangkal dan mengabaikan pandangan ulama-ulama yang lain.

Selanjutnya, menurut Rahimin Affandi et. al (2018) dalam tulisan kajian mereka iaitu *Psikologi Terorisme Agama: Antara Bebalisme dan Fanatisme*, penyelidik dari Barat lebih menjurus memberikan gambaran tentang psikologi individu yang terlibat dalam radikalisme agama dengan pelbagai ciri yang berlawanan, sedangkan berbeza pula dengan perlaku itu sendiri bahawa mereka adalah pahlawan dalam perjuangan suci, peperangan suci, jalan jihad dengan mengorbankan harta dan nyawa demi agama yang tercinta. Pengkaji dari Barat juga sering menyatakan teori serta menyediakan teori yang agak komprehensif mengenai ekstremisme Islam. Mereka dapat meramalkan dan mencadangkan penyelesaian untuk mengatasi serangan ekstremisme Islam, tetapi ketika membincarakan psikologi pengganas, mereka tidak dapat mengurai masalah tersebut. Mereka menggambarkan kajian mengenai manusia sebagai *thinking/rational animal* yang hanya terdiri daripada unsur jasmani. Manusia dianggap tidak memerlukan dimensi keagamaan dalam kehidupan, sebaliknya hanya memerlukan kepuasan naluri fizikal, nafsu, makanan, minuman, dan pencapaian diri. Dengan menolak agama sebagai aspek rohani, manusia dipandang sebagai robot yang tidak memerlukan dimensi spiritual dalam kehidupannya.

Kesan Pengamalan Tasawuf Kontemporari dalam Menangani Pemikiran Radikal Beragama di Sarawak

Beberapa pendekatan pencegahan yang dilakukan kepada golongan yang berisiko untuk terdedah kepada ideologi melalui pendidikan seperti mahasiswa, jemaah dakwah serta khusus pelajar-pelajar aliran agama yang belajar di sekolah pondok sama ada dalam dan luar negara. Beberapa pengkaji telah melakukan kajian dan mendapatkan beberapa dapatan dalam kajian mereka berkenaan dengan peranan tasawuf dalam membina akhlak atau mengembalikan fitrah suci bersih seseorang itu. Dapatan yang menunjukkan bagaimana tasawuf ini memberikan impak positif kepada sasaran, namun terdapat juga kes di mana tasawuf ini juga menjurus kepada kesesatan kerana sikap melampau dan tiada guru mursyid (pembimbing) sebenar menyebabkan jalan tasawuf yang diikuti bukanlah inti kepada tasawuf yang menjadi cerminan akhlak Nabi Muhammad SAW.

Hubungan institusi pesantren dengan pembentukan akhlak yang tinggi itu boleh dilihat dalam kajian yang dilakukan oleh oleh Jauhar Fuad (2013) dengan tajuk “Pendidikan Karakter dalam Pesantren Tasawuf” yang diterbitkan dalam *Tribakti: Jurnal Pemikiran KeIslamam*. Jauhar Fuad (2013) merumuskan bahawa institusi pesantren ataupun sekolah pondok adalah suatu institusi pendidikan bagi pelajar-pelajar yang telah bersedia untuk menerima pelajaran-pelajaran agama Islam sebagai tempat berkumpul serta menerima pelajaran dan tempat tinggalnya. Pesantren didefinisikan sebagai suatu tempat pendidikan dan pengajaran yang menekankan pelajaran agama Islam dan terdapat sebuah asrama sebagai tempat tinggal pelajar-pelajarnya. Pesantren adalah suatu lembaga atau institusi pendidikan yang berorientasi pada pembentukan manusia yang memiliki semestinya mempunyai kedudukan moral dan nilai keagamaan Islam dan sosial yang tinggi yang diterjemahkan dalam sistem pendidikan dan para pengajarannya. Dengan demikian, maka orientasi gerak dan pengajaran ilmu-ilmu agama dan pendidikan sosial di pesantren adalah sebuah proses pembentukan karakter (*character building*) yang berteraskan pendidikan Islami. Tasawuf menjadi jalan kepada menuju sumber karakter, ini ditunjukkan oleh sebuah ungkapan masyhur Imam al-Ghazali iaitu: ‘Berakhhlaklah dengan akhlak Allah’. (Muhammad Mushfique, 2018). Maka bertitik tolak dari hadis inilah di dalam tradisi sufi ia sahaja selalu membincangkan berkenaan kesungguhan dalam meneladani dan mengambil sifat-sifat Allah sebagai sumber dan metode pembentukan karakter manusia.

Manakala pembangunan insan yang tepat seharusnya mempunyai acuan yang berdasarkan dengan acuan al-Quran dan al-sunnah nabawiyah khususnya kepada kaum Muslimin. Menurut Jauhar Fuad (2013), rapuhnya sesuatu karakter bangsa itu apabila bangsa tersebut hilang jati dirinya dengan melakukan kerosakan kepada keaslian peradaban yang sedia ada pada bangsa tersebut. Sesuatu bangsa atau ketamadunan itu dapat dipertahankan selama mana mereka mengekalkan jati diri agama dalam diri mereka. Pendekatan tasawuf yang menekankan penghayatan adab dijangka dapat mengekalkan kesinambungan akhlak pada dari satu generasi ke satu generasi. Dengan melahirkan ramai anak yang memiliki akhlak yang baik melalui pendidikan tasawuf maka mereka akan mengimbangi generasi-generasi yang berpendidikan Barat yang akan cuba untuk mengubah struktur bangsa dengan menawarkan idea moden acuan Barat untuk dijadikan sebagai acuan kehidupan masa akan datang.

Melalui pendidikan tasawuf, generasi akan datang perlu diisikan dengan elemen-elemen yang tidak akan memesongkan jati diri mereka kepada hal-hal yang boleh merosakkan pemikiran dan termasuk iktikad yang ada pada mereka. Melalui proses penerapan elemen tasawuf melalui pendidikan secara formal akan menjadikan kemahiran interpersonal mereka dapat dilihat keberhasilannya. Walaupun kadang-kadang penerapan tasawuf ini juga berlaku melalui pendidikan tidak formal, ia sahaja tetap akan menghasilkan impak yang positif. Orang yang berkarakter akan memiliki beberapa ciri-ciri seperti mempunyai perwatakan sendiri, berkeperibadian baik, berakhhlak, dan mempunyai tabiat.

Che Noraini Hashim dan Hasan Langulung (2008) pula melanjutkan kajian berkaitan pembangunan karakter yang Islamik menerusi kajian bertajuk: “*Islamic Religious Curriculum in Muslim Countries: The Experiences of Indonesia and Malaysia*”. Kajian Cik Noraini & Hasan (2008) ini

menjelaskan bahawa pendidikan dan institusinya merupakan suatu aspek yang sangat penting dalam pembangunan manusia dan mungkin juga merupakan hal yang mempunyai pengaruh yang sangat besar dalam institusi sosial di dalam mana-mana kumpulan masyarakat. Islam melihat bahawa pendidikan itu boleh dalam bentuk ibadah di mana masyarakat Islam itu berkongsi nilai-nilai murni berdasarkan apa yang terkandung dalam al-Quran dan Sunnah Nabi Muhammad SAW. Islam telah meletakkan bahawa pendidikan itu merupakan suatu proses yang bersifat berterusan (*long life process*) dalam mempersiapkan individu tersebut menjadi seorang pemimpin atau khalifah.

Selanjutnya isu mengenai proses membangunkan karakter yang Islamik boleh dirujuk silang dalam tulisan Wan Zulkifli Wan Hassan, Nazri Muslim, Nik Yusri Musa, dan Azizi Umar (2011) yang bertajuk: “Idea Imam Shafi’i dalam Bidang Pembangunan Manusia Melalui Kemahiran Interpersonal”, yang diterbitkan dalam buku berjudul: *Human Development*. Dalam hal ini, Wan Zulkifli Wan Hassan (2011) mengulas pandangan Imam Syafie yang menegaskan bahawa mereka yang memiliki kefahaman dalam bidang agama khususnya berkenaan dengan ilmu-ilmu tasawuf akan menjadikan mereka seorang yang akan memiliki kebolehan serta berkemahiran dalam berinteraksi dengan masyarakat dengan cara yang baik. Kebolehan lahir berdasarkan acuan agama yang telah sebatи dalam diri mereka. Kemahiran interpersonal sangat penting kepada seseorang kerana ia berfungsi sebagai alat dalam kehidupan seharian mereka terutama apabila berhadapan dan berinteraksi dengan masyarakat.

Profesor Dr. Syed Muhammad Naqib al-Attas (1977) telah mengulas mengenai terminalogi pendidikan Islam dalam sebuah tulisan bertajuk: “*Preliminary Thoughts on the Nature of Knowledge and the Definition and Aims of Education*,” semasa *First World Conference on Muslim Education* di Mekah, Arab Saudi. Beliau mengulas bahawa tujuan yang ada dalam falsafah pendidikan Islam bukanlah bertujuan hanya untuk memenuhi pengetahuan pelajarnya dengan fakta-fakta serta hal-hal yang berkaitan dengan keduniaan, tetapi hakikat sebenar falsafah pendidikan Islam adalah untuk mendapatkan pengetahuan berkenaan dengan matlamat dan tujuan kehidupan sebagai seorang manusia serta menyediakan mereka untuk memahami konsep kesucian (rohani dan jasmani) dan keikhlasan dalam makna kehidupan. Segala kesungguhan dalam pembinaan watak manusia adalah berdasarkan cita-cita yang dikehendaki oleh etika Islam bagi mencapai matlamat pendidikan Islam yang paling tinggi. Di sini Naqib al-Attas menekankan pada pembinaan watak yang perlu dibentuk bersama dalam kurikulum pendidikan yang dianggap sebagai objektif pendidikan Islam yang paling tinggi. Takrifan pendidikan Islam yang lebih komprehensif telah dimeterai pada Persidangan Dunia Pertama tentang Pendidikan Islam di Mekah, Arab Saudi pada tahun 1977, sebagaimana pernyataan berikut:

Education should aim at the balanced growth of the total personality of man through the training of man’s spirit, intellect, his rational self, feelings and bodily senses. Education should cater therefore for the growth of man in all its aspects: spiritual, intellectual, imaginative, physical, scientific, linguistic, both individually and collectively and motivate all aspects towards goodness and the attainment of perfection. The ultimate aim of Muslim education lies in the realization of complete submission to Allah on the level of the individual, the community and humanity at large.

(al-Attas, 1977)

Dengan demikian sebagaimana yang dipersetujui oleh sarjana-sarjana Islam berkenaan deklarasi Persidangan Dunia Pertama tentang Pendidikan Islam di Mekah, Arab Saudi pada tahun 1977, jelaslah ia menunjukkan keperluan mendesak untuk membina sistem dan masyarakat yang berteraskan Islam. Dengan kata lain, pelaksanaan kaedah pendidikan dan kurikulum hendaklah berteraskan panduan yang telah digariskan oleh corak pandang Islam ataupun acuan yang terdapat dalam Islam iaitu al-Quran dan al-sunnah (Al-Attas, 1977).

Dalam hal ini juga, M. Ihsan Dacholfany (2015) telah merumuskan bahawa penyebaran Islam di Alam Melayu termasuk Nusantara adalah melalui kaedah pendekatan sufistik ataupun tasawuf. Mereka berhasil mengislamkan sebahagian besar penduduk di Nusantara hasil daripada pembawaan elemen tersebut dengan sangat bagus serta berkesan sehingga menampakkan keindahan yang

terdapat dalam ajaran Islam. Keupayaan menukar kepercayaan masyarakat daripada agama lama kepada ajaran Islam merupakan sesuatu yang sangat luar biasa kerana bukanlah sesuatu yang mudah apabila menukar satu-satu amalan dan kepercayaan masyarakat tersebut yang sudah mendarah daging dalam kehidupan mereka.

Berdasarkan perkembangan zaman moden, masyarakat sekarang ini sedang mengalami krisis moral dan menjadi penyebab utama ketidak-tentuan budaya dan sosial masyarakat masa ini. Sekiranya krisis moral ini dibiarkan, maka kemungkinan besar masyarakat ini akan hancur masa depannya. Untuk itu sangat penting untuk mengembangkan ilmu pengetahuan dan teknologi yang mempunyai ciri-ciri moral. Hal ini perlu kerana ilmu pengetahuan dan teknologi merupakan suatu yang digunakan ataupun alat kehidupan yang memudahkan perjalanan kehidupan sehari-hari namun sering disalahgunakan. Sehingga pada zaman sekarang, kehidupan semakin mencabar dan persaingan semakin tinggi untuk mendapatkan tempat terbaik dalam kehidupan sehingga membuat manusia mengalami tekanan dan kemurungan. Manusia moden menganut pola hidup materialistik dan hedonistik. Jiwa manusia moden telah terpecah belah (*split personality*) sehingga kadang mereka hilang rasa sebagai seorang manusia di mana mereka tidak mengetahui makna tujuan kehidupan.

Menurut Dacholfany (2015), kewujudan Pondok Pesantren yang ada di Indonesia sudah pasti memiliki maksud dan tujuan tertentu, sebagai contoh Pondok Modern Darussalam Gontor selalu terus berkembang dan berinovasi serta melakukan perubahan serta pembaharuan dalam proses pendidikan dan pengajaran dengan tidak keluar dari sesuatu yang telah ditetapkan. Perubahan yang berlaku adalah bertujuan untuk menyesuaikan segala hal memang diperlukan untuk menghadapi cabaran zaman dan perubahan teknologi informasi. Kewujudan Pondok Pesantren sama ada beraliran salaf ataupun khalaf (moden) pada waktu ini akan berhadapan dengan cabaran arus globalisasi, yang telah melanda di berbagai belahan dunia yang merupakan akibat dari pesatnya perkembangan teknologi komunikasi, informasi dan transformasi.

Zaman yang telah memasuki abad ke-21 yang dianggap sebagai abad millinium baru yang belum diketahui bagaimana bentuk, kejadian dan permasalahan yang akan dihadapi serta akan dibawa ke mana masyarakat apalagi dengan adanya perdagangan era perdagangan bebas dan globalisasi, di mana persaingan dan antara satu dengan yang lainnya semakin ketara baik secara individu, kelompok bahkan negara sekalipun. Persaingan antara individu, antara negara dan antara perusahaan akan semakin tinggi. Sebagai contoh sekarang ini banyak pesantren yang mengharapkan adanya pentarbiyan yang dilaksanakan secara seimbang antara nilai-nilai sikap, pengetahuan, kecerdasan dan ketrampilan serta meningkatkan kesedaran terhadap persekitaran masyarakat setempat.

Proses penyingkiran ideologi ekstremisme melalui konsep pembangunan individu juga memainkan peranan yang penting. Pembangunan individu ini berkait rapat dengan aspek akhlak. Dari segi terminologi, para ahli bahasa Arab seperti Ibn Manzur, E.W Lane (1980), S.M Afnan (1964) memberikan definisi akhlak sebagai susila, adat, tabiat, tingkah laku, norma, kebiasaan, martabat, gaya hidup, atau agama yang diamalkan oleh individu. Dari perspektif falsafah, akhlak menurut definisi tokoh-tokoh falsafah sains dan moralis Islam terkenal seperti Misykaweh (1966), Imam al-Ghazali (1976), dan Nasir al-Tusi (1964) merujuk kepada suatu bidang ilmu yang mengkaji keadaan batin atau jiwa insan. (Omar, 2020)

Kefahaman Barat berkenaan definisi akhlak juga kadang-kadang berbeza. Perbezaan tersebut juga akan mempengaruhi konsep pembangunan insan. Akhlak menurut definisi Barat adalah etika ataupun moral. Sarjana-sarjana Barat yang mengkaji perihal makna moral ataupun etika ini seperti Baelz (1977), Mackie (1971) dan Sidgwick (1968) menggambarkan bahawa etika dan moral memiliki makna yang hampir serupa, iaitu norma, adat, sosial, kebiasaan, tradisi, dan agama individu (Omar, 2020). Beberapa tokoh falsafah dan moral klasik terkenal seperti Plato (1971, 1974), Aristotle (1980, 1985), dan Galen (1973, 1981), juga mengemukakan bahawa akhlak terbentuk sebagai maklumat balas manusia terhadap pelbagai kekuatan yang beroperasi dalam jiwa mereka. Sebagai contoh, dalam *The Republic* (1974:125-128), Plato mengemukakan bahawa jiwa manusia memiliki tiga fakulti yang mempengaruhi pembentukan akhlak. Pertama, fakulti rasional yang membolehkan

manusia memikirkan kebaikan dan keburukan serta membuat keputusan dan tindakan yang berkaitan. Kedua, fakulti marah yang menjadi sumber kepada segala sentimen moral manusia seperti kemarahan, kasih sayang, hormat, dan iri hati. Ketiga, fakulti syahwat yang berkaitan dengan segala keperluan biologi manusia seperti nafsu seks, nafsu makan, dan lain-lain. Dalam *Timaeus* (1971:97-100), Plato pula menjelaskan bahawa fakulti rasional beroperasi melalui organ otak manusia, fakulti marah menggunakan organ hati, dan fakulti syahwat menggunakan organ limpa.

Kecerdasan spiritual tiada kaitan dengan keagamaan menurut perspektif Barat. Ia merupakan suatu proses dalam manusia yang memerlukan kepada rawatan secara alami dan tiada kaitan dengan agama. Konsep atau gagasan ini banyak dipegang oleh pengamal rawatan psikologi yang berpegang dengan asas *spiritual but not religious*. Pendukung konsep ini memisahkan kerohanian dari agama. Melalui kefahaman seperti ini, bentuk solusi yang cuba disediakan tidak akan sampai kepada maksud kesembuhan daripada masalah yang dihadapi. (Tajulashikin & Nor Faizah, 2014)

Muncul juga teori daripada Goleman (1995) iaitu teori kecerdasan emosi namun ia juga tidak memadai untuk menyelesaikan permasalahan manusia yang semakin kompleks yang seolah-olah semakin hilang pertimbangannya. (Tajulashikin & Nor Faizah, 2014) Permasalahan manusia pada zaman sekarang biasanya berkaitan dengan masalah kehidupan seperti keperluan kepada harta, kewangan, tekanan untuk memperbaiki kehidupan, berlumba-lumba mencapai kemewahan dan yang seumpama dengannya. Permasalahan ini berlaku kerana dorongan jiwa yang menginginkan kesenangan walaupun hanya seketika. Hal ini mendorong manusia melakukan apa sahaja agar kehendak hawa nafsunya terpenuhi. Mereka yang menghadapi permasalahan ini harus disedarkan agar mereka tidak terdorong untuk merosakkan diri mereka sendiri.

Terdapat pandangan daripada sarjana Barat iaitu Amham (2007) yang mengambil pendekatan kualitatif iaitu pendekatan tradisi pelbagai agama untuk mengesahkan tradisi dan dimensi kecerdasan spiritual yang dikenal dengan nama *ecumenical grounded theory*. Mengikut kaedah ini dalam konstruk kecerdasan spiritual, Amham telah membahaskan setiap sudut dimensi kecerdasan spiritual yang pernah dikemukakan sebelum ini untuk memenuhi andaian tersebut. Namun Amham cuba untuk mengasingkan elemen formal keagamaan dalam konsepsinya agar konstruk yang diutarakan beliau lebih bersifat universal bagi membolehkan instrumen pengukuran yang dibina boleh diaplikasikan oleh pelbagai lapisan demografi masyarakat. Konsep kecerdasan spiritual oleh Amram mempunyai pengaruh sekularisme dan pluralisme yang sama sekali tidak bersesuaian dengan tasawur Islam. Konsep-konsep kecerdasan spiritual dari Barat ini dilihat tidak konsisten kerana wujud pelbagai tafsiran dalam kalangan mereka kerana menggunakan kerangka teori yang berbeza. Sayyed Qutb (1991) secara yang tepat menyatakan bahawa: *The concepts, religions, and systems that men have devised for themselves Outside Allah's guidance must always change, because man feels constrained by them as his demands increase and his needs evolve.*" (Tajulashikin & Nor Faizah, 2014)

4. KESIMPULAN

Apa yang dapat disimpulkan bahawa kebanyakan kajian yang dilakukan menjurus kepada kaedah pemulihan yang dilakukan bagi mengatasi gejala-gejala yang sedia ada (kes yang telah terjadi). Kaedah pemulihan adalah dengan menggunakan elemen-elemen tasawuf. Ia adalah untuk menjelaskan berkenaan keberkesanannya kaedah tasawuf dalam mencegah dan memulihkan (*prevent and cure*). Di samping itu juga sumber literatur lepas ini tidak menolak kemungkinan dan keperluan untuk membuat penambahbaikan terhadap konsep tasawuf yang sedia ada dengan menekankan beberapa perkara seperti penekanan terhadap adab dan akhlak, pembersihan hati, latihan kerohanian, pembinaan strategi bagi melahirkan generasi *ulul al-albab* yang menguasai ilmu-ilmu turath serta menterjemahkan hal tersebut ke dalam individu generasi sekarang sebagai generasi *ulul al-albab* iaitu generasi bijak pandai yang berfahaman akidah ASWJ.

Artikel ini juga mendapat terdapat beberapa kajian yang mengetengahkan kaedah tasawuf sebagai elemen yang digunakan sebagai solusi kepada beberapa permasalahan khususnya berkenaan dengan

masalah moral dan masalah jiwa. Namun, kaedah pengukuhan daripada awal ataupun kaedah intervensi dalam menerapkan elemen ini daripada awal secara serius tidak diperkenalkan. Ini kerana kemungkinan pusat-pusat pendidikan moden ataupun pondok tidak begitu menekankan elemen ini sebagai suatu ilmu alat yang sangat penting dalam kehidupan. Ia bukan sekadar pengetahuan untuk memenuhi silibus dalam pendidikan, tetapi memahami keperluannya sebagai alat dan perisai dalam kehidupan apabila keluar sahaja mereka daripada pusat pendidikan. Selain itu, elemen tasawuf digunakan sebagai solusi setelah sesuatu perkara itu berlaku. Ia suatu kebaikan namun sekiranya elemen-elemen ini terapkan dengan lebih awal, maka ia mungkin akan mencegah daripada perilaku seperti radikalisme dan terorisme pelampau agama dapat dicegah lebih awal.

Permasalahan sosial terutama dalam zaman teknologi dan maklumat ini menyebabkan masyarakat menjadi ulama segera dalam membahaskan permasalahan agama, para agamawan yang tidak melengkapkan diri dengan sumber *turath* dengan mudah mentakfirkan amalan-amalan para ulama terdahulu dengan menjadikan slogan memartabatkan al-Quran dan al-sunnah. Kumpulan masyarakat yang baru mendekati agama akan mudah tersalah dengan mengikuti aliran serta kumpulan-kumpulan yang ekstrim dalam beragama seperti kumpulan-kumpulan yang terlibat dengan aliran jihad yang bertentangan dengan ASWJ. Banyak lagi permasalahan-permasalahan yang timbul pada zaman pascateknologi ini dengan timbulnya aliran-aliran yang mengelirukan masyarakat akibat terdedah dengan sumber maklumat yang terlalu banyak serta melahirkan kelompok agamawan yang somborono serta melahirkan para *intellectual barbarism* iaitu kebiadapan oleh para cendiakawan terhadap disiplin-disiplin keilmuan dalam Islam. Pendekatan tasawuf melalui media massa juga tidak dibahaskan. Dengan menunjukkan bagaimana pendekatan tasawuf dapat diapikasi dalam media sosial ia kelak akan sendirinya menerapkan nilai-nilai baik semasa berinteraksi menggunakan media massa.

Pengekangan kepada trend ini adalah melalui tradisi keilmuan klasik iaitu elemen-elemen tasawuf yang diterjemahkan dalam bentuk kontemporari. Beberapa asas yang terdapat dalam kaedah fiqh dan juga *maqasid syari‘ah* boleh dijadikan acuan kepada kaedah-kaedah tasawuf yang akan diketengahkan berdasarkan sasaran-sasaran yang bersesuaian dengan melihat faktor umur, latar belakang sosial dan latar belakang pendidikan. Kesungguhan dalam melaksanakan elemen-elemen tasawuf dalam pendidikan merupakan usaha berterusan untuk mengekang daripada perkembangan pemikiran yang bercanggah dengan aliran Islam sebenar serta usaha mengekang aliran pemikiran ekstrim yang sudah membudaya dalam masyarakat yang akan merugikan umat Islam di Malaysia.

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ASSESSING YOUTH'S BEHAVIOUR TOWARDS SUSTAINABILITY IN OVERPACKAGING OF E-COMMERCE PURCHASES IN KLANG VALLEY

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ABSTRACT

This research investigates the behaviour of youths in the Klang Valley regarding overpackaging in e-commerce purchases. The study was based on a quantitative research design, encompassing a sample of 200 respondents aged 15 to 30 years old. The data were collected through a set of self-administered questionnaires. The study encompassed a demographic profile analysis, employing descriptive, Pearson correlation, and Multiple Linear Regression (MLR) analysis to address five hypotheses. The finding demonstrated that environmental concern emerges as a pivotal factor, with the highest mean score, indicating a heightened awareness of the long-term consequences of excessive packaging on the environment. Pearson correlation analyses reveal a significant positive relationship between attitude and behaviour, underscoring the impact of positive attitudes on shaping consumer behaviour. Subjective norms exhibit a substantial positive correlation, emphasizing the influence of perceived social norms. Perceived behavioural control demonstrates a robust positive relationship, indicating the influential role of individuals' beliefs in shaping their behaviours. The study also finds a moderate but significant relationship between environmental concern and behaviours, highlighting the importance of heightened environmental awareness in promoting sustainable consumer behaviour. The MLR analyses emphasized the influential role of attitudes, subjective norms, and perceived behavioural control in shaping behaviours, with environmental concern playing a crucial but nuanced role. The findings provide valuable insights for policymakers and businesses aiming to foster sustainable behaviour in e-commerce.

KEYWORDS: EXCESSIVE PACKAGING, E-COMMERCE, YOUTH BEHAVIOUR, ENVIRONMENTAL CONCERN, ATTITUDE, SUBJECTIVE NORMS, PERCEIVED BEHAVIOURAL CONTROL

ABSTRAK

Penyelidikan ini mengkaji berkenaan tingkah laku belia di Lembah Klang mengenai pembungkusan berlebihan dalam pembelian e-dagang. Kajian berdasarkan reka bentuk kajian kuantitatif, merangkumi sampel 200 responden berumur 15 hingga 30 tahun. Data dikumpul

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melalui satu set soal selidik yang ditadbir sendiri. Kajian ini merangkumi analisis profil demografi, menggunakan analisis deskriptif, korelasi Pearson, dan analisis Regresi Linear Berganda (MLR) untuk menangani lima hipotesis. Penemuan menunjukkan bahawa kebimbangan alam sekitar muncul sebagai faktor penting, dengan skor min tertinggi, menunjukkan kesedaran yang tinggi tentang akibat jangka panjang pembungkusan yang berlebihan terhadap alam sekitar. Analisis korelasi Pearson mendedahkan hubungan positif yang signifikan antara sikap dan tingkah laku, menggariskan kesan sikap positif dalam membentuk tingkah laku pengguna. Norma subjektif menunjukkan korelasi positif yang besar, menekankan pengaruh norma sosial yang dirasakan. Kawalan tingkah laku yang dirasakan menunjukkan hubungan positif yang teguh, menunjukkan peranan berpengaruh kepercayaan individu dalam membentuk tingkah laku mereka. Kajian itu juga mendapati hubungan yang sederhana tetapi signifikan antara kebimbangan dan tingkah laku alam sekitar, menonjolkan kepentingan kesedaran alam sekitar yang lebih tinggi dalam menggalakkan tingkah laku pengguna yang mampan. Analisis MLR mendapati peranan pengaruh sikap, norma subjektif, dan kawalan tingkah laku yang dirasakan dalam membentuk tingkah laku pengguna, dengan kebimbangan alam sekitar memainkan peranan yang penting tetapi bermuansa. Penemuan ini memberikan pandangan yang berharga untuk penggubal dasar dan perniagaan yang bertujuan untuk memupuk tingkah laku mampan dalam e-dagang.

KATA KUNCI: PEMBUNGKUSAN BERLEBIHAN, E-DAGANG, TINGKAH LAKU BELIA, KEPRIHATINAN ALAM SEKITAR, SIKAP, NORMA SUBJEKTIF, KAWALAN TINGKAH LAKU YANG DITANGGAPI

1. INTRODUCTION

The growth of e-commerce and delivery services has drastically altered shopping behaviours, especially among the tech-savvy youth demographic (Vasudevan & Arokiasamy, 2021). However, this shift has led to a rise in environmental concerns, particularly regarding excessive packaging (Rita & Ramos, 2022). The convenience of online shopping is accompanied by an increase in packaging materials, contributing to a concerning rise in waste generation (Pinos *et al.*, 2022). While consumers appreciate the convenience of online shopping, the ecological footprint of packaging excess raises questions about its impact (Xie *et al.*, 2021).

The Malaysian market for courier, express, and parcel services is expected to grow substantially, with its size projected to increase from MYR 6.14 billion in 2023 to MYR 11.9 billion by 2028. This represents a compound annual growth rate (CAGR) of 14.03% during the forecast period from 2023 to 2028. While this progress has brought numerous benefits in terms of convenience and accessibility, it has also led to a significant rise in packaging waste, particularly overpackaging (Xie *et al.*, 2021). Overpackaging involves the excessive use of non-biodegradable materials, causing harm to the environment (Flaherty, 2017). Consumers are increasingly aware of this trend and are seeking proper ways to dispose of packaging waste (Rita & Ramos, 2022). Hence, there is a clear opportunity for companies and regulatory bodies to innovate and implement more sustainable packaging solutions. Amongst the solutions are using biodegradable materials, reducing packaging size, reusable packaging, Recycling programs, education and awareness, and legislation and policies by the governments. By adopting these practices, the market can grow in a way that is not only economically beneficial but also environmentally responsible.

Over time, concerns have arisen about the environmental impact of excessive packaging materials used in online shopping (Wang & Zhu, 2020). The concerns about the environmental impact of excessive packaging materials in online shopping are indeed significant. The increase in online shopping, especially evident during the COVID-19 pandemic, has led to a massive rise in the use of packaging materials. These materials often include plastics, styrofoam, and other non-biodegradable components that contribute to environmental pollution and waste. According to the research example provided by Wang and Zhu (2020), when a consumer purchases a small item, they may receive it in an oversized package, confusing the nature and

size of the item. As a result, consumers may feel compelled to verify the product before unpacking it from the adhesive holding the container together. Furthermore, proper packaging can reduce returns, and facilitate deliveries, and customers are willing to pay a premium for goods that come from companies supporting a green environment (Oláh *et al.*, 2018). However, online retailers often overlook the importance of eco-friendly packaging due to operational inefficiencies (Monnot, Parguel, & Reniou, 2015).

The youth, as trendsetters and influencers, play a pivotal role in shaping consumer patterns in the digital marketplace (Pinos *et al.*, 2022). Their behaviours can significantly impact e-commerce efforts, given their substantial presence as both buyers and influencers (Xie *et al.*, 2021). Understanding their attitudes and perceptions towards excess packaging in e-commerce purchases is crucial (Boz, Korhonen, & Sand, 2020). According to Kanapathipillai, Lau, Appannah, & Yi, (2023), these factors were within the unique urban context of Klang Valley, where e-commerce is thriving. Hence, This study aims to investigate the predictor factors influencing the behaviour towards sustainability in overpackaging of e-commerce purchases.

2. LITERATURE REVIEW

Theory Planned Behaviour

The Theory of Planned Behaviour (TPB) was developed by Ajzen in 1991 and is often applied to study human behaviour. This theory says that behaviour is influenced by attitudes towards behaviour, subjective norms, and perceived behavioural control.

Based on this theory, attitude is the main predictor (Ajzen, 1991) that affects men's behaviour. Attitude in the theory of planned behaviour is an individual's overall evaluation of a particular behaviour. In the theory of planned behaviour, attitude is the most important variable. Ajzen (2020) stated that TPB is specifically to study the relationship between an individual's attitude and behaviour. The second predictor in determining behaviour in the TPB is subjective norms. According to Ajzen (1991), subjective norms can also be defined as social pressure such as the actions of individuals or groups that are close to those who encourage or may inhibit a person's intention to perform the behaviour. The control of behavioural impressions is seen more collectively as a factor that builds and prevents the performance of certain behaviours.

All three components can be a guide when predicting human social behaviour (Aziz *et al.* 2012). Figure 2.1 shows the conceptual framework of the study based on the Theory of Planned Behaviour (Ajzen, 1991). However, Ajzen (1991) suggested that additional variables be used to further strengthen the existing model and to adapt to the research conducted as in Figure 1:

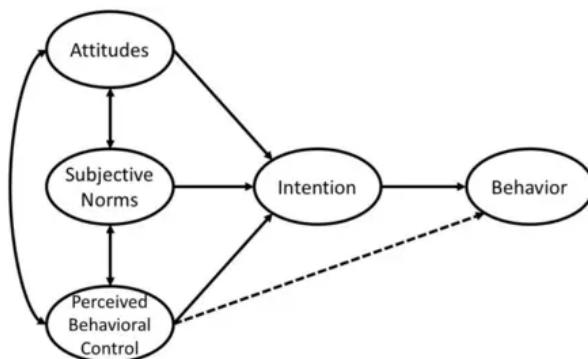


FIGURE 1: THEORY OF PLANNED BEHAVIOUR
Source: Ajzen (1991)

Based on the Theory of Planned Behaviour that has been discussed above, there are several chains connecting each component of cause and effect in the process of forming a person's behaviour. Attitudes, subjective norms, and perceived behavioural control are generally able

to influence intention and encourage certain behaviours. In simplest terms, the intention depends on the external factors of the environment and the internal factors of the individual himself. However, studies show that attitude, subjective norms, and perceived behavioural control have a direct relationship to the formation of real behaviour regardless of the individual's intention.

Overpackaging

The realm of e-commerce has garnered significant attention due to the explosive growth of online shopping, leading to the unnecessary and often wasteful use of packing materials in shipping products (Hua *et al.*, 2022; Xie *et al.*, 2021). This overuse contributes to environmental problems, increasing waste in landfills and posing challenges for recycling and disposal, especially with non-biodegradable materials (Flaherty, 2017). In Malaysia, the e-commerce market is rapidly growing, expected to reach US\$11 billion by 2025 with a 24% annual growth rate, accelerated by the COVID-19 pandemic (Kim, 2022). Educating customers about product life cycles and proper disposal is crucial, as consumers play a significant role in the impact of e-commerce on the environment (Ignat and Chankov, 2020; Pinos *et al.*, 2022).

Customer satisfaction in e-commerce extends beyond the transaction, influencing the entire supply chain from product procurement to delivery (Xie *et al.*, 2021; Rao *et al.*, 2021). However, consumers are increasingly demanding sustainable practices, expressing frustration with unnecessary packaging that generates more waste and can be cumbersome to dispose of (Rita *et al.*, 2022; Wang *et al.*, 2020). Businesses face pressure to adopt eco-friendly practices as consumer awareness of sustainability grows (Purcărea *et al.*, 2022). Excessive packaging in e-commerce is a multifaceted issue impacting the environment, business operations, and customer satisfaction, requiring innovative solutions to mitigate its negative consequences (Pinos *et al.*, 2022; Xie *et al.*, 2021).

Attitude

Attitude within the Theory of Planned Behaviour (TPB) framework refers to the extent of an individual's positive or negative opinion or evaluation of a specific behaviour, as highlighted by Herbes *et al.* (2018). Efforts to foster a positive consumer attitude towards packaging can serve as a motivating factor for consumers, as indicated by Boz *et al.* (2020). This attitude is shaped by behavioural beliefs, which encompass anticipated consequences of the behaviour, as proposed by Ajzen (2020). Zsóka *et al.* (2013) suggest a strong correlation between environmental information and attitude, emphasizing the role of environmental cues such as labels in enhancing consumer understanding of the connection between their purchasing decisions and environmental impacts, as noted by Rokka and Uusitalo (2008). Moorthy *et al.* (2021) further emphasize the significance of a favourable attitude towards green packaging, highlighting its impact on consumer behaviour, with a statistically significant positive relationship observed between attitude towards green packaging and purchase intention. Based on the above research findings, the following hypothesis is proposed:

H_01 : There is no significant relationship between attitude and behaviour towards sustainability in overpackaging e-commerce purchases.

Subjective Norm

This Subjective norm refers to how the external environment influences an individual's behaviour, as highlighted by Song *et al.* (2023). This factor is considered crucial in impacting individuals' behaviours (Shi *et al.*, 2022). Individuals concerned about the environment can influence others' behaviour through social pressure within family and peer groups (Paul *et al.*, 2016). Gholamrezaei *et al.* (2021) demonstrated that social norms have a stronger influence on environmentally protective behaviours, with personal norms being influenced by perceived social norms (Boz *et al.*, 2020). However, in a study by Martinho *et al.* (2015), respondents were not influenced by social pressure regarding sustainable packaging purchasing and

disposal behaviours, and their perception of control over solving packaging waste problems was found to be weak, indicating that social pressure has only a small influence on respondents' behaviours. Hence, the following hypothesis is constructed:

H_{02} : There is no significant relationship between subjective norms and behaviour towards sustainability in overpackaging e-commerce purchases.

Perceived Behavioural Control

Ajzen (1991) proposed perceived behavioural control as an individual's perception of the degree of difficulty in performing behaviour. This perception, along with behavioural intention, can directly forecast the attainment of a specific behaviour according to the theory of planned behaviour. Perceived behavioural control is assumed to be based on accessible control beliefs, which concern the presence of factors that can facilitate or impede behaviour performance (Ajzen, 2020). Hua *et al.* (2022) examined and validated the significance of perceived behavioural control in influencing pro-environmental behaviours, extending the research scope of perceived behavioural control as an independent variable in the Theory of Planned Behaviour (TPB) model. Empirical research results have confirmed that the predictive power of individual behaviour intention and behaviours is significantly improved after the introduction of perceived behavioural control (Hua *et al.*, 2022). Heinz and Koessler (2021) found that informing people about behaviour consequences and classification information could effectively increase pro-environmental behaviours. Similarly, Sultan *et al.* (2020) found that perceived behavioural control could effectively reduce the gap between intention and behaviours in the TPB model, encouraging consumers to transform consumption intentions into consumer behaviours. This suggests that individuals who perceive greater control over their behaviours are more likely to have a higher intention to adopt sustainability, such as reusing or recycling packaging materials, thereby reducing overpackaging waste (Boz *et al.*, 2020). Accordingly, the following hypothesis is proposed.

H_{03} : There is no significant relationship between perceived behavioural control and behaviour towards sustainability in overpackaging e-commerce purchases.

Environmental Concern

Environmental concern, as defined by Bamberg (2003), reflects an individual's connection with the natural environment, encompassing their attitudes, values, perceptions, and behaviours towards it. Individuals with high environmental concerns are more likely to adopt environmentally friendly behaviours, as noted by Zhang *et al.* (2019). In the extended model by Boz *et al.* (2020), environmental concern was included as an additional measure, and Hua and Dong (2022) found that consumers' purchasing behaviour is influenced by positive or negative comments on products with high or low environmental concern. Mafodzyeva and Brandt (2013) also demonstrated a positive correlation between consumers' environmental concern and their actual environmental behaviour, using environmental concerns as an extension of their behavioural intentions. Bamberg (2003) suggests that environmental concern influences behaviour by shaping situation-specific cognitions, with consumers showing more concern about the end-of-life stage of packaging rather than its source, as noted by Herbes *et al.* (2018). Song *et al.* (2023) successfully tested the variable of environmental concern about individual behaviour, highlighting how it can act as an activating factor for consumers' intention to use reusable packaging. Accordingly, the following hypothesis is proposed.

H_{04} : There is no significant relationship between environmental concern and behaviour towards sustainability in overpackaging e-commerce purchases.

Sustainable Behaviour

This behaviour involves consumers actively engaging in behaviours that contribute to the reduction, reuse, recycling, or responsible disposal of packaging materials, aiming to

minimize packaging waste and its negative environmental effects (Wang *et al.*, 2020). It is widely believed that conserving the environment and preventing packaging waste after consumption can be achieved through consumer behaviour and reductions in excessive packaging (Chen *et al.*, 2021). Despite ecological pressures from unsustainable packaging consumption and disposal, many companies still rely on environmentally harmful practices such as single-use plastics and multi-layered packaging, as noted by the Worldwide Fund for Nature (WWF). For example, Kim *et al.* (2022) found that online shopping in Korea generates 4.8 times more packaging waste than traditional stores. Escursell *et al.* (2020) suggest that sustainability in e-commerce can be achieved by favouring the use of paper and paperboard materials for packaging, emphasizing the need for products to be efficient and sustainable rather than merely aesthetically pleasing. However, Koch, Frommeyer, and Schewe (2022) explain that perceived pressure from the close social network is higher than an individual's general environmental concerns, indicating that individuals may feel the need to make their online shopping more eco-friendly to meet external expectations, with packaging being one way to achieve sustainable behaviour that divided into three "R" which is reduce, reuse and recycle (Xie *et al.*, 2021; Song *et al.*, 2022; Lu *et al.*, 2020). Based on the above research findings, the following hypothesis is proposed:

H_{05} : There is no significant relationship between attitude, subjective norm, perceived behavioural control, environmental concern, and behaviour towards sustainability in overpackaging e-commerce purchases.

The Theory of Planned Behaviour has been used as a core theory since this study focuses on human behaviour towards attitudes, subjective norms, and perceived behavioural control. Furthermore, the Ajzen model (1991) has been widely used in psychology to explain and predict human behaviour related to the environment as in Figure 2:

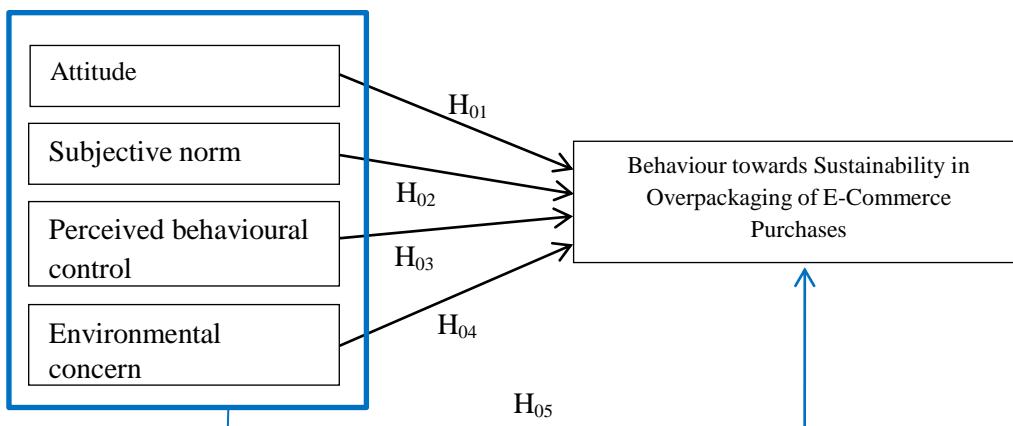


FIGURE 1: THEORY OF PLANNED BEHAVIOUR
Source: Ajzen (1991)

3. METHODOLOGY

Study Location

Klang Valley was chosen as the study location covering the Federal District of Kuala Lumpur, Selangor and Putrajaya. This location was selected by the researcher because Klang is among the districts with the highest age structure composition for the youth group which is 25.3% with 1,786 per km² (Department of Statistics Malaysia, 2023).

Sampling Method

The target population are consumers who engage in e-commerce in youth around Selangor. A suitable sampling technique is purposive sampling comprised of individuals aged fifteen to

thirty years old, as defined by the Youth Societies and Youth Development (Amendment) Act of 2019. According to this legislation, youth are specifically identified within the age range of 15 to 30 years, Section 15 of the principal Act is amended by substituting the word “forty” with the word “thirty”. This demographic group represents a crucial stage of transition and development, capturing adolescence and early adulthood. The inclusion of individuals within this age bracket aligns with the legal and societal recognition of youth. This technique also is not costly and simplistic and will be employed to select a representative sample from the population (Bujang *et al.*, 2012).

In this study, the Klang Valley was chosen as the study location covering the Federal District of Kuala Lumpur, Selangor and Putrajaya. As reported by the Department of Statistics Malaysia (2023), the Klang Valley exhibits a notable population density, particularly in Selangor, surpassing other states. In 2020, five administrative districts recorded a population exceeding one million, compared to four districts in 2010. Notably, all these administrative districts are situated in the Klang Valley, with Petaling, Selangor being the sole district with a population exceeding two million. Klang is among the districts with the highest age structure composition for the youth group which is 25.3% with 1,786 per km². A total of 8.622 million people as of 2023 in the Klang area (Department of Statistics Malaysia, 2023). Hence, a total of 2.156 million were among the youth group. The calculation for sample size was:

Step 1: Set parameter

Confidence Level (95%): Z = 1.96

Margin of Error (E) = 0.05

Population Size (N) = 2,156,000

Proportion (p), assuming maximum variability = 0.5

Step 2: Calculate the initial sample size

$$n = 1.962 \times 0.5 \times (1 - 0.5) / 0.052 = 1.962 \times 0.25 / 0.0025 = 384.16$$

Step 3: Apply finite population correction

$$n_{adj} = 384 / 1 + [(384 - 1) / 2,156,000] = 384 / (1 + 0.00018) = 383.93 \approx 384$$

So, we would need approximately 384 respondents to estimate the proportion with a 95% confidence level and a margin of error of 5% from a population of 2,156,000 people. However, there were 200 respondents have been determined as sufficient for this study due to the cost constraint.

Instruments

To gather the latest data and to ensure data come from the appropriate population, data are collected directly using structured questionnaires to gather information from the targeted respondents. It is conducted by sharing the questionnaire via Google form and posting it to social media specifically through the Klang Valley community group within three (3) months, from June 2023 until August 2023. Therefore, the questions were developed based on an adopted questionnaire which was found to have high reliability and was divided into six parts.

Pre-test

A pre-test was conducted and distributed through the questionnaire to a group of respondents who had the same characteristics as the actual study population. This distributed through face to face with a total of 20 respondents involved to ensure that the questions were understandable to the actual respondents. According to Li, (2013), a total of 15 to 20 respondents is reasonable and sufficient for pre-testing. It aims to get feedback on the questionnaire that will be used for the actual study in addition to re-evaluating the survey questions to ensure that they are easy to understand, free of spelling mistakes, ensure that respondents answer within the specified period, and determine which questions can achieve the research objective.

Data Collection and Analyses

The data obtained are then processed and analysed using the Statistical Package Social Science, SPSS version 29. The questionnaire was conducted in Malay and English. The main statistical analysis was frequency analysis, descriptive analysis, Pearson correlation analysis and multiple linear regression analysis. Besides, the level of score toward this research was categorized into three levels which are low, medium, and high by using the highest score and the lowest score.

4. FINDINGS AND DISCUSSION*Demographic Profile of Respondents*

This study involved a total of 200 respondents. The results of the study showed that 33.5% were male respondents while 66.5% were female respondents. For the age category, 22 - 25 years old is the highest category which is 44.5% followed by the age category 18 - 21 years old 4.5% and the lowest number is the age range of 26 - 30 years old which is 21.0%. Next, for the ethnicity category, it shows that the majority of the respondents consisted of 60.5% Malays, followed by 20.5% Indians and 19.0% Chinese. In terms of the highest level of education, Bachelor's degree which is 41.5% is the highest category followed by Foundation/STPM/ Matriculation/ A-level/ Diploma which is 25.5%, Sijil Pelajaran Malaysia (SPM) at 23%, Master Degree 6.5% and Doctoral Degree (PhD) 3.5%. Based on the questionnaire, the current employment sector consists of students at 67.5% which is the highest number, followed by the private sector at 19.5%, the government sector at 9.5%, self-employed/businessmean at 2.5%, and housewives/not working at 1.0% which is the lowest amount. Meanwhile, about the monthly allowance range, the highest amount is RM400 - RM799 at (31.5%), followed by below RM400 at (20.5%), while RM800 - RM1,199 at (18.0%), RM1,200 and above at (18.5%), and the lowest is no allowance at (11.5%). Next, for the monthly income range, it shows that respondents with no income at (46.0%), followed by RM1,000 - RM3,999 at 59 (29.5%), below RM1,000 at 41 (20.5%), and RM4,000 - RM7,999 at 8 (4.0%) as summarised in Table 1.

TABLE 1: DEMOGRAPHIC PROFILE OF RESPONDENTS

Variable	Categories	Frequency	Percentage (%)
Age	18 - 21	69	34.5
	22 - 25	89	44.5
	26 - 30	42	21.0
Gender	Male	67	33.5
	Female	133	66.5
Ethnicity	Malay	121	60.5
	Chinese	38	19.0
	India	41	20.5
High education level	Sijil Pelajaran Malaysia (SPM)	46	23.0
	Foundation/STPM/Matriculation/A-level/ Diploma	51	25.5
	Bachelor's Degree	83	41.5
	Master's degree	13	6.5
	Doctoral Degree (PhD)	7	3.5

Current employment sector	Student	135	67.5
	Government sector	19	9.5
	Private sector	39	19.5
	Self-employed/Businessman	5	2.5
	Housewife/Not working	2	1.0
Monthly allowance range	No allowance	23	11.5
	Below RM400	41	20.5
	RM400 - RM799	63	31.5
	RM800 - RM1,199	36	18.0
	RM1,200 and above	37	18.5
Monthly income range	No income	92	46.0
	Below RM1,000	41	20.5
	RM1,000 - RM3,999	59	29.5
	RM4,000 - RM7,999	8	4.0

Attitude, Subjective Norm, Perceived Behavioural Control, Environmental Concern, and Behaviour Levels towards Sustainability in Overpackaging of e-Commerce Purchases

Table 2 indicates the descriptive analysis used to calculate the mean and standard deviation of the constructs for all variables, ranging from 3.51 to 4.21. The consistency and stability of the constructs supplied are examined using reliability analysis. Correspondingly, environmental concerns have the highest mean with 4.21 with a standard deviation of 0.39. This was followed by an attitude mean of 4.15 with a standard deviation of 0.44. The third score is behaviour with a mean of 3.92 and standard deviation of 0.46. Meanwhile, subjective norms mean of 3.77 with a standard deviation of 0.571 and perceived behaviour control has the lowest mean score of 3.51 with a standard deviation of 0.612.

TABLE 2: DESCRIPTIVE ANALYSIS OF THE VARIABLES

Variables	Mean	Standard deviation
Attitude	4.157	0.441
Subjective norms	3.778	0.571
Perceived behavioural control	3.513	0.612
Environmental Concern	4.218	0.390
Behaviour	3.922	0.469

Relationship Between Attitude, Subjective Norm, Perceived Behavioural Control and Environmental Concern with Behaviour Towards Sustainability in Overpackaging Of e-Commerce Purchases

H₀₁: There is no significant relationship between attitude and behaviour towards sustainability in overpackaging of e-commerce purchases.

Pearson Correlation test was utilised to examine the relationship between attitude and behaviour towards sustainability in overpackaging e-commerce purchases is 0.228. The results shown in Table 3, it is deduced that attitude has a weak positive relationship with behaviour towards excessive packaging from e-commerce purchases. The significant value is 0.001 which indicates that there is a statically significant correlation between attitude and behaviour towards sustainability in overpackaging of e-commerce purchases. Therefore, H₀₁ is rejected.

H₀₂: There is no significant relationship between subjective norms and behaviour towards sustainability in overpackaging of e-commerce purchases.

Pearson Correlation test was utilised to examine the relationship between subjective norms and behaviour towards sustainability in overpackaging of e-commerce purchases is 0.462. The results shown in Table 3, it is deduced that subjective norms have a medium positive relationship with the behaviour towards sustainability in overpackaging of e-commerce purchases. The significant value is < 0.001 which indicates that there is a statistically significant correlation between subjective norms and behaviour towards sustainability in overpackaging of e-commerce purchases. Therefore, H₀₂ is rejected.

H₀₃: There is no significant relationship between perceived behavioural control and behaviour towards sustainability in overpackaging of e-commerce purchases.

Pearson Correlation test was utilised to examine the relationship between perceived behavioural control and behaviour towards sustainability in overpackaging of e-commerce purchases is 0.513. The results shown in Table 3, it is deduced that subjective norms have a medium positive relationship with the behaviour towards sustainability in overpackaging of e-commerce purchases. The significant value is < 0.001 which indicates that there is a statistically significant correlation between perceived behavioural control and behaviour towards sustainability in overpackaging of e-commerce purchases. Therefore, H₀₃ is rejected.

H₀₄: There is no significant relationship between environmental concern and behaviour towards sustainability in overpackaging of e-commerce purchases.

Pearson Correlation test was utilised to examine the relationship between environmental concern and behaviour towards sustainability in overpackaging e-commerce purchases is 0.279. The results shown in Table 3, indicate that environmental concern has a weak positive relationship with the behaviour towards sustainability in overpackaging of e-commerce purchases. The significant value is < 0.001 which indicates that there is a statistically significant correlation between environmental concern and behaviour towards sustainability in overpackaging of e-commerce purchases. Therefore, H₀₄ is rejected.

TABLE 3: PEARSON CORRELATION ANALYSIS RESULTS

Variables	Behaviour	
	r	p
Attitude	0.228**	0.001
Subjective norm	0.462**	0.001
Perceived Behavioural Control	0.513**	0.001
Environmental concern	0.279**	0.001

**. Correlation is significant at the 0.01 level (2-tailed).

Most Influencing Predictor Factor on Behaviour Towards Sustainability in Overpackaging of e-Commerce Purchases

H_{05} : There is no significant relationship between attitude, subjective norm, perceived behavioural control, environmental concern, and behaviour towards sustainability in overpackaging of e-commerce purchases.

Multiple Linear Regression was used to assess the strength of the relationship between variables. As shown in Table 4, showing which variable is used to identify the most influencing predictor on behaviour towards sustainability in overpackaging of e-commerce purchases. A significant regression equation was found $F = 27.483$ with an adjusted R^2 of 0.361. The model is also found to be significant ($p < 0.01$). Among the four variables shown in Table 4, perceived behavioural control shows the most substantial positive relationship, with a Beta coefficient of 0.495 and a significant p-value of less than 0.001. This implies that the perceived behavioural control strongly influences behaviour towards sustainability in overpackaging of e-commerce purchases. Subjective norms exhibit a stronger positive relationship, with a Beta coefficient of 0.349 and a highly significant p-value of less than 0.001.

TABLE 4: MULTIPLE LINEAR REGRESSION ANALYSIS

Independent variable	Unstandardized Coefficients		Standardized Coefficients	t	p
	B	Std. Error	Beta		
(Constant)	2.526	.469		5.389	0.001
Attitude	- 0.118	.084	- 0.111	- 1.406	0.161
Subjective norms	0.287	.054	0.349	5.279	0.001
Perceived behavioural control	0.379	.066	0.495	5.736	0.001
Environmental concern	- 0.125	.093	- 0.104	- 1.339	0.182

F = 27.483	R= 0.600^a	R²= 0.361	Adjusted R²= 0.347
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Discussion

This section discusses findings that have been attained from the analysis of the study.

Environmental concerns gain the highest level towards sustainability in overpackaging from e-commerce purchases

The analysis of descriptive statistics reveals that environmental concerns garnered the highest mean score of 4.218, indicating a heightened level of concern among the respondents regarding the long-term consequences of excessive packaging in e-commerce purchases on the environment. This finding aligns with the growing global awareness and emphasis on environmental issues, particularly in the context of consumer behaviour and sustainable behaviour (Rita *et al.*, 2022). The relatively low standard deviation of 0.390 suggests a notable degree of consensus among the participants in their elevated environmental concerns. This

consistent and high mean score underscores the salience of environmental considerations in shaping behaviours towards excessive packaging in e-commerce purchases.

There is a significant relationship between attitude and behaviour towards sustainability in overpackaging from e-commerce purchases.

Based on the Pearson correlation coefficient analysis, attitude and behaviour towards sustainability in overpackaging from e-commerce purchases yielded a correlation coefficient of 0.228, with a highly significant p-value of 0.001. This positive correlation suggests that there is a modest yet statistically significant relationship between attitudes and behaviours in the context of overpackaging. The findings indicate that individuals with more positive attitudes towards reducing overpackaging are more likely to exhibit corresponding behaviours. This aligns with the Theory of Planned Behaviour, which posits that attitudes significantly influence behavioural intentions and subsequent actions (Ajzen, 1991). The strength of the correlation, although moderate, underscores the relevance of attitudes in shaping consumer behaviour in the realm of e-commerce purchases.

There is no significant relationship between subjective norms and behaviour towards sustainability in overpackaging from e-commerce purchases.

The analysis of the Pearson correlation coefficient between subjective norm and behaviour towards sustainability in overpackaging from e-commerce purchases revealed a significant and positive correlation of 0.462, with a p-value less than 0.001. This suggests a substantial relationship between perceived social norms and individual behaviours regarding packaging. These results are in line with existing research that emphasizes the impact of subjective norms on shaping individual behaviour, particularly in the context of sustainability (Bamberg, 2003). The positive correlation underscores the role of social influences in guiding individuals' actions, aligning with the tenets of the Theory of Planned Behaviour. The findings emphasize the importance of considering social factors in interventions aimed at reducing excessive packaging in e-commerce, highlighting the need to leverage perceived social norms as a catalyst for sustainable consumer behaviour.

There is a significant relationship between perceived behavioural control and behaviour towards sustainability in overpackaging from e-commerce purchases.

The Pearson correlation coefficient analysis between perceived behavioural control and behaviour towards sustainability in overpackaging from e-commerce purchases revealed a robust and highly significant correlation of 0.513, with a p-value less than 0.001. This indicates a substantial positive relationship between individuals' perceived behavioural control over their behaviour regarding excessive packaging. These findings resonate with research in the field, supporting the importance of perceived behavioural control as a significant predictor of actual behaviour (Ajzen, 1991). The strong correlation underscores the influential role of individuals' beliefs in their ability to control and regulate their behaviour in shaping their decisions regarding packaging in online purchases. As identified by the Theory of Planned Behaviour, perceived behavioural control is a key determinant that, when high, enhances the likelihood of engaging in behaviours aligned with one's attitudes and intentions.

There is no significant relationship between environmental concern and behaviour towards sustainability in overpackaging from e-commerce purchases.

The Pearson correlation coefficient analysis between environmental concern and behaviour towards sustainability in overpackaging from e-commerce purchases revealed a significant positive correlation of 0.279, with a p-value less than 0.001. This finding indicates a moderate but statistically significant relationship between individuals' environmental concerns and their actual behaviours related to excessive packaging. The correlation aligns with research

highlighting the influence of environmental concern on sustainable behaviour (Martinho *et al.*, 2015). The positive correlation underscores the importance of fostering and encouraging sustainable consumer behaviour in the context of e-commerce packaging behaviour. It also suggests that heightened environmental concern can contribute to more responsible and positive behaviour towards consumer lifestyle.

There is no significant relationship between attitude, subjective norm, perceived behavioural control, environmental concern, and behaviour towards sustainability in overpackaging of e-commerce purchases.

The result of this study is aligned with a previous study by Hosta and Zabkar (2019) which has a positive influence on environmentally responsible behaviour and is socially responsible. It also supports the outcome of a previous study by Lee (2022) stated that subjective norm had a perfect mediating effect on the use intention of packaging to packaging that has low environmental impact where it shows that, when consumers had a positive subjective norm, their intention to use product packaging that has low environmental impact packaging was higher. This suggests that perceived behavioural control and subjective norms significantly influence behaviour towards sustainability in overpackaging.

However, for Attitude, the Beta coefficient is -0.111, with a p-value of 0.161. This indicates a weak negative relationship, though not statistically significant at the conventional significance level of 0.05. This finding aligns with prior research emphasizing the effect of excess packaging on an environmentally friendly green brand and consumer attitudes (Chen *et al.*, 2017) where the results suggested that overpackaging did not have a direct effect on green brand attachment. Instead, consumer view on green brands governs the negative attitude toward excess packaging.

Meanwhile, environmental concern displays a weak negative relationship with a Beta coefficient of -0.104 and a non-significant p-value of 0.182. Nonetheless, inconsistent with prior research, our results unexpectedly found no significant effect of environmental concern on consumers' subjective norms. This may be explained by the current limited environmental concern of consumers (Moshhood *et al.*, 2022). The lack of concern for the environment in society has not created social pressure on consumers.

5. CONCLUSION

Eventually, to enhance the framework of the study, the objective of this research is to understand behaviour towards sustainability in overpackaging of e-commerce purchases. The first specific objective is to determine the level of attitude, subjective norm, perceived behavioural control, environmental concern, and behaviour towards sustainability in overpackaging e-commerce purchases. The research, found four variables at a high level, namely environmental concerns (mean = 4.218), attitude (mean = 4.157), behaviour (mean = 3.922), and subjective norms (mean = 3.778). While the mean score is at a moderate level is perceived behavioural control (mean = 3.513).

The second specific objective is to identify the relationship between variables. Based on the Pearson correlation analysis, it was found that all four factors have a significant relationship with behaviour towards sustainability in overpackaging from e-commerce purchases. Hence, it was successfully rejected. The results also showed that the factors that influence the behaviour are positive, and this shows a good indication as a consumer applying sustainable behaviour in reducing the production of waste.

The third specific objective is to investigate the most influencing predictor factor on behaviour towards sustainability in overpackaging of e-commerce purchases. The results of the Multiple Linear Regression analysis showed that perceived behavioural control is the highest predictor factor ($\beta = 0.495$, $p = 0.001$) followed by subjective norms ($\beta = 0.349$, $p = 0.001$). In turn, the

beta values of environmental concern ($\beta = -0.104$, $p = 0.182$) and attitude ($\beta = -0.111$, $p = 0.161$) were found not to be contributing factors to behaviour.

6. IMPLICATIONS AND RECOMMENDATIONS

This study utilizes Ajzen's theory of planned behaviour (1991) to assess youth behaviour regarding sustainability in overpackaging e-commerce purchases. The study's findings suggest that all variables studied influenced behaviour, with perceived behavioural control being the strongest predictor influencing behaviour towards sustainability in overpackaging of e-commerce purchases. Meanwhile, the practical implications of this study are significant for consumers and stakeholders involved in excessive packaging behaviour from e-commerce purchases. Implementing these implications effectively relies on understanding the factors influencing consumer behaviour sustainability in overpackaging from e-commerce purchases. The study found that perceived behavioural control is a strong influencing factor in overpackaging from e-commerce purchases. Therefore, strategies to encourage changes towards waste reduction behaviour from excessive packaging should be implemented. Enterprises can utilize diverse packaging materials, establish efficient recycling systems, adopt combined packaging, and redesign packaging to reduce waste and increase environmental performance. Government initiatives targeting e-commerce enterprises and delivery service providers, such as extended producer responsibility policies, can also encourage recycling and sustainability in packaging practices.

Previous research has primarily focused on proposing solutions to reduce waste without considering consumer behaviour towards these solutions (Lu *et al.*, 2020). Avoiding impulse single-product purchases and raising collective purchasing of goods can also be considered positive steps towards environmental responsibility (Xie *et al.*, 2021). To achieve desired environmental benefits, solutions must be accepted and adopted by consumers. Increased consumer awareness of environmental protection can lead to changes in shopping behaviour, including increased purchasing of goods in each session to reduce environmental impact. Solutions are more likely to be successful if they are accepted and embraced by consumers, highlighting the importance of understanding consumer behaviour in implementing sustainable behaviour.

From the discussions and conclusions drawn, several recommendations have emerged to improve future research and guide relevant parties in addressing consumer behaviour towards sustainability in excess packaging waste. The study's findings can serve as a framework for future researchers to achieve better research outcomes. However, this study involved only 200 respondents in the Klang Valley area. Future research should consider a larger sample size and include multiple study locations across Malaysia to obtain more comprehensive insights into consumer behaviour.

Furthermore, this study focused solely on specific variables, neglecting others such as intention. Future studies should encompass a broader range of factors to provide a more comprehensive understanding of behaviour regarding the sustainability of overpackaging from e-commerce purchases. Additionally, while this study targeted youth, future research could expand its scope to include all age groups. This expansion could reveal differences related to income factors that may influence variables like attitudes and subjective norms. Researchers are encouraged to broaden their studies to encompass the entire state of Malaysia, including Sabah and Sarawak, to capture a more representative sample and provide a more holistic understanding of consumer behaviour.

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EXPLORING *HIBAH* PRACTICES AMONG MUSLIM ENTREPRENEURS IN KELANTAN

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ABSTRACT

This study delves into a segment of Islamic wealth management, focusing on *hibah* (inter vivos gifts), and investigates how Muslim entrepreneurs in Kelantan manage and enhance their wealth judiciously and fairly. Given the rising concern over unclaimed assets and their potential to remain frozen if Muslims neglect property management, this research is essential. It aims to evaluate the comprehension of *hibah* among these entrepreneurs, analyse their practices, and draw insights on both understanding and application in Kota Bharu, Kelantan. Data were collected through interviews and document analysis, with the aid of ATLAS.ti software to facilitate a network view analysis. Findings reveal that while informants practice *hibah* and recognize its importance, complete understanding remains lacking. The outcomes of this study could influence government action to address state-wide issues and encourage Islamic religious councils to enhance the understanding and practices of *hibah* among Muslim entrepreneurs and the broader community.

KEYWORDS: *HIBAH (INTER VIVOS GIFT), MUSLIM ENTREPRENEURS, UNDERSTANDING, PRACTICES, KELANTAN, ISLAMIC WEALTH MANAGEMENT*

ABSTRAK

Kajian ini menyelami segmen pengurusan kekayaan Islam, dengan fokus pada *hibah*, dan menyelidiki bagaimanakah usahawan Muslim di Kelantan mengurus dan meningkatkan kekayaan mereka secara bijaksana dan adil. Memandangkan keimbangan yang semakin meningkat mengenai aset yang tidak dituntut dan potensinya untuk kekal beku jika umat Islam mengabaikan pengurusan harta, kajian ini adalah penting. Ia bertujuan untuk menilai pemahaman tentang *hibah* dalam kalangan usahawan ini, menganalisis amalan mereka, dan mendapatkan pandangan mengenai pemahaman dan amalannya di Kota Bharu, Kelantan. Data dikumpulkan melalui temu bual dan analisis dokumen, dengan penggunaan perisian ATLAS.ti untuk memudahkan analisis. Penemuan menunjukkan bahawa walaupun para informan mengamalkan *hibah* dan mengakui kepentingannya, pemahaman sepenuhnya masih kurang. Hasil kajian ini boleh mempengaruhi tindakan kerajaan

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untuk menangani isu-isu di seluruh negeri dan menggalakkan majlis agama Islam untuk meningkatkan pemahaman dan amalan *hibah* dalam kalangan usahawan Muslim dan masyarakat umum.

KATA KUNCI: HIBAH, USAHAWAN ISLAM, PEMAHAMAN, AMALAN, KELANTAN, PENGURUSAN HARTA ISLAM

1. INTRODUCTION

Islamic wealth management is integral to orderly property stewardship in Islam, aimed at enhancing well-being in both this life and the hereafter. Generally, wealth and property (*al-mal*) encompass all possessions or benefits owned by an individual (Abdul Aziz *et al.*, 2024; Ahmad *et al.*, 2023; Rahman, 2015). This management is bifurcated into strategies operative during an individual's life and those taking effect posthumously, encompassing estate planning tools like *hibah* (inter vivos gifts), wills, *waqf*, charity, and vows. Specifically, *hibah* refers to a voluntary transfer of a physical or intangible asset without expectation of return, a concept originating from the Arabic "*wahaba*," implying a gift or charitable contribution (Bakar *et al.*, 2020; Hassan & Zaizi, 2020). Today, the topic of Islamic wealth management is widely discussed within the community, as it not only ensures that property is leveraged for the benefit of individuals and the Islamic community at large but also fosters justice, encourages growth in property, and minimizes disputes among Muslims. The religion has structured various wealth management tools to aid Muslims in selecting, planning, and managing their wealth prudently, including *hibah*, *faraid*, *waqaf*, wills, and more, each with specific purposes and goals. *Hibah*, in particular, stands out as a versatile tool capable of addressing many contemporary challenges in Muslim wealth management (Ahmad *et al.*, 2023; Kambol, 2019).

Exploring *hibah* practices among Muslim entrepreneurs in Kelantan is essential because it provides insights into how Islamic principles influence business operations in a region known for its strong adherence to religious traditions. This understanding can reveal the economic impact of such practices, highlighting how *hibah* fosters trust, cooperation, and social capital, which are crucial for the success and sustainability of businesses. Additionally, studying *hibah* practices underscores the ethical dimension of business, demonstrating how Islamic values promote ethical behaviour and community welfare. Moreover, focusing on Kelantan allows for comparative analysis with other regions, contributing to a broader understanding of Islamic economic practices and their variations. The findings from this research can also inform policymakers and educational institutions, enabling them to develop tailored support programs and curricula that align with the local cultural and religious context (Yahaya, 2020).

In addition, Muslim entrepreneurs in Kelantan differ from those in other states primarily in their adherence to religious practices. In Kelantan, business operations are heavily influenced by conservative and traditional Islamic principles, with a strong emphasis on ethical practices such as fair trade, honesty, and social justice. In contrast, entrepreneurs in other states may exhibit more variation in religious adherence, often blending Islamic principles with secular and cultural values. Business practices in Kelantan are more likely to include *hibah*, *sadaqah* (charity), and *zakat* (almsgiving) as integral components of the business model, reflecting a pursuit of both spiritual and material benefits. Entrepreneurs in other states may focus more on conventional business strategies aimed at profit maximization.

Community and network building in Kelantan is characterized by strong ties based on shared religious beliefs, leading to high levels of mutual support and trust among entrepreneurs. In other states, business networks tend to be more diverse and less centred around religious practices, resulting in different forms of social capital and collaboration. The regulatory and institutional environment in Kelantan, influenced by the long-standing governance of the Islamic party PAS, aligns more closely with Shariah principles. This affects how businesses operate, with greater emphasis on compliance with Islamic laws. In contrast, other states may have regulatory environments that are less focused on Islamic principles, adopting a more secular approach to business regulation (Muhammad, *et al.*, 2021).

Culturally, Kelantan is influenced by a unique blend of Malay and Thai traditions, alongside strong Islamic customs. This cultural context shapes business practices and consumer behaviour in distinct ways. Other states, with their greater urbanization and multicultural interactions, display different entrepreneurial practices and consumer preferences. Overall, these differences highlight the unique characteristics and needs of Muslim entrepreneurs in Kelantan, shaped by a combination of religious, cultural, and regulatory factors.

Given its significance, this paper focuses on the understanding and application of *hibah* among Muslim entrepreneurs in Kota Bharu, Kelantan—a demographic situated in a predominantly Muslim region with a robust business community (Muhammad *et al.*, 2021). Through interviews and document analysis, complemented by network view analysis using ATLAS.ti, this study aims to deepen the understanding and enhance the practices of *hibah* among these entrepreneurs. Ultimately, the research endeavours to foster improved knowledge and implementation of *hibah*, contributing positively to the broader community and Islamic wealth management practices.

2. LITERATURE REVIEW

This study will undertake a comprehensive literature review, drawing on a variety of sources, and categorize several articles into distinct themes. These themes include an overview of Islamic wealth management, the concept of *hibah*, its practices, and its relevance. Discussions will cover the formation, types, and potential cancellation of *hibah* through its conceptual framework. Additionally, this paper will also outline the research framework.

An Overview of Islamic Wealth Management

The term 'property' in Arabic, known as 'grind,' refers to the ownership of assets or *al-mal*. Islam permits individuals to accumulate wealth for personal enjoyment in this life, yet it encourages amassing assets to bequeath to family members posthumously (Billah & Kabir, 2020; Hasbullah & Daud, 2015). It is deemed preferable for the deceased's family to be left in comfort rather than in hardship, necessitating reliance on others. Islam prescribes proper methods for acquiring property, ensuring that it is obtained ethically (Razak, 2020; Yusof *et al.*, 2016). The relationship between wealth and Muslim entrepreneurs is fundamental; operating a business invariably leads to profit, which in turn generates wealth. It is expected that Muslim entrepreneurs will distribute a portion of the assets they accumulate among fellow Muslims. According to Allah SWT in Surah al-Baqarah verse 261:

"Comparisons (donations) those who spend their possessions in the way of Allah are like a seed that grows to produce seven stems: every stem also contains a hundred seeds. And remember Allah will multiply the reward for whom He will. And Allah is the All-Mighty, the Wise." (al-Baqarah, 2:261).

This parable from Allah (SWT) highlights the exponential rewards for those who contribute to His cause and seek His favour. Allah (SWT) enhances good deeds by a factor of ten to seven hundred times (Lasmana, 2016). It is understood that contributing in the way of Allah (SWT) involves using wealth to support the propagation of Allah's Deen. Examples include donations to mosques or Islamic educational institutions, endowments (*waqaf*), funding the production of religious educational materials, supporting the *asnaf* and orphans, and contributing to the salaries of religious staff (Kailani & Slama, 2020; Muhammad *et al.*, 2021).

The verse illustrates how Allah (SWT) nurtures the good deeds of those who perform them, akin to how plants are cultivated by those who sow seeds in fertile ground. Furthermore, the Sunnah confirms that good deeds can be multiplied by up to seven hundred times. For instance, Imam Ahmad recounts that Abu Masoud (RA) mentioned a man who donated a camel, complete with its bridle, for the cause of Allah (SWT), an act praised by the Messenger of Allah (SAW), "*On the*

Day of Resurrection, you will have seven hundred camels with their bridles.” (Hadith Imam Ahmad).

Concept of Hibah

Hibah represents a crucial strategy in Islamic wealth management and is closely associated with wills, *faraid*, *waqaf*, and charitable giving. These tools aid Muslims in adhering to inheritance laws (Hassan & Zaizi, 2020). *Hibah* and wills both facilitate the voluntary transfer of property ownership, but *hibah* differs as it falls under contractual agreements requiring mutual consent from all parties involved (Asni & Sulong, 2021). Conversely, a will operates independently of contractual obligations and represents a unilateral declaration by the testator (Kamaruddin & Ahmad, 2012; Sulong *et al.*, 2024).

Once all essential requirements and pillars of *hibah* are satisfied, the agreement is established (Kamarudin *et al.*, 2019). *Hibah* is distinctively structured as a contractual agreement with specific rules and conditions, setting it apart from gifts and charities, which are based on altruistic contributions. Hanafi scholars identify three foundational pillars of *hibah*: the declaration of the gift (*sighah*), the offer (*ijab*), and the acceptance (*qabul*) (Saeed, 2017). Jurists emphasize that the key elements in constituting *hibah* are the donor (*wahib*), the recipient (*mauhub lahu*), and the donated property (*mauhub*). For *hibah* to be legally valid under Islamic law, three conditions must be fulfilled: a declaration by the donor expressing the intent to give (*ijab*), an acceptance by the recipient, either explicit or implied (*qabul*), and the physical or constructive transfer of the property from the donor to the recipient (*qabd*) (Kamarudin *et al.*, 2011; Sulong *et al.*, 2024).

In this study, '*hibah*' refers to the Islamic practice of voluntary gift-giving among Muslim entrepreneurs, fostering trust and cooperation in business. In contrast, '*hibah*' in a *qard* savings account context refers to the discretionary gift given by Islamic banks to account holders, often instead of interest, to comply with Shariah principles.

Types of Hibah

1. *Hibah* Absolute

Hibah absolute, also known as '*al-hibah al-munjizah*', occurs when an individual bestows *hibah* from their wealth unconditionally, characterised as gifts granted during one's lifetime without any conditions imposed by the donor (Nor Muhamad, 2011). In such instances, the full effect of the *hibah* is realized once all foundational pillars and conditions are satisfied. The outcomes include the immediate transfer of ownership to the recipient, the permanent establishment of the *hibah* title which remains unrestricted, and the cessation of any rights the donor had over the *hibah* property and its benefits (Kamarudin *et al.*, 2019).

2. Conditional *Hibah*

Conditional *hibah* can be categorized into *hibah umra*, *ruqba*, and reward-based *hibah*. *Hibah ruqba* involves the provisional transfer of property from one person to another, contingent upon the death of one of the parties, at which point the property reverts to the surviving party (Abdul Aziz *et al.*, 2024). Imam Abu Hanifah provides a similar explanation, defining *hibah ruqba* as the transfer of property ownership to another, effective upon the death of the person who grants the *hibah* (Asni & Sulong, 2021; Azhar & Nor, 2019).

Cancellation of Hibah

The revocation of *hibah* (*ruju'*) involves the donor retracting the grant from the recipient after the property has been transferred (*qabd*). According to the Hanbali School, revocation is permissible before the property is formally handed over to the beneficiary, specifically if the property requires measurement or weighing (Mohamed Said, Awang *et al.*, 2013). Additionally, concerns arise

among Muslims regarding the misuse of their property if the recipient violates the grant agreement, especially since the transfer of ownership through *hibah* typically precludes cancellation once completed (Nor Muhamad, 2011).

Thus, revocation is generally not feasible. However, the Maliki school posits that *hibah* cannot be cancelled once the contract is deemed complete, even without the transfer of physical possession (*qabd*) (Muda, 2006). Exceptions are made in specific situations, such as when *hibah* is given as a reward or when a father withdraws a *hibah* he has granted to his son, provided this revocation is not in anticipation of a divine reward.

Practice of Hibah

The practice of *hibah* is highly regarded in Islam, as evidenced by its foundations in the Qur'an, Sunnah, and Ijma (Muda, 2008). *Hibah* is encouraged through various verses in the Qur'an, including one from Surah Al-Baqarah: verse 177, where Allah SWT states:

"...and gives wealth, despite the love for it, to relatives, orphans, the needy, the traveller, those who ask [for help], and for freeing slaves." (al-Baqarah, 2:177).

The practice of *hibah*, or gifting, has been a longstanding tradition within the Malaysian Muslim community, with its origins tracing back to as early as the 1900s, though it was not as systematized as it is today (Nurul Shahirah Othman *et al.*, 2017). In Malaysia, there are no specific legal provisions governing *hibah*. According to Abd Wahab *et al.* (2017), the practice of *hibah* is observed particularly in the property planning sector. Islam places a strong emphasis on the systematic and effective management of property to ensure that all individuals receive their due rights.

Relevancy of Hibah

The implementation of *hibah* in the distribution of property in Malaysia is highly beneficial and applicable. There are several advantages and reasons for Muslims to employ *hibah* in distributing their assets. According to Nor Mohamad (2013), *hibah* allows property owners to autonomously decide the recipients of their assets and distribute them based on the economic status and needs of their heirs. Through *hibah*, a parent can allocate a larger share of the property to those heirs who have contributed more significantly. Therefore, *hibah* is relevant today as it promotes fairness in wealth distribution (Hassan & Zaizi, 2020).

Additionally, widespread neglect in managing estates, particularly in the realm of *faraid*, along with a general lack of concern for estate matters, has led to numerous religious, economic, and social challenges (Abdul Rashid & Ahmad, 2013). To address these issues, the application of *hibah* not only ensures that property ownership is transferred to beneficiaries as per the grantor's wishes but also helps reduce the number of estate disputes nationwide (Said *et al.*, 2020).

1. The Distribution of Property

The distribution of property through *faraid* often complicates the process and imposes restrictions. This can result in beneficiaries receiving little to no advantage from their inheritance due to the equal division mandated by *faraid* ratios. Moreover, the resultant parcels of land may be too small, rendering them undvelopable and decreasing their commercial value.

In terms of Shariah law, the marriage of a legally wedded spouse is a common basis for inheritance, allowing spouses to inherit from each other upon the death of one, provided no legal impediments exist. With the application of *hibah*, divorce does not prevent a spouse from granting or wrongly claiming property. *Hibah* is particularly beneficial in situations where an ex-spouse may wish to transfer ownership of a home to their former partner, either as a gesture of appreciation or to ensure

the welfare of any children from the marriage who remain with the ex-partner (Maamor *et al.*, 2020).

Following the literature review and the study's aims, the research framework is outlined in the diagram below.

Research Framework

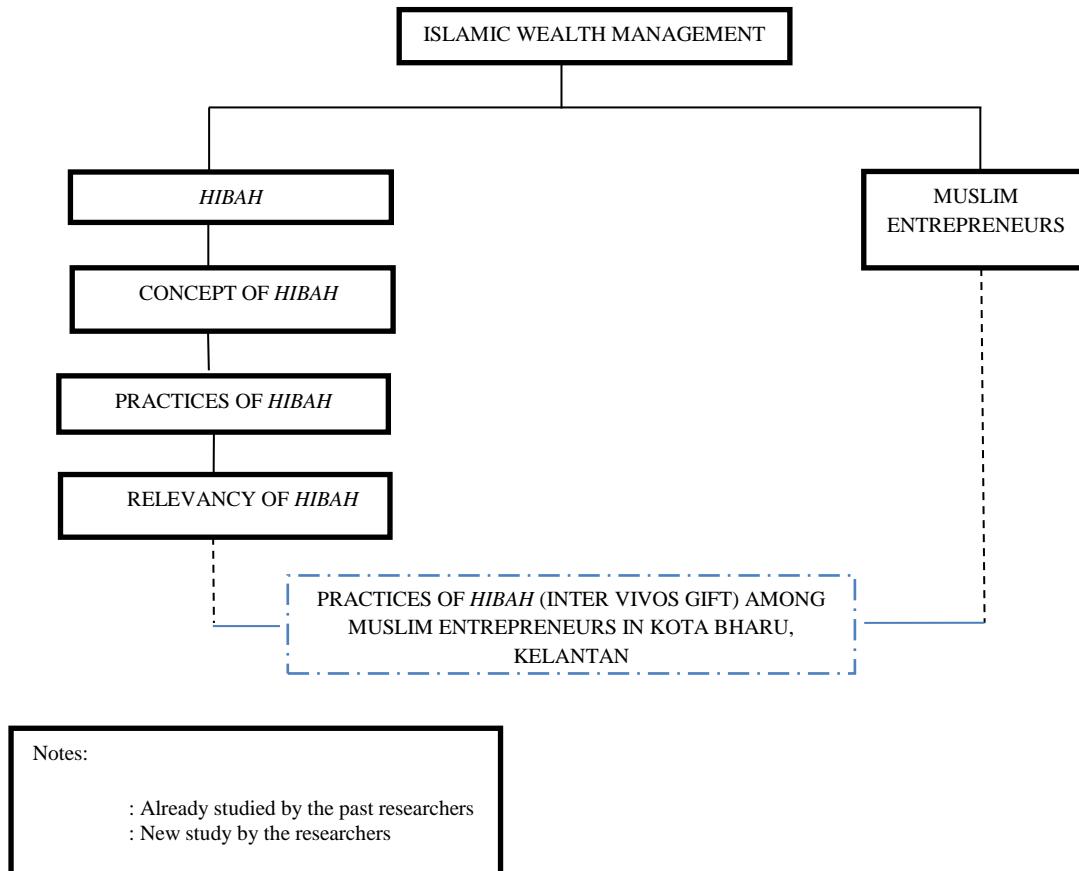


FIGURE 1: RESEARCH FRAMEWORK OF PRACTICES OF HIBAH (INTER VIVOS GIFT) AMONG MUSLIM ENTREPRENEURS IN KOTA BHARU, KELANTAN

The research framework illustrated in Figure 1 is derived from previously identified themes and research gaps. Initially, the researcher will explore the significance of Islamic wealth and its relationship to *hibah*, noting that inadequate planning and maintenance can adversely affect both the property owner and the property itself. Subsequently, the study will delve into the understanding of *hibah* to determine its familiarity among Muslim entrepreneurs before its practical application. The researchers have identified a disconnect between the theoretical concept of *hibah* and its practical application by Muslim entrepreneurs. Furthermore, the investigation will extend to the actual practices of *hibah* among Muslim entrepreneurs after they have studied the concept. A notable gap has been found between the entrepreneurs' understanding and their implementation of *hibah* practices. It has been observed that prior studies have not fully explored the understanding or application of *hibah* (inter vivos gift) among Muslim entrepreneurs in Kota Bharu, Kelantan. This research aims to determine if Muslim entrepreneurs truly understand and follow *hibah* practices.

3. METHODOLOGY

In a qualitative research approach, several methods are available to researchers exploring a topic. Among these, interviews and surveys are commonly used. For this study, the interview method was selected due to its effectiveness in gathering relevant information and responses from participants. Any topic discussed by a participant is considered valuable data for the research. This method allows researchers to explore topics in greater depth, thus enhancing their understanding. Accordingly, during the data analysis phase, records are compiled based on responses to each question and the key themes that emerge from the interviews conducted after data collection. For this research, the initial step involves selecting Muslim entrepreneurs for interviews, with a particular focus on those operating in the Siti Khadijah Market area of Kota Bharu to gather comprehensive insights and opinions on the subject.

The interview sessions will continue until data saturation is achieved, at which point the number of interviews deemed sufficient will be determined. The interview sessions will continue until data saturation is achieved, which typically occurs after a series of interviews where no new significant information or themes emerge. Although the exact number of interviews can vary, data saturation is often reached after conducting around 4 to 20 interviews, depending on the complexity of the topic and the diversity of the participants. This study utilizes ATLAS.ti 9 software, beginning with the input of narrative texts from the interviews, including responses to open-ended questions and observer notes. This qualitative data is then coded using various techniques such as selective, in vivo, open, or emergent coding. The selective coding process helps researchers identify and establish connections among various concepts highlighted during the literature review.

4. FINDINGS AND DISCUSSION

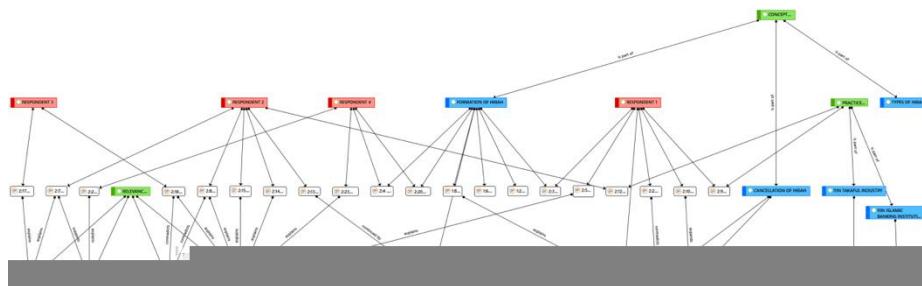


FIGURE 2: NETWORK VIEW ATLAS.TI OF THE UNDERSTANDING AND PRACTICES OF HIBAH AMONG MUSLIM ENTREPRENEURS IN KOTA BHARU, KELANTAN

ATLAS.ti was utilized to analyse the data as illustrated in Figure 2. For this study, four informants were selected to achieve the research objectives, which focus on three main topics: the concept of *hibah*, the practices of *hibah*, and its relevance among Muslim entrepreneurs in Kota Bharu, Kelantan. The themes identified were segmented into various categories. During the interviews, the researchers identified several responses that were inconsistent with the established themes, providing valuable insights that could enhance the development of this research. Generally, the informants had a basic understanding of *hibah*, influenced by specific situations they encountered.

The interviews revealed that most informants are familiar with the essential definition of *hibah*, recognized as a gift bestowed during the donor's lifetime. Informants 1 and 2 articulated the purpose of *hibah* clearly, whereas Informant 2 understood the concept but provided limited detail during the interview. Informant 4 admitted to a lack of familiarity with the concept of *hibah*. According to Informants 1 and 2, *hibah* is essentially a gift given during one's life. This understanding aligns with the findings from the literature review by Muda (2008), which noted that

while both *hibah* and wills involve the free transfer of property ownership, *hibah* is distinct as it requires mutual consent when it is treated as a contract.

Addressing the first objective, which aims to evaluate the understanding of *hibah* among Muslim entrepreneurs in Kota Bharu, Kelantan, the majority of informants shared similar views, noting that the application of *hibah* in wealth distribution within Malaysia is infrequently advantageous. Consequently, it is suggested that Muslims today expand their perspectives to identify and adopt more effective strategies for wealth distribution. Muda (2008) highlights that *hibah* and *wasiyyah* bear similarities as both entail the gratuitous transfer of property ownership without reciprocation, yet differ when *hibah* is treated as a contractual agreement necessitating mutual consent. Most informants also expressed that Muslims, especially entrepreneurs, should consider using *hibah* to distribute their wealth or business assets to mitigate issues like sibling rivalry in wealth distribution.

Regarding their personal experiences with *hibah*, the majority of informants, including informants 1, 2, and 3, provided diverse interpretations and insights, except for informant 4 who does not practice *hibah*. Informant 1 began exploring *hibah* after transferring a house to her brother as a gift, while Informant 2 became interested after his mother employed *hibah* to distribute her assets years earlier. This demonstrates that *hibah* is also applicable among family members (Awang & Awang Abd Rahman, 2014). Informant 3's exposure to *hibah* started in elementary school and deepened when her family utilized it for distributing wealth. Although informant 4 learned about *hibah* during school, she has not applied it in her life, resulting in a limited understanding. It is evident that while most gained knowledge of *hibah* through personal experiences, others acquired it solely through formal education.

This study aims to determine the extent of familiarity and depth of understanding of the *hibah* concept among informants. Interviews indicate that most informants possess a practical knowledge of *hibah*, encompassing both its process and theoretical aspects. It appears that Muslim entrepreneurs in Kota Bharu, Kelantan, have a moderate grasp of *hibah*, as they have learned both the concept and its application in wealth distribution, thereby achieving a solid understanding of the subject. Nonetheless, one informant exhibited only a superficial understanding due to a lack of practical experience with *hibah* instruments and insufficient exposure to the concept. This suggests that a general unfamiliarity with *hibah* among the population contributes to its limited use today. These insights lead to the conclusion that personal experience with *hibah* significantly influences understanding among Muslim entrepreneurs.

The second objective of this research is to explore the implementation of *hibah* by Muslim entrepreneurs in Kota Bharu, Kelantan. Findings show that most informants, who are Muslim entrepreneurs, actively engage with *hibah*. While not all fully understand *hibah*, many continue to use it as a tool for distributing their wealth or assets. Most informants recall becoming aware of *hibah* during their school or university years, and one noted that their family employs *hibah* in property distribution. They find *hibah* to be a straightforward and efficient method for property distribution, as it does not involve complex procedures. Consequently, there is a keen interest among them to learn more about and practice *hibah* as a means of asset distribution. For *hibah* to be legally valid under Islamic law, three conditions must be satisfied: a declaration of intent to gift (*ijab*) by the donor, acceptance (*qabul*) by the recipient, which can be explicit or implicit, and the transfer of possession (*qabd*) of the gifted asset from the donor to the recipient, whether actual or symbolic (Nor Muhamad, 2011).

Furthermore, the majority of informants in this study actively use *hibah* in their lives. For example, informant 1 employed the *hibah* instrument to allocate her property among her children, while informant 2 utilized it to distribute her personal wealth. They favour *hibah* over other mechanisms due to the absence of restrictions on how they divide property between male and female heirs, allowing them to distribute their assets as they see fit without adhering to prescribed ratios like

those required by *faraid* or other instruments. *Hibah* is essentially a gift given out of love from the donor to the recipient (Ibn Rush, 1996), and property owners are free to transfer their assets through *hibah* to anyone, be it heirs or non-heirs, with the transfer becoming effective immediately upon delivery or during the donor's lifetime.

Additionally, those who incorporate *hibah* into their daily routines have expressed contentment and happiness with its use for wealth distribution. This is attributed to the simplicity and efficiency of managing *hibah*, which requires minimal time. They are also pleased with how *hibah* is administered in Malaysia, finding the processes quite satisfactory. This satisfaction is evidenced by the presence of businesses in nearly every state that specialize in writing services, provisioning, and resolving *hibah*-related issues. According to Abd Wahab *et al.* (2017), *hibah* is increasingly being recognized within the property planning industry. This has spurred their interest in *hibah*, convinced that its use can foster and ensure harmonious relationships, especially among family members.

Furthermore, the informants utilize *hibah* as they believe it can prevent various issues in property distribution. According to Kamarudin and Nor Muhammad (2017), unlike wills, *hibah* must be executed during the lifetime of the grantor, and there is no limit to the amount one can give, unlike a will, which is restricted to one-third of one's wealth and must generally be bequeathed to non-family members. For example, informant 1 uses *hibah* to prevent disputes among her children. Informant 2 opts for *hibah* to ensure fair treatment of all her children, including those who are adopted, as it allows her to distribute her property freely. Informant 3 appreciates the lack of restrictions in dividing her property through *hibah*. Meanwhile, informant 4 is aware of *hibah* but has not yet applied it in her life, though she is keen to deepen her understanding of it due to its significance in the hereafter.

This study reveals that most informants are eager to learn more about *hibah*, seeing it as a solution for managing property issues effectively while alive, with the flexibility provided by their faith. *Hibah* allows property owners to decide independently who will inherit their assets and how these will be distributed, considering the economic status and needs of the heirs (Nor Mohamad, 2011). Furthermore, *hibah* does not demand extensive time or effort to implement. According to the third objective of this research, which is to evaluate the understanding and application of *hibah* among Muslim entrepreneurs in Kota Bharu, Kelantan, it is found that most possess a moderate understanding of *hibah* and frequently employ it. The majority of informants acknowledge the simplicity of using *hibah* for property distribution, emphasizing its importance in their practices, although one informant, despite understanding *hibah*, has yet to practice it.

Informant 1 emphasises that *hibah* is essential, and community awareness is necessary to prevent property seizures, particularly because property disputes in Kota Bharu, Kelantan remain unresolved. Informant 1 notes that using *faraid* instruments for wealth distribution is time-consuming and not ideal. The heir settlement process under *faraid* is protracted, involving multiple entities and requiring significant effort from the heirs (Abdul Rashid *et al.*, 2013), often leading to complications and improper distribution to the intended heirs. Many individuals, therefore, opt to grant property through *hibah*.

According to Mohd Shahid (2018) and Nor Muhamad (2011), a consensus among Hanafi, Maliki, and Shafie scholars indicates that favouritism in *hibah* among children is discouraged (*makhruh*), though the gift itself remains valid. In the Hanbali school, fairness in distributing *hibah* to children is mandatory. Imam Malik considers it unethical to bestow all property on some children while excluding others. While *hibah* to children is generally permissible, it can be revoked if the property remains unchanged in the child's possession, is not sold, or is similarly unaltered, preventing children from developing a sense of entitlement. Often, children who receive property are reluctant to care for their ageing parents, which justifies the potential revocation of *hibah*.

Furthermore, informant 1 illustrates that *hibah* does not adversely affect the profitability of Muslim entrepreneurs. Implementing *hibah* has been neutral to their businesses, which have continued to thrive, particularly when the property given matches the grantee's skills and the business operation is approved by the administration. This demonstrates that property managed under these conditions can flourish successfully (Othman *et al.*, 2017).

According to Informant 2, concurs with Informant 1 on using *hibah* to prevent disunity among children. He further agrees that *hibah* is particularly beneficial for the business when the property is allocated to mature, business-savvy children. Abdul Rashid and Ahmad (2013) note that property owners have the discretion to decide the recipients of their property and the proportion of distribution based on the economic circumstances and needs of the beneficiaries. Hence, Muslim entrepreneurs are advised to wisely manage their asset distribution during their lifetimes. Nor Muhamad (2011) points out that *hibah* also extends benefits to those in need who do not have legal inheritance rights under *faraid* or wills, such as adopted children who may receive property through *hibah*, ensuring they too benefit.

Furthermore, informant 3 echoes informant 1's view that *hibah* is crucial in today's context. It is vital not only for general well-being but also in preventing family conflicts. The consensus among many is that property distribution through *hibah* simplifies the process, as it does not require consent from any other party and is solely at the discretion of the grantor, thereby expediting the property distribution.

Informant 4 highlights the advantages of *hibah*, noting it facilitates a fair distribution because the grantor can choose the recipients of their property. Furthermore, using *hibah* for property distribution can prevent family disputes and the amount of property distributed is not limited, as it is entirely up to the grantor to decide the allocation. According to Muda (2008), scholars from the Hanafi, Maliki, and Shafie schools of thought assert that while distributing gifts equally among children is ideal, favouring one child significantly over others is discouraged (*makruh*), although still valid. The application of *hibah* is praised for its simplicity and for avoiding complications for the heirs after the grantor's death. However, informant 4 does not use *hibah* as a strategy for generating regular business income.

Informant 4 also regards *hibah* as a viable alternative to solving issues associated with *faraid*-based property distribution, as *hibah* allows the property to be allocated based on the specific needs and capabilities of the recipients. This ensures that the property is cared for properly by someone capable of managing it. The interviews with all four informants revealed their awareness of *hibah*, with three of them actively practising it in their daily lives. These discussions provided deeper insights into their personal experiences with *hibah*. The researcher was able to collect comprehensive data during these interviews, confirming that three out of the four informants not only understood *hibah* but also implemented it in their lives.

5. CONCLUSION

In summary, *hibah* serves as a mechanism for distributing property during a grantor's lifetime, distinctly different from other methods such as wills and *faraid*. The aim of this research is not to challenge the validity of wills or *faraid* but to complement these traditional methods. This study has focused on the use of *hibah* among Muslim entrepreneurs who manage their businesses and assets, which are likely to be inherited. The research has enhanced our understanding of how Muslim entrepreneurs perceive and utilize *hibah*.

The findings indicate that while Muslim entrepreneurs generally have a moderate understanding of *hibah*, many have incorporated it into their estate planning, recognizing its importance in life. This approach is particularly valuable as property disputes often occur when owners pass away before properly distributing their assets. Effective property distribution is essential for maintaining the

well-being of the assets. Therefore, the evaluation of *hibah* aims to educate the public about the available tools for property distribution and advocates for the proactive planning of property distribution using *hibah* during one's lifetime. Implementing *hibah* effectively not only supports the economy at both community and national levels but also ensures that the properties managed by Muslim entrepreneurs do not lead to disputes among heirs. In conclusion, it is advisable for Muslim entrepreneurs to have a structured plan for all owned property to ensure its continuous benefit, whether for personal use or the welfare of others. Given its efficacy and simplicity, it is anticipated that many more Muslim entrepreneurs in Kota Bharu, Kelantan will adopt *hibah* practices.

The study's findings may have limited generalisability due to the unique cultural and socio-political context of Kelantan, potentially affecting their applicability to other regions. Self-reporting bias and a small sample size might also compromise the reliability and depth of the conclusions. Additionally, a cross-sectional design captures data at a single point in time, which may not reflect changes in *hibah* practices over time. Future research could conduct comparative studies across different regions to explore variations and commonalities in *hibah* practices, while longitudinal studies could track changes over time. Mixed-methods approach, incorporating both qualitative and quantitative data, would provide a more comprehensive understanding. Expanding the scope to include other Islamic economic practices like *zakat* and *sadaqah* would offer a broader perspective on the role of Islamic principles in entrepreneurship.

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THE STATUS QUO OF ZAKAT MANAGEMENT IN MALAYSIA: OBSTACLES, OPPORTUNITIES AND DIRECTIONS

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ABSTRACT

Since *zakat* plays a significant role for Muslims in their religious and socioeconomic life, it must be managed efficiently, and as is due. Malaysia is among the Muslim countries that strive to realize the meaning of *zakat* through systematic management of its territory. However, due to the various factors, it (*the zakat* management system) might encounter several issues and challenges that hurdle obtaining the objectives of *zakat* in its practice. Thus, the research aims to study the current progress of *zakat* in Malaysia and its barriers through the available literature and it attempts to identify the research gap and potential future directions. The study adopts a qualitative research approach where it collects the data from several resources and databases and analyses the collected data through a rigorous document analysis and descriptive method. This study finds that the *zakat* management system in Malaysia is following various steps such as providing a *zakat* infographic, enhancements in the *zakat* payment method and also facilitating access to *zakat* for the *asnāf*, to improve its efficiency and benefits for the people however, several studies note that some areas such as the performance of *zakat* institutions, proper distribution, digitalization of the system and realization of poverty alleviation through *zakat* require more improvement by the *zakat* authority and the future research as well. The improvement of *zakat* management and utilization of the *zakat* fund in the appropriate manner will benefit the society and economy. Subsequently, it will strengthen the trust and confidence of the *zakat* payers in the *zakat* system and institutions in Malaysia.

KEYWORDS: ZAKAT MANAGEMENT, ZAKAT INSTITUTIONS, POVERTY ALLEVIATION, AWARENESS, MALAYSIA

ABSTRAK

Memandangkan *zakat* memainkan peraturan penting bagi umat Islam dalam kehidupan beragama dan sosioekonomi mereka, ia mesti diuruskan dengan cekap, dan sepatutnya. Malaysia antara negara Islam yang berusaha merealisasikan erti *zakat* melalui pengurusan yang sistematik di wilayahnya. Namun, disebabkan oleh pelbagai faktor, ia (sistem pengurusan *zakat*) mungkin menghadapi beberapa isu dan cabaran yang menjadi halangan untuk mencapai objektif *zakat* dalam amalannya. Oleh itu, penyelidikan bertujuan untuk mengkaji kemajuan semasa *zakat* di Malaysia dan

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halangannya melalui literatur yang ada dan ia cuba mengenal pasti jurang penyelidikan dan hala tuju masa depan yang berpotensi. Kajian ini menggunakan pendekatan kajian kualitatif di mana ia mengumpul data daripada beberapa sumber dan pangkalan data dan menganalisis data yang dikumpul melalui analisis dokumen dan kaedah deskriptif yang ketat. Kajian ini mendapati sistem pengurusan *zakat* di Malaysia sedang mengikuti pelbagai langkah untuk meningkatkan kecekapan dan manfaatnya kepada rakyat namun beberapa kajian mendapati beberapa aspek seperti prestasi institusi *zakat*, pengagihan yang betul, pendigitalan sistem dan merealisasikan kemiskinan. pengurangan melalui *zakat* memerlukan lebih banyak penambahbaikan oleh pihak berkuasa *zakat* dan juga penyelidikan masa depan. Penambahbaikan pengurusan *zakat* dan penggunaan dana *zakat* dengan cara yang sewajarnya akan memberi manfaat kepada masyarakat dan ekonomi. Seterusnya, ia akan mengukuhkan kepercayaan dan keyakinan pembayar *zakat* terhadap sistem dan institusi *zakat* di Malaysia.

KATA KUNCI: PENGURUSAN ZAKAT; INSTITUSI ZAKAT; PEMBASMIAN KEMISKINAN; KESEDARAN, Malaysia

1. INTRODUCTION

Zakat is one of the five pillars of Islam which is related to wealth in terms of the contribution by eligible payer, and distribution to the eligible receiver. Through *zakat*, the well-being of the ummah (society) is assured, and the gap between the rich and the poor is abolished, or at least reduced (Meerangani, 2019). Social welfare is given much importance in Islam where it highly encourages the rich to help the poor without any hope of return or compensation whatsoever. In helping the poor, it could either be optional in the form of *ṣadaqah* (donation) or obligatory in the form of *zakat*. Islam introduces *zakat* as an obligatory action upon the rich once they meet the obligatory level in terms of their property and asset values. The objectives of *zakat* are to purify the wealth of a person, to alleviate poverty in the ummah, to abolish injustice in the ummah, to strengthen the empowerment of the poor in the ummah, and more importantly to fulfil the order of Allah (Al-Mamun & Haque, 2015a; Johari *et al.*, 2014; Jediah & Khouloud, 2020).

Malaysia is one of the pioneering countries among the Muslim countries around the world to have an outstanding *zakat* management system (Migdad, 2019). Since 1990, the Malaysian *zakat* system has been collectively managed by the State Islamic Religious Council (SIRC) of the respective states in Malaysia (Abd. Wahab and Rahman, 2011; Rahman *et al.*, 2012). The SIRC is generally responsible for religious matters at the state level, where currently a total of 14 SIRCs are operating throughout Malaysia for 13 states and one federal territory. Although all the SIRCs operate under similar principles, there are slight procedural differences in managing the *zakat* collection and distribution from one state to another (Abd. Wahab & Rahman, 2011). To mitigate this discrepancy and boost the efficiency of the *zakat* collection and distribution, some of the SIRCs employ a special unit, often a corporatized institution, as a *zakat* centre either for collection and distribution or for collection only (Ab Rahman *et al.*, 2012; Abd. Wahab and Rahman, 2011). Several methods are employed to collect the *zakat* from eligible Muslims (Wahab & Rahman, 2013; Yaakub *et al.*, 2016; Salleh & Chowdhury, 2020), and at the same time, these *zakat* centres are responsible for identifying the *aṣnāf* (the eligible recipients of *zakat*) for *zakat* disbursement throughout the year (Ab Rahman *et al.*, 2012; Migdad, 2019).

Of late, many significant issues about *zakat* have caught the attention and interest of researchers. Several studies have been conducted to discuss these issues to find better solutions for the *zakat* management system in Malaysia. For example, these studies are significant in finding suitable ways to utilize available *zakat* funds. However, other issues in the *zakat* management system are still unresolved and unexplored (Taha *et al.*, 2017a; Mohamed *et al.*, 2019; Jaapar & Kamarulzaman, 2020; Salleh & Chowdhury, 2020; Yusuf *et al.*, 2020). Therefore, this research attempts to review the existing literature on the *zakat* system in Malaysia through an in-depth analysis of articles that have been published in different journals and conference papers. This research also aims to consolidate and extend the knowledge of the *zakat* management system in Malaysia, and to propose

several potential future research directions that could help in improving the overall system for the benefit of ummah.

2. METHODOLOGY

This study adopts a qualitative research approach where the data collection is conducted through a rigorous search for *zakat* in Malaysia. Specific keywords such as “*Zakat + Malaysia*”, “*Zakat management + Malaysia*”, “*Zakat collection + Malaysia*”, “*Zakat distribution + Malaysia*”, “*Zakat institution + Malaysia*”, “*Zakat payment + Malaysia*”, “*Zakat distribution + Malaysia*”, “*Zakat issues and challenges*”, “*Poverty + Zakat + Malaysia*”, and “*Awareness + Zakat + Malaysia*” are used to filter the search for scholarly research papers on *zakat* in Malaysia. Online databases such as Emerald, Science Direct, Google Scholar, and general Google searches are applied to find the appropriate and relevant works on *zakat*. This research focuses on published research papers such as indexed journal articles, peer-reviewed journal articles, and published conference proceedings. Books and books’ chapters on *zakat* are not covered as they are not always available and easily accessible. Similarly, other resources like web-based data are also excluded to narrow down the research purpose. After collecting data from these sources, a strict filtration process is adopted to exclude irrelevant, duplicate, and unnecessary data. At this stage, a total of 156 research papers are considered for this study. Then, the researchers scrutinize the selected papers to find the output or result of those papers and this leads the researchers to find some important themes and findings of the current research work. Moreover, based on those themes and findings, this study can perceive some themes that require further studies and improvement. Figure 1 provides the numbers of research on *zakat* in Malaysia that have been published from 1987 until 2023 and the process of this work is illustrated through Figure 2.

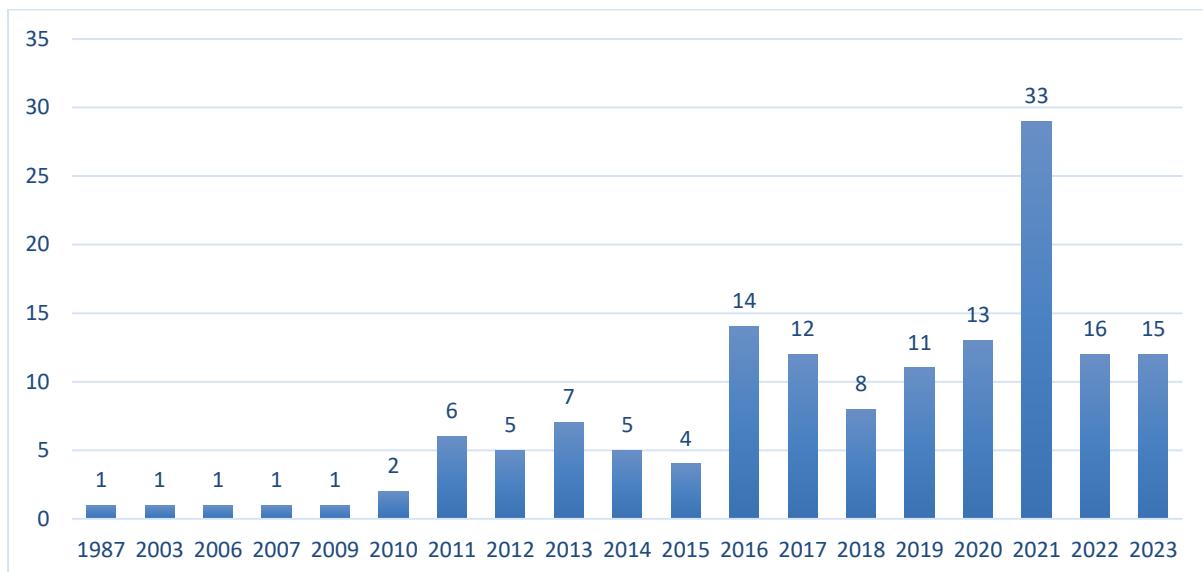


FIGURE 1. THE NUMBER OF PUBLISHED PAPERS (1987 – 2023)

Source: Authors' own

(There are 14 conference proceedings -in 2021- that emphasize various aspects of the Malaysian *zakat* system).

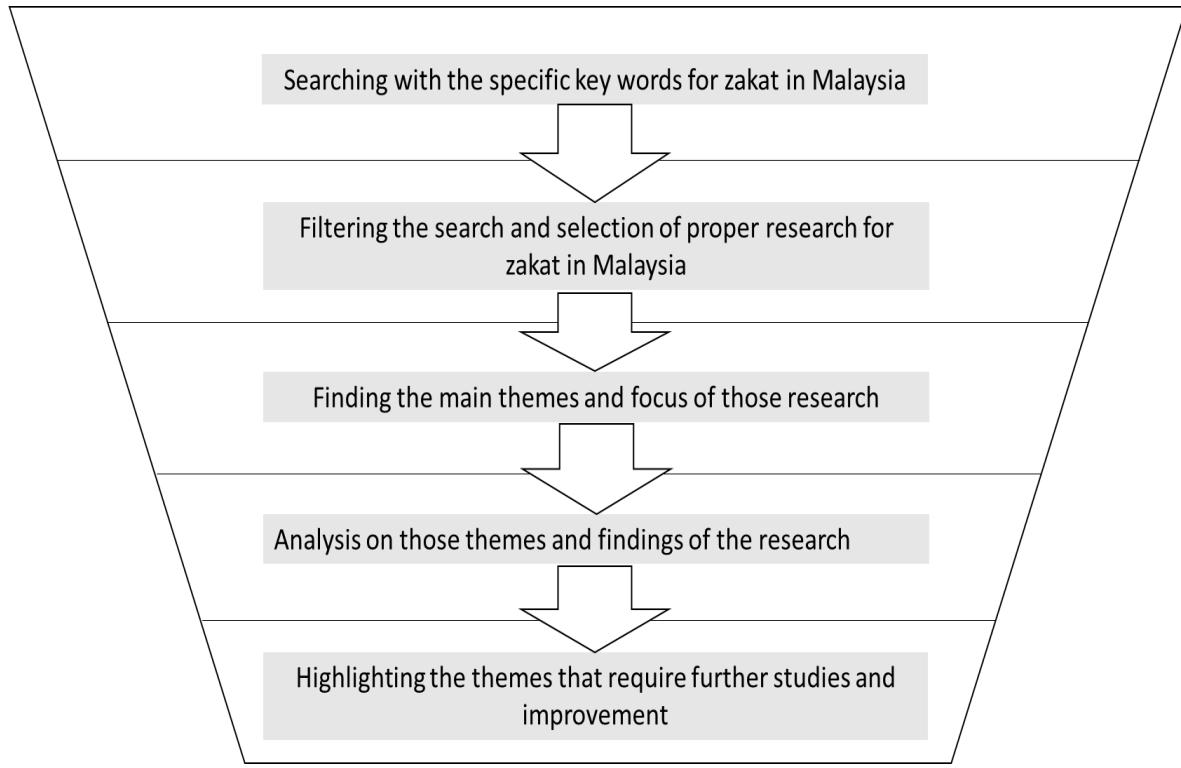


FIGURE 2. THE STEPS OF FINDING THEMES FOR THIS STUDY

Source: Authors' own

Regarding the data analysis, this research follows a descriptive and document analysis research approach. The descriptive analysis is conducted to analyse the previous studies' results and recommendations which reflect the current *zakat* system in Malaysia. Moreover, the document analysis assists the research to find the issues and topics of *zakat* in Malaysia which are discussed in the previous literature. The analysis also helps to identify several important themes and to highlight the potential research gaps for future studies.

3. RESULT AND DISCUSSION

As mentioned earlier, the purpose of this research is to highlight the current progress of *zakat* in Malaysia and its barriers through the available literature and to identify the research gap and potential future directions. Therefore, the results and discussion section are divided into two sub-sections. The first sub-section will summarize the findings of the previous literature under four themes i.e., *zakat* institutions, *zakat* management, *zakat* payment, *zakat* for poverty alleviation, *zakat* education and awareness, while the second sub-section will further highlight the key issues that could serve as guidance/directions for further development by the *zakat* authorities and at the same time, researchers might recommend further alternatives in the future.

Existing Research

a. Zakat Institutions

Zakat institutions are responsible for the collection of *zakat* from the eligible payers and the distribution of the *zakat* to the eligible *asnāf*. The performance and efficiency of the institutions will depend on the management of the institutions. Moreover, the success and benefits of *zakat* will be realized if the *zakat* institutions perform their role diligently. Therefore, it is crucial to know how the institutions of *zakat* in Malaysia were developed and what are the challenges and issues faced by them.

Ab Rahman *et al.* (2012) draw on the history of *zakat* institutions' evolution in Malaysia. The study shows that previously, the Muslim community used to pay their *zakat* to the *imām* (religious

leader), and he is also responsible for distributing the *zakat* to the eligible *asnāf*. After 1990, most of the states managed to establish their *zakat* collection and distribution centres under their SIRCs where the *zakat* management was privatized and developed systematically and professionally. The development of *zakat* institutions in Malaysia shows that the *zakat* system practised by the country is more advanced and systematic as compared to many other Muslim countries. It is also considered as a benchmark for successful *zakat* management (Migdad, 2019).

Regarding the trust in *zakat* institutions, according to Ghazali *et al.* (2016), the main influencing factors of trust by the business *zakat* payers on *zakat* institutions are shared values, communication, non-opportunistic behaviour as well as the perception of *zakat* distribution. The study of Zainal *et al.* (2016) finds that the reputation, the satisfaction with *zakat* distribution, and the quality of service of an institution also play significant roles in building the trust of *zakat* payers.

On the performance of *zakat* institutions in *zakat* collection, management, and distribution, several researchers have attempted to find the effectiveness of some SIRCs in Malaysia. Wahid *et al.* (2012) and Al-Mamun and Haque (2015b) find that many respondents of the study do not like to pay their *zakat* to the institutions due to the lack of efficiency and transparency. The findings of Abd. Wahab and Rahman (2013), show that the *zakat* institutions encounter inefficiency problems due to technical matters where they require technology-based improvements in the system to attain full efficiency. Krishnan and Hamzah (2016) find that the performance level of the *zakat* management of the institution is inconsistent; in 2009, 2012, 2014, and 2015, the performance of the institution looked efficient, whereas, in 2007, 2008, 2010, 2011, and 2013, inefficiency and poorer performance are noted. According to Hasan *et al.* (2021), the varying provisions of law regarding *zakat* across states, and the diverse methods of *zakat* collection by *zakat* institutions, significantly affect the performance of *zakat* institutions in Malaysia.

Despite many studies documenting the inefficiency of *zakat* institutions, Anuar *et al.* (2019) reveal that *zakat* institutions have improved in many ways by taking several initiatives and approaches, as evidenced by the increase in *zakat* collection in the past years. The study also concludes that the overall performance of *zakat* institutions is at a good level. Nevertheless, they require certain improvements in terms of reporting and documentation. Nazeri *et al.* (2023) find that the current issues faced by *zakat* institutions regarding transparency and efficiency can be improved through the use of blockchain technology. According to their study, blockchain can offer numerous benefits to *zakat* institutions, particularly in ensuring the transparency, traceability, and security of *zakat* transactions. Consequently, *zakat* institutions in Malaysia will be able to enhance their performance and effectiveness.

Saad *et al.* (2018) examine the service quality of *zakat* institutions in Malaysia and conclude that credibility, competence, responsiveness, access, understanding, and communication are some aspects that the majority of respondents consider as poor, while only tangibles, reliability, and courtesy are considered good by the respondents. This shows that the *zakat* institutions in Malaysia require further attention to improve their service quality. Abidin *et al.* (2014) and Taha *et al.* (2017a) opine that since *zakat* is under the jurisdiction of the state government, there is inconsistency in different *zakat* institutions in providing the annual report and disclosing important information to the public; some states do not disclose the use of surplus *zakat* amount, while other states do not even issue an annual report. Due to this lack of data transparency in *zakat* management, issues such as lack of trust often ensue.

b. Zakat Management (Collection and Distribution)

The benefits of *zakat* mostly depend on how *zakat* is managed and distributed among the eligible *asnāf*. The proper management of *zakat* will help the country in creating a balanced economy between the rich and the poor. In simpler words, when the *zakat* is collected from the rich, and properly distributed to the poor, the poor will have better purchasing power, and subsequently contribute to the nation's economic growth (Meerangani, 2019). Malaysia has been developing all possible ways to properly manage and utilize the *zakat* funds. In Malaysia, SIRCs are responsible

for controlling the matters about *zakat* including its awareness, collection, and distribution since 1990 (Shariff *et al.*, 2011; Razimi *et al.*, 2016). The establishment of such authority has made *zakat* more viable and beneficial to Malaysian society especially the poor.

Regarding the collection and distribution of *zakat*, Saad and Abdullah (2014) highlight that there was an irregular amount of collection and distribution of *zakat* in several states. For example, the total amount of *zakat* distribution in Selangor for 1994, 1995, and 2005 was higher than the *zakat* collection in the corresponding years. On the other hand, Pahang and Johor distributed the *zakat* funds at a lower percentage than 100%, which were 43.9-78.6% and 81%, respectively. This shows the irregular and ineffective distribution of *zakat* funds in Malaysia. Lubis *et al.* (2011) reveal that in certain cases, the distribution does not reach its expected targets and results. Their study finds that every year the percentage of the recipients is increasing which shows that the *zakat* was not properly distributed among the recipients. The study also finds that every year 15% of the *zakat* fund is left undistributed.

A study of Shah and Hassan (2017) shows that the contribution of *Zakat* Collection Center (also known as *Pusat Pungutan Zakat*; PPZ) and several banks (Bank Islam Malaysia Berhad, Bank Rakyat, and Maybank) focused on giving more allocation to the *fi sabīlillāh* (for the cause of Allah) groups of *asnāf* which consist of medical aid, scholarship, marriage aid, hire purchase deposit for a taxicab. However, inconsistency in the total collection and distribution for several years is also reported based on the data of the banks. Mohd Ali *et al.* (2017) note that the current *zakat* distribution in Kelantan focuses on shelter, food, clothing, medicine, education, and travelling *fi sabīlillāh*. However, other necessities such as medical takaful, expenses for pregnant women and nursing mothers, expenses for the advancement of knowledge for the household head, and expenses for fulfilling religious and spiritual activities are also important aspects that can help the *asnāf*, but yet to have a specific allocation for them in *zakat* distribution. Razali *et al.* (2021) studied one of the categories of *asnāf* in the Lembaga Zakat Selangor (Selangor Zakat Board), namely *ghārimīn* (debtors). The study found that *zakat* is provided to individuals facing medical emergencies, whereby despite having a positive income, they require a significant amount of money for medical treatment from selected public hospitals or public university hospitals. Such assistance helps individuals avoid falling into debt or resorting to loans from illegitimate sources. Yamaludin *et al.* (2023) identified the potential for financial assistance from *zakat* institutions for genuine debtors (*ghārimīn*) in collaboration with Islamic financial institutions (IFIs) in Malaysia. The study recognizes the significant role that both *zakat* institutions and IFIs can play in assisting debtors, especially during pandemics or other emergencies.

Many studies also discuss the efficiency and the performance status of the *zakat* management system. Razimi *et al.* (2016) highlight that the inefficiency of the *zakat* management system would be evidenced by the increase in the number of poor people in the country. The misuse of the *zakat* fund may tarnish the reputation and image of the *zakat* management authority. Moreover, the study also notes that the *zakat* funds are not utilized to build the capacity of the *asnāf* to be self-sufficient, and the eligible *zakat* payers are not properly aware of their *zakat* obligation which leads to an imbalance between the increase in the number of poor people and the total number of eligible *zakat* payers. The capacity-building approach may very well turn the *asnāf* of today into the *zakat* payer of tomorrow (Ab Rahman *et al.*, 2012). Similarly, Taha *et al.*, (2017b) highlight that despite Malaysia being one of the excellent countries to manage the *zakat* funds, the management system of *zakat* is still inefficient. The study shows that though the *zakat* is supportive of reducing poverty, it is still unable to increase the monthly income of the *asnāf*. Moreover, according to Johari (2023), as the *zakat* institution is the responsible authority for managing *zakat* collection and distribution, it requires performance indicators to measure effectiveness. Therefore, an impact assessment should be implemented to investigate and understand strengths, weaknesses, challenges, resource allocation, and planning. Such an assessment will help *zakat* institutions demonstrate a positive impact and enhance trust and confidence among the people.

Despite many studies criticising the efficiency of the *zakat* management system in Malaysia, the study of Jaapar and Kamarulzaman (2020) sheds positive light on the development and improvement of the efficiency level of the *zakat* management system. The study reports that the *zakat* collection and distribution of Perak is improving from year to year through the efforts undertaken by Perak SIRC. The year 2017 recorded the highest efficiency level in *zakat* collection, while 2015 recorded the highest efficiency level in *zakat* distribution. Similarly, Azhar *et al.* (2023) find that *zakat* distribution by *zakat* institutions in Malaysia is effective in prioritizing and emphasizing specific groups of *asnāf* to alleviate poverty.

Regarding the satisfaction of the *asnāf*, the *zakat* management system in Malaysia constantly strives to fulfil their basic and vital needs. Many *asnāf* are happy to receive the *zakat* fund from the SIRCs although in many cases the small amount of the *zakat* fund is not capable of rendering them fully sufficient (Ahmad *et al.*, 2015; Taha *et al.*, 2017b; Meerangani, 2019). Apart from the basic help, there are also some capital assistances drawn from the *zakat* collection to help the *asnāf* establish a business. This is very supportive and effective as evidenced by their business success stories, and the fact that they then stop being an *asnāf* (Ramli *et al.*, 2011). The study by Amin (2022) also demonstrates that initiatives in Muslim entrepreneurship among the *asnāf* are crucial and show promise for business development within this group. There is evidence indicating that many *asnāf* individuals have achieved success in their businesses. The only shortcoming in the *zakat* management system from the *asnāf* perspective is that it takes quite some time for the application and disbursement of the *zakat* fund (Ahmad *et al.*, 2015; Razimi *et al.*, 2016; Taha *et al.*, 2017b). A certain state like Melaka takes approximately two to three weeks from application to disbursement of the *zakat* fund (Ahmad *et al.*, 2015).

c. *Zakat Payment*

There are many types of *zakat*; *zakat* on personal assets (obligatory on all Muslims), *zakat* on business, *zakat* on income, *zakat* on savings (takaful, Employees Provident Fund, etc.), *zakat* on gold and silver, *zakat* on investments, *zakat* on livestock, *zakat* on minerals, and *zakat* on agricultural produce. Moreover, knowing where and to whom the payer should pay the *zakat* is also necessary to fulfil the goals of *zakat* payment. The payment should be linked with the *zakat* management authority to ensure a proper distribution system. Hence, the *zakat* payment and *zakat* management will play a vital role in fully harnessing its benefits for society especially the poor.

Many motivating factors influence one to comply with the *zakat* obligation. Several studies discuss the main factors of *zakat* payment by payers. Muda *et al.* (2006) highlight that some *zakat* payers find self-satisfaction by sharing their wealth with the poor. Some also find inner peace and happiness through *zakat* payment for which they do not seek or hope for any reward for their good deeds. And of course, many *zakat* payers do not pay *zakat* to get a tax rebate; rather, they pay *zakat* over their moral and religious duties. According to Mohd Ali *et al.* (2017), Abdullah and Sapiei (2018), and Farah *et al.* (2019), the religiosity of a person, the knowledge about *zakat* obligation and payment, the need and awareness to help the poor, the trust in the *zakat* institutions and ultimately the blessings of Allah, are the primary factors that influence payers to comply with the *zakat* obligation.

Regarding the payment of *zakat* on income, Bakar and Rashid (2010) note that social, religious, and economic motivations are among the main factors that encourage academicians to consistently pay their *zakat*, whereas external factor like tax rebate is not the main factor to them. Tajuddin *et al.* (2016) conclude that the knowledge and understanding of *zakat* by young working people is one of the main factors that guide them to pay *zakat* on income. Yaacob *et al.* (2020) show that understanding and knowledge of *zakat* play a significant role among working adults towards *zakat* payment. However, it should be noted that the majority of working adults are not able to calculate their *zakat* amount without the help of *zakat* agencies or experts. The study also finds that some working adults are not aware of *zakat* on income and that income also includes other sources such as honorarium and bonus to be included in the final *zakat* payment. Regarding the *zakat* on business, Khamis *et al.* (2011) highlight that many studies have focused on the behavioural

approach to see the factors of *zakat* payment. The study on *zakat* on business from an economic approach is not so much highlighted; this thus requires deeper discussion. Furthermore, the concept of *zakat al-mustaghillāt* (*zakat* on exploited assets) has been addressed by a few researchers such as Amin and Shaikh (2023). However, Amin and Shaikh (2023) highlight that this topic necessitates further discussion by scholars and *zakat* institutions to enhance understanding among *zakat* payers. Simultaneously, increased awareness efforts are necessary to underscore the significance of this *zakat* source and the obligation for asset owners to fulfil their *zakat* obligations.

There are many ways for *zakat* payment in Malaysia; offline through a bank, post office, *zakat* agent, and *zakat* centre branch, and online through Automated Teller Machine (ATM), credit card, Financial Process Exchange (FPX), internet banking, phone banking, salary deduction, and Short Message Service (SMS). However, currently, many of these *zakat* payment methods are still under maintenance. The Lembaga Zakat Selangor has only a few listed banks which allow *zakat* payment through ATMs. Yaakub *et al.* (2017) provide that the *Zakat* Centre of Negeri Sembilan (PZNS) has both offline and online payment methods for *zakat*. However, according to Yaakub *et al.* (2016), the *zakat* payment portion through an offline collection is still higher. Abd. Wahab and Rahman (2013) and Yaakub *et al.* (2016) suggest improving the e-payment system for *zakat* to provide easy and convenient methods of payment which will increase the *zakat* payment by the payers. Concerning online *zakat* payment, Omar *et al.* (2022) have expressed concern regarding internet connectivity and its stability in East Malaysia. Their study reveals that although people are interested in utilizing online *zakat* payment methods for the sake of convenience, they often face challenges with internet connectivity when attempting to make payments.

Samad *et al.* (2016) find that the current trend in *zakat* payment is that many of the *zakat* payers pay their *zakat* by personally identifying the *asnāf* without going through the *zakat* collection centre or its agencies. Thus, the amount of the *zakat* payment is not included in the final *zakat* collection statistics, and the status of that *asnāf* is not updated in the *zakat* system. In this regard, many researchers look for the reasons for the *zakat* payers not giving priority to the *zakat* management and its institutions. Shariff *et al.* (2011) find that the lack of transparency and incompetence are among the few reasons that many *zakat* payers do not pay the *zakat* through the *zakat* management and its institutions.

d. Zakat for Poverty Alleviation

The implementation of *zakat* could alleviate the poverty level of the society and enhance the living/financial standard of the *asnāf* (Shariff *et al.*, 2011; Embong *et al.*, 2013). It should be highlighted that the *asnāf* of *zakat* are only several categories of people who are eligible to receive the *zakat* fund. This shows that *zakat* focuses only on certain people who are in dire need. Poverty alleviation is one of the objectives of the *zakat* where it provides monetary and other resources to the poor. The collection and distribution management plays a vital role in fulfilling the objective of *zakat* to alleviate poverty (Shariff *et al.*, 2011). However, some study finds that the *zakat* fund is not properly collected and distributed to the poor, which consequently defeats the primary purpose of the *zakat*.

Empong *et al.* (2013) discuss the poverty level in Malaysia and mention that it is still controversial to define the actual poverty level in Malaysia. According to their study, the Malaysian government has succeeded in implementing the plan to reduce the poverty level from 5.7% in 2004 to 3.6 % in 2007. However, the global financial crisis has slightly pushed this up to 3.8% in 2008.

Shariff *et al.* (2011) and Embong *et al.* (2013) find that the *zakat* management system in Malaysia operates individually between states instead of collectively. This means that the *zakat* fund collected from one state will only be distributed to the *asnāf* in that particular state, despite the need for funds in other states. For example, Selangor has a higher collection of *zakat* funds while the poverty level is at a lower stage, whereas Sabah has a lower collection of *zakat* funds while the poverty level is at a higher stage. However, the current management system does not allow for a transfer of the *zakat* fund from Selangor to Sabah. Embong *et al.* (2013) also add that despite the

increase in *zakat* collection over the years, the poverty problem is still far from being resolved. Saad and Abdullah (2014) suggest paying the *asnāf* with an amount higher than the necessary which could then improve their living standard and sustain them until the next year's *zakat* cycle.

Othman and Noor (2012) further provide the reasons for *zakat* not being able to reduce the poverty level in Malaysia; (1) the database of *asnāf* is yet to be developed and synchronized among the *zakat* collection and distribution centres; (2) the unawareness of the *asnāf* regarding their right to receive the *zakat* fund; and (3) the bureaucracy hurdle in managing and approving the distribution of *zakat* fund to the *asnāf* which takes a longer time as compared to applying a loan from a bank.

Regarding the current situation of poverty alleviation through *zakat* in Malaysia, the empirical study of Meerangani (2019) shows that *zakat* has been able to reduce the poverty rate in the society from 78.70% to 72.61%, while the hardcore poverty has also reduced from 54.78% to 41.30%. However, despite having philanthropy activities by many rich Muslims around the world, the Muslim countries still suffer from the economic crisis. Zulkifli *et al.* (2021) emphasize that *zakat* holds significant potential for enhancing the quality of life among *asnāf*, contributing to a reduction in poverty levels in Malaysia. The ongoing efforts to improve the management of *zakat* institutions are commendable. Haji-Othman *et al.* (2020) note that Kedah has taken an active role in poverty alleviation by providing the highest amount of *zakat* funds to cover the cost of living of the poor, while the education sector ranked second in the total funds allocated. However, the study notes that the success in poverty alleviation through the *zakat* fund primarily depends on the *zakat* collection.

Since the onset of the COVID-19 pandemic and its global impact, *zakat* has played an exceptional role within the Muslim community in alleviating financial struggles (Othman *et al.*, 2022; Yusri & Jusoh, 2021). Rahman and Zulkarnain (2022) observe the commendable initiatives undertaken by *zakat* institutions in Malaysia. These institutions provided financial aid and essential equipment to Muslim entrepreneurs, enabling them to sustain their businesses during the pandemic. Additionally, *zakat* institutions offered rental waivers for various business premises, supporting small and medium enterprises (SMEs) in their recovery efforts. Oikawa's study (2022) highlights that in 2020, Malaysian *zakat* institutions distributed MYR171.92 million in assistance to the poor and needy during the pandemic lockdown. Furthermore, the Federal Territory Islamic Council (MAIWP) provided respiratory aids to several hospitals and distributed free food, pillows, and mattresses to homeless shelters.

e. *Zakat Education and Awareness*

The knowledge of *zakat* and the obligation to pay it by eligible Muslims is something that will motivate a person to dutifully observe this pillar of Islam. The awareness of *zakat* payment and its benefits to society while fulfilling the religious obligation of a Muslim is also necessary. This awareness will shape the mindset of eligible Muslims to fulfil their obligation, and this will consequently increase the collection of *zakat*. The awareness of *zakat* among the people may be raised through social media, newspapers, TV programs, teachings/lectures at mosques or small gatherings in social programs and disseminating *zakat* informational handouts (Abdullah & Sapiei, 2018; Ismail & Abidin, 2020).

The basic knowledge of *zakat* includes the *niṣāb* (certain threshold), the calculation of *zakat* amount to be payable, the categories of the properties eligible to pay *zakat*, the *asnāf*, the latest available *zakat* payment methods, and other relevant knowledge. Ismail and Abidin (2020) reinforce that the *zakat* compliance or payment of *zakat* depends on the knowledge of the *zakat* of an eligible Muslim. The more knowledge of *zakat* a Muslim has, the higher the compliance with the obligation of payment will be, as compared to the one who has limited knowledge of *zakat*.

Abdullah and Sapiei (2018) find that the working females in Klang Valley, Malaysia are at a lower level in complying with the *zakat* obligation as compared to the working males. They opine that this could be from the perception of women that their *zakat* should be paid by their father, husband, or male guardian, as well as due to their lack of knowledge and understanding of *zakat*. Muslims must

know their *zakat* obligation, where and how to pay the *zakat*, and how much they have to pay the *zakat*. This basic information will influence a Muslim's compliance with the *zakat* payment (Tajuddin *et al.*, 2016; Saad *et al.*, 2016; Mohd Ali *et al.*, 2017). Mohd Ali *et al.* (2017) concur that the lack of knowledge of *zakat* is one of the main reasons for many Muslims in the study area not fulfilling their *zakat* obligation. Since it is obvious that the knowledge and awareness of *zakat* have a significant relation with the *zakat* payment/compliance, raising the awareness of *zakat* and its obligation for eligible Muslims should be the primary responsibility of the *zakat* institutions and Muslim religious authorities/scholars.

4. KEY ISSUES AND FUTURE DIRECTIONS

Based on the previous discussion, the study finds that the majority of research was conducted on the *zakat* management perspective which includes collection, distribution, and administration of *zakat* in Malaysia. Similarly, research on trust towards *zakat* institutions as well as their performance and quality has also been extensively explored. In addition, factors influencing *zakat* payment, *zakat* payment methods, awareness, and education of *zakat* as well as poverty alleviation through *zakat* have also been studied. However, as the financial market grows and many new issues arise from the current management system, the present work thus recommends several key issues that could be potential future research directions and at the same time, *zakat* institutions and other relevant parties to consider. Figure 3 illustrates the key issues and future directions.

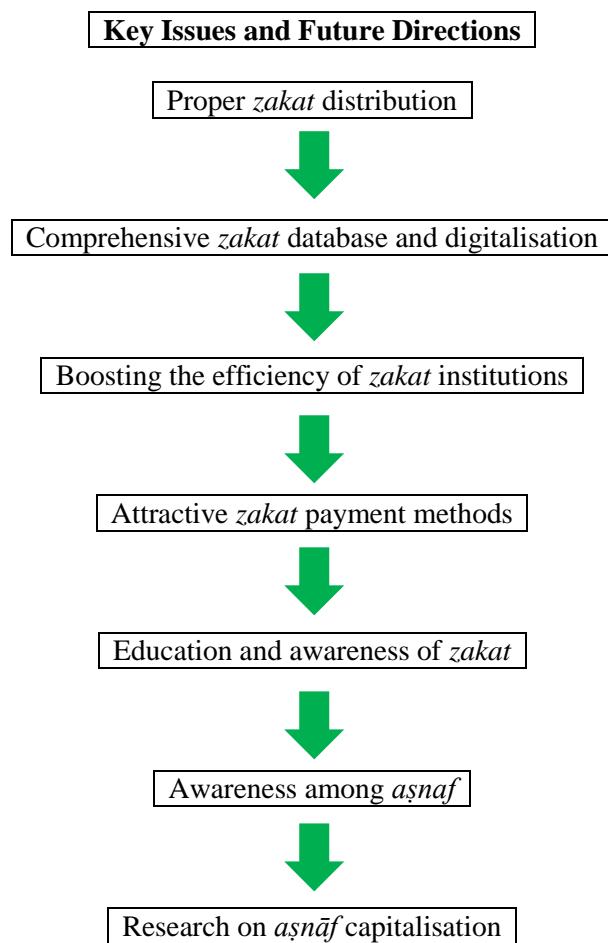


FIGURE 3. KEY ISSUES AND FUTURE DIRECTIONS

Source: Authors' own

a. Proper Zakat Distribution

The *zakat* fund collected from a particular state should first be distributed to the *asnāf* in that state and the balance could be distributed to other states with higher poverty index. Some states may need to collaborate with other states to realize the possibilities of human capital, good governance, and management strategies. So that it will help both states to utilize the *zakat* fund effectively and the *asnāf* get their rights properly while the *zakat* payers contribute to the *zakat* fund dutifully. Moreover, the distribution of *zakat* funds should follow a prescribed allocation guideline for the *asnāf* where it provides a percentage to different types of *asnāf*.

b. Comprehensive Zakat Database and Digitalization

An updated database of *asnāf* is also crucial for proper *zakat* management as it will help the *zakat* institutions to identify and track the *asnāf* and to provide sufficient *zakat* funds based on their needs (Rosele, *et al.*, 2022; Ahmad, & Yahaya, 2023). This initiative will significantly alleviate poverty within society and yield a positive impact on Islamic social finance, contributing to socio-economic development. Furthermore, the adoption of blockchain technology has the potential to enhance the transparency and efficiency of *zakat* institutions (Khatiman *et al.*, 2021; Salleh *et al.*, 2021; Ismail, 2021). Additionally, *zakat* institutions in Malaysia must enhance their *zakat* payment gateways to accommodate digital assets (Rosele *et al.*, 2023; Yusof *et al.*, 2021; Johari, 2021).

c. Boosting The Efficiency of Zakat Institutions

Zakat institutions should undertake active initiatives to attain higher confidence/trust levels from the *zakat* payers and to improve their performance and efficiency level, especially in proper distribution and quick disbursement of the *zakat* fund (Johari, 2023; Alam, *et al.*, 2023; Saidona, & Ab Ghani, 2021).

d. Attractive Zakat Payment Methods

More convenience and variety of methods for *zakat* payment will inevitably increase the collection of *zakat* funds. More *zakat* payers will be motivated to perform this obligation if they can perform it at their fingertips. Therefore, maximizing the *zakat* payment systems such as e-wallets, ATMs, online banking, and applications for Android and iOS will increase the *zakat* fund collection (Salleh, *et al.*, 2021; Omar *et al.*, 2022; Ismail, 2021).

e. Education and Awareness of Zakat

The education on *zakat* and its awareness among the people is currently conducted on a small scale. If this could be expanded, it could reach a larger Muslim population. Therefore, the basic information on *zakat* obligation and its other conditions should be widely disseminated and broadcast on various media platforms. Further research should also be conducted in this regard as the current literature on awareness is very minimal. Higher awareness and sufficient basic information on *zakat* will influence many Muslims to comply with the *zakat* obligation, which in turn allow them to fulfil their religious duty, and at the same time increase the *zakat* fund (Abdullah, *et al.*, 2021; Zulkifli *et al.*, 2021).

f. Awareness Among Asnāf

The *asnāf* are also required to know their rights and responsibilities towards the *zakat* funds. The awareness of such matters might educate them to understand how the *Zakat* fund should be collected and how it should be spent. Crucial information such as the eligibility criteria of *asnāf* should also be disseminated more widely. It will assist the potential *asnāf* to enjoy the benefits of the *zakat*. The application for the *zakat* fund and its process from the distribution authorities might need to be simplified and accelerated for the *asnāf* where some of them are elderly or partially disabled. According to Zulkifli *et al.* (2021), this practice will enable *zakat* institutions to reach out to all other eligible *asnāf* who were not previously receiving *zakat*. Simultaneously, it will enable *zakat* institutions to underscore the significance of *zakat* in alleviating poverty within the country.

g. *Research on Aṣnāf Capitalisation*

Based on the current literature, it seems that very little research has been done on *aṣnāf* capitalisation (empowerment of *aṣnāf* knowledge and skills so that they can be free of their *aṣnāf* status), the use of *zakat* for microfinance projects, the *zakat* model for various assets such as digital assets and stock markets, and most importantly the ability of *zakat* to support the poor and temporarily needy people during pandemic, or natural disasters.

The above-mentioned recommendations are also supported and aligned with some research that has been conducted by other authors. Table 1 shows some of the key points that other researchers highlighted.

TABLE 1. RECOMMENDATION BY OTHER AUTHORS

	Key issues and future directions	Suggested and recommended by
Institutions and management	✓ Proper distribution of <i>zakat</i> ✓ Collaboration of states ✓ Database for the <i>aṣnāf</i> ✓ Improve efficiency and trust, ✓ Enhance the performance level, ✓ Strengthening the human resources, ✓ Availability of concise criteria for <i>aṣnāf</i> for public	Alam, <i>et al.</i> , 2023; Ishak, 2021; Khatiman, <i>et al.</i> , 2021; Salleh, <i>et al.</i> , 2021; Ismail, 2021; Jaapar and Kamarulzaman, 2020; Salleh and Chowdhury, 2020; Migdad, 2019; Anuar <i>et al.</i> 2019; Taha <i>et al.</i> , 2017b; Othman and Noor, 2012
Payment	✓ Diversifying the payment method, ✓ Convenient payment method, ✓ Enhancing online payment,	Rosele <i>et al.</i> , 2023; Omar <i>et al.</i> , 2022; Salleh, <i>et al.</i> , 2021; Ismail, 2021; Salleh and Chowdhury, 2020; Yaakub <i>et al.</i> , 2017; Abd. Wahab and Rahman, 2013
Awareness	✓ Advancing the awareness and education of <i>Zakat</i> ✓ Disseminating the information through various methods,	Abdullah, <i>et al.</i> , 2021; Zulkifli <i>et al.</i> , 2021; Salleh and Chowdhury, 2020; Ismail and Abidin, 2020; Abdullah and Sapiei, 2018
Human development	✓ Building skills and knowledge for <i>aṣnāf</i> ✓ Utilizing the skills and experiences for entrepreneurship and other productive activities, ✓ Development of economic status/quality of life	Yamaludin <i>et al.</i> , (2023); Mahmood, <i>et al.</i> , 2021; Haji-Othman <i>et al.</i> , 2020; Meerangani, 2019

Source: Authors' own

5. CONCLUSION

Zakat is an obligation for Muslims who have reached the prescribed eligibility and is considered 'ibādah (worship). *Zakat* has many beneficial aspects towards the socioeconomics of the ummah such as alleviating poverty and providing social justice. Therefore, *zakat* management is the backbone to materialize all these benefits. Malaysia is among the Muslim countries with excellent *zakat* management systems. Nevertheless, there are still many issues and challenges in *zakat* management which have been discussed by many scholars. To mitigate these, the *zakat* institutions

in Malaysia are striving and improve their quality and performance. This research recommends having a proper structure for the collection and distribution of the *zakat* fund and recording and updating the database of *asnāf* regularly. In addition, *zakat* institutions must have excellent skills, trustworthiness, and professionalism in dealing with the collected funds. Moreover, promoting a higher level of awareness disseminating basic information on *zakat* through social media platforms, and providing many convenient and Sharī'ah-compliant *zakat* payment methods will undoubtedly boost the *zakat* collection in the future. Moreover, the researchers and academician might assist the *zakat* management in Malaysia through various research projects that focus on a database of *asnāf* and its model, the possible and beneficial methods of *zakat* distribution through various modes, the use of *zakat* for microfinance. Moreover, the academician and researcher might educate the people about the foundation of *zakat* and the necessities and benefits of *zakat* payment. Future research should also shed light on the structure of *zakat* collection and distribution and provide models to record data of *asnāf* as well.

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ONLINE DONATIONS AND THE THEORY OF PLANNED BEHAVIOUR

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ABSTRACT

Understanding the elements that impact charitable intent in online donation is relevant due to the growing use of digital channels for charity giving. This study examines factors that influence charitable intent in online donations in Malaysia. Utilising the Theory of Planned Behaviour (TPB), this study examined the factors determining individuals' willingness to participate in online donations. Most importantly, this research has the potential to enhance comprehension regarding the motivations behind online donations and offer helpful perspectives to assist Malaysian charities and nonprofit organisations in optimising their fundraising strategies in the digital realm. Moreover, this study also proposed attitude, subjective norms, and perceived behaviour control as the main factors influencing the intention to participate in online donation. This study encompassed a total of 387 respondents and employed quantitative research methods. Data collection involved the distribution of self-administered questionnaires through Google Forms. Online donation intention factors are analysed using Statistical Package for the Social Sciences (SPSS) to examine their factors, correlations, reliability, and regression. The results show a positive relationship between all factors and the individual's intention to donate online. However, there are four limitations to preparing this study. The study's focus on Malaysia may limit generalisability to other cultural or geographical contexts. Next, emphasis on TPB elements overlooks external variables influencing online contribution behaviour. In addition, the use of self-reported data may introduce social desirability bias, impacting response accuracy. Lastly, the constantly changing nature of online platforms and technology could make it more challenging to keep up with the latest trends in online donations. The results of this study can improve the role of charities and non-profit organisations in providing proper resources and support to enhance individuals' confidence to donate online. Besides, this study expands the use of TPB to comprehend the factors influencing online charitable intentions in the Malaysian context.

KEYWORDS: *ONLINE DONATIONS, CHARITABLE INTENT, THEORY OF PLANNED BEHAVIOUR (TPB), ATTITUDE, SUBJECTIVE NORM, PERCEIVED BEHAVIOUR CONTROL, MALAYSIA*

ABSTRAK

Memahami unsur-unsur yang memberi kesan kepada niat amal dalam sumbangan dalam talian adalah relevan kerana penggunaan saluran digital yang semakin meningkat untuk pemberian amal. Kajian ini mengkaji faktor-faktor yang mempengaruhi niat amal dalam sumbangan dalam talian di Malaysia. Menggunakan Teori Tingkahlaku Dirancang (TPB), kajian ini mengkaji faktor-faktor

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yang menentukan kesediaan individu untuk mengambil bahagian dalam sumbangan dalam talian. Yang paling penting, penyelidikan ini berpotensi untuk meningkatkan pemahaman mengenai motivasi di sebalik sumbangan dalam talian dan menawarkan perspektif yang berguna untuk membantu badan amal dan organisasi bukan untung di Malaysia dalam mengoptimalkan strategi pengumpulan dana mereka di alam digital. Selain itu, kajian ini juga mencadangkan sikap, norma subjektif, dan kawalan tingkah laku yang dianggap sebagai faktor utama yang mempengaruhi niat untuk mengambil bahagian dalam sumbangan dalam talian. Kajian ini merangkumi sejumlah 387 responden dan menggunakan kaedah penyelidikan kuantitatif. Pengumpulan data melibatkan pengedaran soal selidik yang ditadbir sendiri melalui Google Form. Faktor niat derma dalam talian dianalisis menggunakan Pakej Statistik untuk Sains Sosial (SPSS) untuk memeriksa faktor, korelasi, kebolehpercayaan, dan regresi mereka. Hasilnya menunjukkan hubungan positif antara semua faktor dan niat individu untuk menderma dalam talian. Walau bagaimanapun, terdapat empat batasan untuk menyediakan kajian ini. Tumpuan kajian ke atas Malaysia mungkin mengehadkan keluasan kepada konteks budaya atau geografi yang lain. Seterusnya, penekanan pada elemen TPB mengabaikan pembolehubah luaran yang mempengaruhi tingkah laku sumbangan dalam talian. Di samping itu, penggunaan data yang dilaporkan sendiri boleh memperkenalkan kecenderungan keinginan sosial, yang memberi kesan kepada ketepatan tindak balas. Akhir sekali, sifat platform dan teknologi dalam talian yang sentiasa berubah boleh menjadikannya lebih mencabar untuk mengikuti aliran terkini dalam derma dalam talian. Hasil kajian ini dapat meningkatkan peranan badan amal dan organisasi bukan untung dalam menyediakan sumber dan sokongan yang tepat untuk meningkatkan keyakinan individu untuk menderma dalam talian. Tambahan pula, kajian ini memperluaskan penggunaan TPB untuk memahami faktor-faktor yang mempengaruhi niat amal dalam talian dalam konteks Malaysia.

KATA KUNCI: SUMBANGAN DALAM TALIAN, NIAT AMAL, TEORI TINGKAHLAKU DIRANCANG (TPB), SIKAP, NORMA SUBJEKTIF, KAWALAN TINGKAH LAKU YANG DIRASAKAN, MALAYSIA

1. INTRODUCTION

Background of Study

Online donation has become a handy charity method, benefiting contributors and beneficiaries (Hou *et al.*, 2021). In addition, online donation solicits financial contributions through an internet-based platform (Liu *et al.*, 2018). Various platforms enable this, including crowdfunding websites, non-profit organisation websites, banking apps, and social media like Instagram and Facebook. In addition, various methods enable it, including Internet banking, digital wallets, and QR code scanning. In recent years, online donations have grown in popularity, and many charities and non-profit organisations have established online platforms to allow people to donate from anywhere in the globe.

Figure 1 illustrates the growth rate of online donations. Further, Statista (2023) reported that the global crowdfunding market size had reached 1.41 billion U.S. dollars. Analysts project it will exceed twice this value by 2030, with a compound annual growth rate (CAGR) of 14.5%. This projection signifies a substantial increase in the rate of online donations worldwide.

To determine the growth rate of online donations in Malaysia, one can analyse the statistics provided by Statista (2022) regarding the market size of the donation-based crowdfunding business between 2013 and 2017. The illustration below, labelled as Figure 2, represents this information. According to Statista (2022), Malaysia's donation-based crowdfunding sector saw a substantial rise, with its value increasing from USD 0.62 million in 2013 to USD 3.13 million in 2015. However, it experienced a significant decrease to USD 1.68 million in 2016 and further plummeted to USD 0.04 million in 2017.

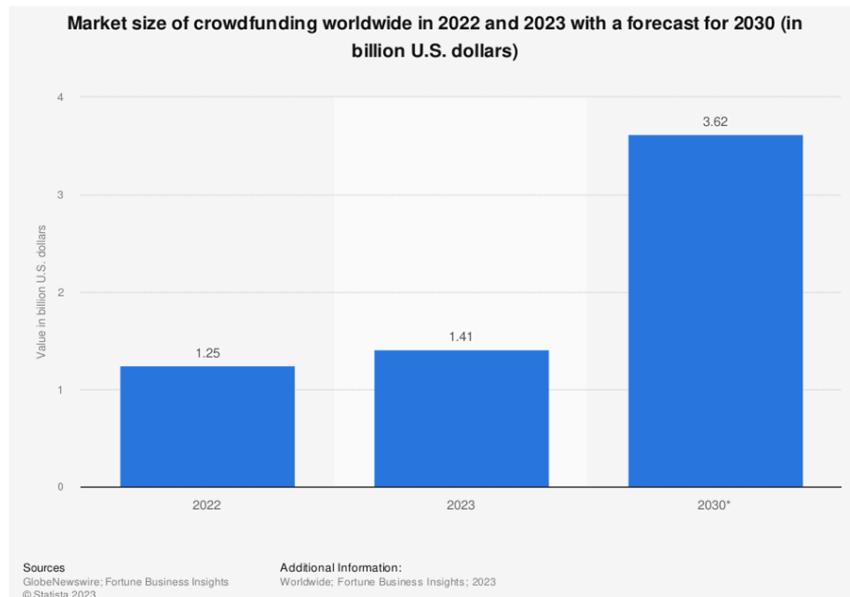


FIGURE 1: MARKET SIZE OF CROWDFUNDING WORLDWIDE IN 2022 AND 2023 WITH A FORECAST FOR 2030

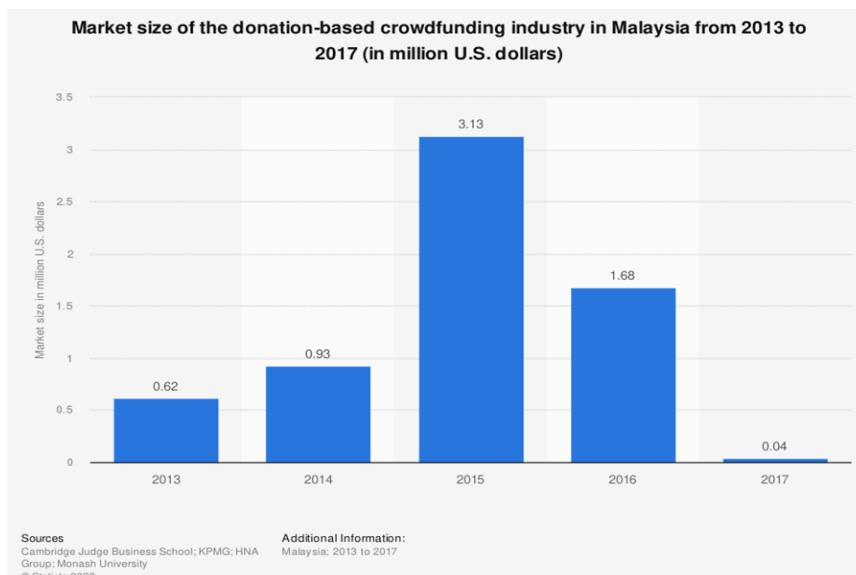


FIGURE 2: MARKET SIZE OF THE DONATION-BASED CROWDFUNDING INDUSTRY IN MALAYSIA FROM 2013 TO 2017

Understanding the elements that impact charitable intent in online donation is relevant due to the growing use of digital channels for charity giving. This research has the potential to enhance comprehension regarding the motivations behind online donations and offer helpful perspectives to assist Malaysian charities and non-profit organisations in optimising their fundraising strategies in the digital realm. This study diverges from other studies in multiple aspects. This study focuses on the Malaysian environment, which may have distinct cultural and social norms impacting online donating activity. Furthermore, while many studies use the Theory of Planned Behaviour (TPB) to describe diverse behaviours, this study adds a new dimension by exploring charitable intent in the context of online donations, a relatively underexplored TPB research topic.

Problem Statement

This study explores the factors influencing individuals' charitable intent in online donations. Despite the growing popularity of Internet donations in Malaysia, the collection of online donations is still

marginal, leading to insufficient funds for responsible charitable organisations. Statista (2022) reports a downward trend in Malaysia's donation-based crowdfunding market. The crowdfunding industry grew from USD 0.62 million in 2013 to USD 3.13 million in 2015 but fell sharply to USD 1.68 million in 2016 and USD 0.04 million in 2017, a decrease of 97.62%. Without proper measures, charities or non-profit organisations may be unable to achieve a substantial influence in their respective domains, hence potentially impacting the individuals and communities they want to assist.

Moreover, researchers categorise the study of charitable intent in online donations into at least three domains. Prior research on charitable donations has primarily concentrated on offline giving (Dawson, 1988; Sargeant, 1999). In addition, most charitable research has been carried out in Western nations, with minimal focus on Asian countries (Li *et al.*, 2018; Choi *et al.*, 2019). Based on these explanations, it is evident that the investigation of charitable intentions in online donations in Malaysia is limited, and there is a dearth of published research on this topic in Malaysia. Unlike earlier studies, the current study tends to examine the importance of understanding the factors that influence charitable intent in online donations, which can offer helpful perspectives to assist Malaysian charities and non-profit organisations in optimising their fundraising strategies in the digital realm. Consistent with this thought, there has been minimal exploration by researchers in this field, and previous studies have focused on offline giving, with most research taking place predominantly in Western nations.

Thus, to overcome these gaps, the current investigation utilises the Theory of Planned Behaviour (TPB), which includes attitude, subjective norm, and perceived behaviour control. The aim is to construct an integrated conceptual model to forecast individuals' intention to donate online accurately. In addition, we conducted the present study in Malaysia to expand the research on donations, which previously centred on Western countries. Moreover, this study has the potential to benefit multiple parties, such as researchers, charities, and non-profit organisations, by enhancing future knowledge and bridging the gap between practical application and theoretical concepts.

2. LITERATURE REVIEW

Overview of Charitable Giving

Charitable giving has gained significant recognition as a distinct and vital area of study in social science since the 1980s (Choi *et al.*, 2019). Bekkers and Wiepking (2011) defined charitable giving as the act of contributing money to an organisation that serves the interests of individuals outside of one's immediate family. Awang *et al.* (2017) assert that charity giving is a fundamental requirement mandated by Islam. The Quran and Hadith vigorously promote and emphasise using riches for Allah and assisting the less fortunate, which should be a customary habit for all Muslims. Furthermore, the author contends that charitable giving serves not just as a method of spiritual cleansing but also as a mechanism for fostering socio-economic stability and enacting societal changes that lead to the welfare of individuals and society in the present life and the hereafter.

Awang *et al.* (2017) assert that the concept of charity in Islam originates from the Arabic word *sadaqah*, which Ibn Manzur has identified as having multiple interpretations. Firstly, *sadaqah* refers to the virtue of truthfulness, which individuals who possess noble qualities and exemplary behaviour closely link to the opposite of falsehood. It is also defined as anything given to the poor for Allah's sake and refers to a dowry paid by a husband to his bride. The author also notes that *sadaqah* refers to being genuine, honest, and sincere. It involves speaking the truth, confirming the accuracy of statements, ensuring accountability, maintaining faithfulness, and demonstrating sincerity, truthfulness, soundness, and excellence in various aspects. Additionally, it encompasses the act of contributing for the sake of Allah. Moreover, the author adds that *sadaqah*, in essence, refers to a virtuous deed of bestowing gifts upon others, intending to please Allah, in many forms and manners. Furthermore, Aji and Muslichah (2023) asserted that within the context of Islam, individuals can categorise acts of philanthropy as either obligatory (*zakah*) or discretionary (*sadaqah*).

Aji and Muslichah (2023) argued that each religion possesses its distinctiveness, which extends to charity. The authors also note that those practising religious-based charities intend to provide it to others who practice the same religion. For example, the *zakah* idea in Islam encompasses sadaqah and intends to assist fellow Muslims. Moreover, Christianity mandates that all believers contribute a donation rooted in their religion (Power *et al.*, 2017) to the Christian community. As stated by Aji and Muslichah (2023), generally, every religion encompasses a principle of humanity. The principle is to assist people irrespective of their religious affiliation. Islam, Christianity, and other faiths do not forbid helping nonbelievers (Ranganathan & Henley, 2008).

Studies Related to Charitable Giving

According to Choi and Kim (2011), a higher proportion of elderly persons than younger adults make charitable donations and are repeat givers. Wiepking and Maas (2009) discovered that those with more extensive networks and better education are more giving. Furthermore, the authors contend that those with more extensive social networks are more generous primarily because they receive more requests for donations and are more integrated into more extensive religious networks that support charitable giving. The authors also observe that people with more formal education are more generous since they have more money, resources, and vital language abilities. Moreover, Wiepking and Breeze (2012) discovered that attitudes of retention (a cautious approach to money) and inadequacy (concern about financial condition) negatively influence the magnitude of donations, regardless of a donor's actual financial means. Furthermore, the authors underline that knowing money perceptions is crucial to comprehending philanthropic behaviour.

The research conducted by Hibbert *et al.* (2007) demonstrates a positive correlation between guilt arousal and donation intention. Furthermore, the study reveals that persuasive techniques and the agent's level of knowledge influence the degree of guilt aroused. The study conducted by Han *et al.* (2017) revealed that the impact of power distance belief (PDB) is contingent upon the level of authority the giver possesses. Within low-PDB circumstances, individuals possessing high psychological power have a greater inclination towards self-centeredness as opposed to being focused on others, thereby resulting in reduced levels of altruistic behaviour. Within high-power circumstances, individuals with elevated psychological power are more inclined to direct their attention towards others rather than themselves, resulting in a higher propensity for engaging in humanitarian acts. The study by Li *et al.* (2019) revealed that individuals were inclined to make more significant donations to charitable organisations when they obtained the cash they contributed from unexpected financial benefits. Fiala and Noussair (2017) discovered a positive correlation between individuals' happiness and their propensity to donate, indicating that those in a more favourable emotional state are more likely to contribute.

A study by Agerström *et al.* (2016) discovered that presenting individuals with descriptive norms significantly increased their charitable donations compared with the control condition, which involved traditional altruistic appeals commonly used in the business. Furthermore, the authors claim that communicating local standards proved more efficacious in enhancing charitable donations than communicating worldwide norms. According to a study conducted by Adloff in 2009, factors such as educational level, ill-health, social capital, and religiosity all contribute to the tendency of childless individuals to donate resources to charitable organisations. Research also demonstrates that the institutional framework or organised fundraising significantly promotes charitable donations among individuals without children. A study by Smith and McSweeney (2007) discovered that attitudes, perceived behavioural control, injunctive norms, moral norms, and prior behaviour were significant predictors of intentions to donate to charity. However, descriptive norms did not have any predictive power on donating intentions.

Studies Related to Online Donation

Online giving has become a convenient method for charity, benefiting contributors and beneficiaries (Hou *et al.*, 2021). Online donation solicits monetary contributions through an internet-based platform (Liu *et al.*, 2018). Various platforms and methods enable this, including crowdsourcing websites, non-profit organisation websites, and digital wallets. Online crowdfunding enables

individuals or organisations to receive small donations from participants to support their cause or projects. Online donation platforms facilitate posting donation requests and information by beneficiaries and collecting small monetary contributions from a broad pool of individuals (Liu *et al.*, 2018). Prospective individual benefactors have the option to contribute funds via an internet-based contribution platform to assist others (Hou *et al.*, 2021). Charitable crowdfunding is crowdsourcing that involves requesting monetary donations within a specific time frame, usually using online platforms (Liu *et al.*, 2018).

According to a study conducted by Choi *et al.* (2019), younger generations exhibit a decreased propensity to donate compared to older generations. The study suggests that online fundraising could be viable to incentivise young donors. The study discovered that donating online benefits the frequency of subsequent donations, facilitated by an increased awareness of donating. In a study by Sisco *et al.* (2019), donors exhibited a notable inclination to contribute more resources to recipients who shared the same surname. Researchers discovered that individuals were more likely to make donations when they could see a more significant number of donors of the opposite gender on the screen during the donation process. The findings indicate that the average donation amounts visible during decision-making strongly impacted men and women. However, observers noted that males were more influenced than women. They discovered that women exhibited considerably more empathy than men in the messages they included with their donations.

The study conducted by Hou *et al.* (2021) found a positive correlation between trust in online donation platforms, peer influence, enjoyment in helping others, and the inclination to donate online. Moreover, Liu *et al.* (2018) contend that empathy and perception of the project's legitimacy influence individuals' intention to donate in charitable crowdfunding. In addition, research done by Li *et al.*, 2018 demonstrates that factors such as social influence, trust, expectancy of effort, and expectancy of performance substantially impact donors' intention to contribute to charitable crowdfunding initiatives. Furthermore, the authors argue that the influence of favourable conditions and experience expectancies on donors is also positive but relatively weak. Aji and Muslichah (2023) found that making an online gift to a charity cause is often driven by the need for social recognition and confidence in the individuals or organisations conducting the fundraising.

Theory of Planned Behaviour (TPB)

Icek Ajzen, the originator of the Theory of Planned Behaviour (TPB) as an expansion of the Theory of Reasoned Action (TRA), asserted in his publication that the TPB serves as a valuable conceptual framework for addressing the intricacies of human social behaviour (Ajzen, 1991). The proposed theory posited that attitude, subjective norm, and perceived behavioural control impact the intention to engage in a particular behaviour.

One notable study that effectively supports the usage of the Theory of Planned Behaviour (TPB) is the research conducted on forecasting the behaviour of young graduates in Malaysia when it comes to participating in internet donating (Amin *et al.*, 2023). The analysis relied on polling a sample of 230 respondents. The findings indicated that all the characteristics investigated, namely altruism, attitude, subjective norm, and perceived behavioural control, played a significant role in predicting internet-giving behaviour.

Moreover, Li *et al.* (2022) endorsed the utilisation of the Theory of Planned Behaviour (TPB) to ascertain the behavioural inclination of Chinese individuals to engage in online donation, as demonstrated in their study titled "Understanding the Intention to Donate Online in the Chinese Context." The findings indicated a favourable correlation between attitude, perceived behavioural control, moral norm, subjective norm, and online contribution intention.

This study examines the TPB as a fundamental theory for elucidating the factors that influence charitable intent in online donations among Malaysians. Two reasons determine the selection of the TPB. Firstly, The TPB is renowned for its robust ability to anticipate behavioural intentions. The model considers three primary aspects: attitudes, subjective norms, and perceived behavioural

control. These components collectively can forecast an individual's intention to participate in a specific behaviour. Secondly, a significant amount of empirical data supports the application of the Theory of Planned Behaviour (TPB) to individual behaviour in the context of charitable giving. This evidence demonstrates the relevance and applicability of TPB in understanding and predicting donation behaviour.

Figure 3 presents the research model of this study that covers attitude, subjective norm, and perceived behaviour control as independent variables, whilst online donation intention is the dependent variable. The details are depicted in Figure 3 as follows:

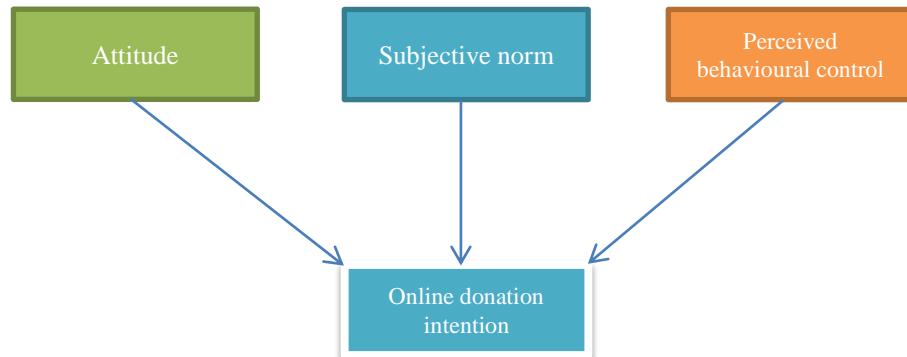


FIGURE 3: RESEARCH MODEL

3. RESEARCH METHODOLOGY

Research Questions, Research Objectives, and Statistical Analysis

Table 1 reveals this study's research questions, objectives, and statistical tools. The study connects its objectives to the research questions, subsequently utilising SPSS multiple regression for analysis once the data is collected. The details of Table 1 are as follows:

TABLE 1: RESEARCH QUESTIONS, RESEARCH OBJECTIVES, AND STATISTICAL ANALYSIS

No.	Research questions	Research objectives	Statistical analysis
1	To what extent does attitude affect the intention to donate online?	To examine the effect of attitude on the intention to donate online.	SPSS Multiple regression
2	To what extent does subjective norm affect the intention to donate online?	To investigate the influence of subjective norm on the intention to donate online.	SPSS Multiple regression
3	To what extent does perceived behavioural control affect the intention to donate online?	To evaluate the effect of perceived behavioural control on the intention to donate online.	SPSS Multiple regression

Hypotheses Development

Attitude

Attitude refers to an individual's overall feeling, whether positive or negative, toward a particular event, object, or action (Fishbein & Ajzen, 1975). Sura (2017) defined attitude as the degree of one's feeling and perception about participating in online donation behaviour, which means that a person is favourable, unfavourable, or assessed on online contribution behaviour. The authors also point out that people with a positive attitude are more inclined to donate money online. Previous research has found a significant association between attitude and charitable giving behaviour,

which could extend to online donation intention. For instance, Smith and McSweeney (2007) reported that attitude is significantly related to charitable giving behavioural intention. This significance stems from the proper selection of battery questions and the respondent's approach, which resulted in the valid outcome of the generated finding. A recent study by Aji *et al.* (2021) found that attitude influences individuals' behavioural intention to donate *infaq* online. One of the reasons for this statistical significance is that the researcher has selected an appropriate study design that allows them to collect an accurate number of respondents intended to achieve the research objective. Similarly, Li *et al.* (2022) discovered a direct correlation between attitude and the intention to donate online. A sufficiently large sample size underpins the relevance of the findings, ensuring an accurate portrayal of the entire population and yielding more dependable and meaningful outcomes.

Nevertheless, some studies present contrasting findings. Kasri and Ramli (2019) found no significant relationship between attitude and the intention to donate money. The failure to consider the impact of certain construct items that reflect attitude compromises the validity and significance of the study. Kasri and Ramli (2019) outcome is also in tandem with other research (e.g., Osman & Hairunizzam; Kenang *et al.*, 2021). Osman and Hairunizzam (2020) reported that no significant relationship exists between attitude and intention to donate money, led by several possibilities, including the biased data collection procedure and illiterate respondents related to the subject matter. Recently, Kenang *et al.* (2021) reported no significant relationship between attitude and intention to donate. Several issues, such as trust and security concerns, may contribute to these problems, mainly when the donation is online. Based on these studies findings, the following hypothesis is proposed:

H_1 = Attitude is significantly related to online donation intention.

Subjective Norm

The following predictor is a social component known as the subjective norm, which pertains to the perceived social influence to engage in or abstain from a particular behaviour (Ajzen, 1991). The variable indicates that friends, family, and society influence the behaviour or intention to engage in online contributions. Furthermore, Chetioui *et al.* (2023) confirmed that the impact of individuals influences one's inclination to engage in philanthropic endeavours. Several studies have confirmed a positive and significant correlation between subjective norms and intention. For instance, Aji *et al.* (2021) discovered that subjective norm plays a crucial role in deciding the act of donating online *infaq*. Using proper statistical procedures derives the significance of these findings, leading to precise and reliable conclusions. In a recent study, Li *et al.* (2022) found a substantial correlation between subjective norms and the intention to donate online. The unbiased and representative nature of the obtained data attributes the statistical significance of the findings, enhancing the reliability and importance of the results.

However, some studies report otherwise. For instance, Knowles *et al.* (2012) found no significant relationship between subjective norms and the intention to donate money. Its failure to consider the impact of specific construct items that reflect subjective norms compromises the validity and significance of the study. The findings of Knowles *et al.* (2012) are also in tandem with other research (e.g., Chen *et al.*, 2019; Kenang *et al.*, 2021). Chen *et al.* (2019) also found that subjective norms did not significantly impact the intention to donate money. Several factors, such as a biased data collection process and respondents' lack of literacy in the subject, might contribute to this. A recent study by Kenang *et al.* (2021) found no significant association between subjective norms and the intention to donate. Several factors, including concerns about trust and security, particularly in the context of online contributions, might contribute to this lack of correlation. Based on these studies findings, the following hypothesis is proposed:

H_2 = Subjective norm is significantly related to online donation intention.

Perceived Behavioural Control

Perceived behavioural control, defined by Mathieson (1991), refers to an individual's view of their ability to control and accomplish a specific behaviour. Moreover, the author argues that the ability to control one's behaviour impacts the desire to utilise a specific piece of information. Several studies have verified the significant relationship between perceived behavioural control and the intention to donate. For instance, Chen *et al.* (2019) found that the perception of one's ability to control one's behaviour significantly affects one's intention to donate money. The significance of the finding is derived from the careful selection of battery items and the respondent's approach, resulting in a legitimate outcome. Similarly, Susanto *et al.* (2021) discovered a significant relationship between perceived behavioural control and the intention to donate. The unbiased and representative nature of the obtained data attributes the statistical significance of the findings, enhancing the reliability and importance of the results. In a recent study, Li *et al.* (2022) argued that there is a significant relationship between perceived behavioural control and the intention to donate online. A sufficiently large sample size that accurately represents the entire population derives the relevance of the findings, resulting in more trustworthy and meaningful results.

However, some studies report otherwise. For example, Kenang *et al.* (2021) found no significant correlation between perceived behavioural control and intent to make donations. Various factors, including concerns about trust and security, especially when the donation is online, may contribute to this lack of link. Based on these studies findings, the following hypothesis is proposed:

H_3 = Perceived behavioural control is significantly related to online donation intention.

Measurement

The questionnaire assesses all variables using sentences, with each phrase containing five questions. The following tables display the phrases utilised to gauge the opinion of those who took part. However, that is the sole inquiry to ascertain the purpose of online donation. The Likert Scale will be employed to assess the level of online contribution intention answer, ranging from "1" - strongly disagree to "5" - strongly agree. This approach resembles Amin *et al.*'s (2011) work.

TABLE 2: MEASUREMENT OF ATTITUDE

No.	Items	Sources
1	Online donation is a wise	Adapted from Shih and Fang (2004)
2	Online donation is beneficial	Adapted from Amin (2022)
3	Online donation is a positive	Adapted from Amin (2022)
4	Online donation is a good idea	Adapted from Shih and Fang (2004)
5	I like online donation	Adapted from Shih and Fang (2004)

TABLE 3: MEASUREMENT OF SUBJECTIVE NORM

No.	Items	Sources
1	Most people who are important to me believe that I should engage in online donation	Adapted from Shih and Fang (2004)
2	If I use online donations, most of the people who are important to me will regard it as useful	Adapted from Amin (2022)
3	If I use online donation, most of the people who are important to me will regard it as valuable	Adapted from Amin (2022)
4	It is expected that people like me use online donations	Adapted from Amin (2022)
5	My friends recommended that I make online donations	Adapted from Amin (2022)

TABLE 4: MEASUREMENT FOR PERCEIVED BEHAVIOURAL CONTROL

No.	Items	Sources
1	I am confident that I will donate online this year	Adapted from Amin (2020)

2	I have the ability to donate online this year	Adapted from Shih and Fang (2004)
3	I also possess the knowledge to perform online donations	Adapted from Shih and Fang (2004)
4	Performing online donations is easy for me to do	Adapted from Shih and Fang (2004)
5	Performing online donations is entirely within my control	Adapted from Shih and Fang (2004)

TABLE 5: MEASUREMENT OF ONLINE DONATION INTENTION

No.	Items	Sources
1	I will donate money online	Adapted from Lada et al. (2009)
2	I am more inclined to choose online donation	Adapted from Hou et al. (2021)
3	I am open to the possibility of donating money online	Adapted from Amin (2022)
4	I am ready to donate money online to charities that I support	Adapted from Choi et al. (2011)
5	I plan to use online donations to help people who are in need	Adapted from Lada et al. (2009)

Target Population

This study mainly targets individuals residing in Malaysia who actively participate in online transactions and can make online donations. The demographic is selected based on the research objective of identifying the determinants that impact the inclination to make online donations among Malaysians. The target population comprises individuals from diverse demographic profiles, encompassing various age groups, genders, income levels, and education levels. The presence of this diverse population will facilitate a complete comprehension of the many elements that impact philanthropic inclination among distinct segments of the Malaysian populace.

Furthermore, the target group encompasses persons who have previously engaged in online donations and those who have yet to partake in online giving but possess the capacity to do so. These will enable the research to investigate the disparities and resemblances between these two cohorts and get insights into the reasons that may motivate non-donors to commence making online contributions. In addition, the research will also examine the impact of distinct societal and cultural elements specific to Malaysia. Consequently, the target market will encompass persons from diverse ethnic and cultural backgrounds residing in Malaysia. To conclude, the target population for this research comprises a varied group of individuals in Malaysia, characterised by different demographic attributes and varying patterns of online contribution behaviour. This demographic will offer valuable insights into the determinants of philanthropic intent in online donations, contributing to initiatives promoting online donation in Malaysia.

Sampling Procedure and Sample Size

To perform this study, a convenience sampling methodology, which is a type of non-probability sampling, is employed for the survey field study. Creswell (2009) defines convenience sampling as the exclusive way of selecting respondents based on convenience and availability. This methodology is suitable for the study as it eliminates the need for researchers to compel respondents to answer the questionnaire. Instead, only individuals who willingly volunteer are selected to complete it. Moreover, only those residing in Malaysia can participate in this survey, as the study specifically targets this population. The survey will be disseminated via an online platform (Google Forms), facilitating extensive coverage and streamlined data collection. Participants have the flexibility to complete the survey at their convenience, which enhances the probability of their involvement. This study has four variables: attitude, subjective norm, perceived behaviour control, and online donation intention. Each of them possesses a total of five items. Therefore, the calculation of sample size, according to Hair *et al.* (2006), can be explained as follows:

$$4 \times 5 = 20 \times 5 = 100$$

Therefore, the outcome suggested that a sample including 100 responses would be a suitable sample size for this research.

Pilot Test

Following the construction of the survey questions, the study underwent a pilot test. The pilot test prompted the researcher to investigate whether there were any issues associated with the survey. Prior researchers, including Amin *et al.* (2011), did a pilot test to uncover problems related to their research tool. In addition, the pilot test allows the researcher to enhance the information in the questionnaire before its distribution. This study utilised Google Forms, with 30 respondents offering feedback and responding to all the questionnaires. According to the comments, some respondents encountered difficulties comprehending English. In addition, the visibility of online donations is limited, leading to respondents, particularly the elderly, being perplexed about the survey's purpose. Thus, we have improved the cover letter for the new questionnaire without changing the survey questions to address and resolve any confusion.

Data Collection Procedure and Response Rate

After the pilot study was conducted, the remaining questionnaire was distributed through Google Forms. Nevertheless, there is no need for research assistance for data collection, as this study aims to ascertain the link between the variables. The respondent response rate to the survey was reasonable, with 387 questionnaires returned. The data has been collected over two months and will be analysed using specific statistical tools.

Data Analysis

The statistical instrument evaluated the data results using the Statistical Package for the Social Science (SPSS). These tools help researchers examine the links between independent variables and the intention to make online donations. The raw data will undergo analysis to provide new results using descriptive statistics, reliability, correlation, and regression tests, including hypothesis testing. As Ibrahim *et al.* (2017) described, descriptive statistics involves transforming data into a format that facilitates the researcher's interpretation and comprehension.

In addition, this approach also assesses the skewness and kurtosis, which provide insights into the symmetry and peaked-ness of the data distribution. Additionally, the researcher performed factor analysis to illustrate a clear comprehension of the link (Sekaran & Bougie, 2010). To analyse all the factors, it must meet the specified criterion. The Kaiser Meyer-Olkin Measure (KMO) Sampling Adequacy should exceed 0.50, Bartlett's Test of Sphericity should have a p-value less than 0.05, factor loadings should be greater than 0.60, and eigenvalues should be equal to or greater than 1.

Meanwhile, the researcher accomplished a reliability analysis using Cronbach's Alpha. Reliability analysis is employed to assess internal consistency, with the criterion for data validity being a Cronbach's coefficient α value more than 0.70 (Hair *et al.*, 2006). Hence, a higher value of Cronbach's alpha indicates more robust internal consistency reliability (Ibrahim *et al.*, 2017). After that, correlation analysis occurs once the researcher has established the variable's dependability. This analysis examines the degree of association between variables, whether they remain closely related or move independently (Ibrahim *et al.*, 2017).

The Pearson Correlation Coefficient was employed in this investigation to examine the correlation between all the hypotheses. Rebekic *et al.* (2015) stated that a positive relationship exists when the value of r is more than 0, while a negative relationship appears when r is less than 0. A value of r equal to 0 indicates no relationship between the variables. Changing the range of values from -1.00 to 1.00 is possible. Finally, the multiple regression test allows the researcher to ascertain the causal relationship between the independent and dependent variables. In addition, this study also determines whether the hypothesis is accepted or rejected. Therefore, the reaction to the dependent variable depends on independent variables such as attitude, subjective norms, and perceived behaviour control.

4. DATA ANALYSIS AND FINDINGS

Profile of Respondents

Table 6 below presents the demographic data of the 387 participants involved in this study. The gender breakdown demonstrates a nearly equal presence, with females comprising 48.3% and males comprising 51.7%. Upon analysing the age distribution, it is evident that the most significant proportion of respondents, accounting for 45.2%, falls between the 20-30 age range. The age groups of 30-40 and above 40 provide 28.4% and 20.9%, respectively. It is worth mentioning that individuals under 20 make up a lesser, but still noteworthy, 5.4% of the overall population. The assessed population displays substantial racial variety. The Malay race holds the majority with a share of 50.9%, followed by the other races with 23.5%. The remaining population consists of various Chinese populations, accounting for 21.7%, while the Indian population has a minor proportion of 3.9%. The monthly income distribution shows substantial disparities, with 41.6% earning less than RM 1,000 while 27.1% earning more than RM 3,000. The remaining participants fall into two income ranges: RM 1,000 - RM 2,000 (7.2%) and RM 2,000 - RM 3,000 (24.0%). Lastly, for the level of education, 73.9% of the respondents possess Bachelor's degrees, indicating a significant presence of higher education among the polled individuals. Further, the population includes individuals with Diplomas at 15.5%, Master's degrees at 2.3%, and other qualifications at 8.3%.

TABLE 6: PROFILE OF RESPONDENTS

Demographic Variables	Categories	Frequency	Percentage
Gender	Female	187	48.3
	Male	200	51.7
Age	20-30	175	45.2
	30-40	110	28.4
Race	Above 40	81	20.9
	Below 20	21	5.4
Race	Chinese	84	21.7
	India	15	3.9
	Malay	197	50.9
	Others	91	23.5
Monthly Income	Above RM 3,000	105	27.1
	Less than RM 1,000	161	41.6
	RM 1,000 - RM 2,000	28	7.2
	RM 2,000 - RM 3,000	93	24.0
Level of Education	Bachelor	286	73.9
	Diploma	60	15.5
	Master	9	2.3
	Other	32	8.3
Occupation	Full-time student	153	39.5
	Government sector	99	25.6
	Other	15	3.9
	Private sector	65	16.8
	Self-employed	55	14.2

Factor Analysis

Factor analysis is necessary for summarising the correlations between observed variables. Its primary purposes are to reduce many variables to fewer factors and establish a regression equation that defines an underlying process using observed variables. Additionally, Tabachnick and Fidell (2012) propose that researchers can use factor analysis to actively test a theory about the nature of the underlying process. Many sources contributed to the majority of the measurements in this investigation. Consequently, the exploratory factor analysis was performed with varimax rotation on all items to assess convergent validity and provide a complete profile for each variable utilised in this

study. This study comprises 20 questions, each evaluated using a five-point Likert scale for every variable. On top of that, all questions assessing the independent and dependent variables were subjects of examination in this experiment.

Factor Analysis of Independent Variables

Table 7 below displays the results of factor analysis dimensional reduction, indicating the selection of three variables (attitude, subjective norm, and perceived behavioural control), each with eigenvalues surpassing one. Also, these factors accounted for 85.029% of the total variance, which is acceptable. Following that, the Kaiser-Meyer-Olkin value obtained in this factor analysis was .919, and the Bartlett test of sphericity yielded a significant result at $p < .001$, indicating the acceptability of this factor analysis. Meanwhile, the communalities' findings varied from 0.74 to 0.94, which is good since it is over 0.50. Additionally, items representing all factors were considered valid, given that the reported factor loadings exceeded 0.6 (Hair *et al.*, 2006).

TABLE 7: FACTOR ANALYSIS OF INDEPENDENT VARIABLES

	Factor Loadings		
	Subjective Norm	Perceived Behavioural Control	Attitude
If I use online donations, most of the people who are important to me will regard it as useful	.909		
Most people who are important to me believe that I should engage in online donation	.880		
If I use online donation, most of the people who are important to me will regard it as valuable	.839		
My friends recommended that I make online donations	.831		
If I use online donation, most of the people who are important to me will regard it as valuable	.731		
Performing online donations is easy for me to do		.880	
I am confident that I will donate online this year		.876	
Performing online donations is entirely within my control		.859	
I also possess the knowledge to perform online donations		.784	
I have the ability to donate online this year		.767	
Online donation is beneficial			.912
Online donation is a good idea			.909
Online donation is a positive			.798
Online donation is a wise			.778
I like online donation			.606
Eigenvalue	9.442	1.765	1.547
Variance Explained (%)	62.948	11.765	10.316
Total Variance Explained (%)		85.029	
Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO)		.919	
Bartlett's Test of Sphericity (BTS)	$\chi^2 7520.914, df = 105, Sig = < .001$		

Factor Analysis of Dependent Variable

The factor analysis results for the dependent variable, as shown in Table 8 below, indicate the extraction of only one factor, with a corresponding Kaiser-Meyer-Olkin value of .830. Moreover, Bartlett's Test of Sphericity was significant at $p < .001$, suggesting that all items were correlated and appropriate for factor analysis. Besides, the eigenvalue of this factor was 3.353, and it accounted for a total variation of 67.069%. Furthermore, the commonalities among these five items varied from 0.59 to 0.74. Apart from that, items representing the factor were considered valid, given that the reported factor loadings exceeded 0.6 (Hair *et al.*, 2006).

TABLE 8: FACTOR ANALYSIS OF DEPENDENT VARIABLE

	Factor Loadings Online Donation Intention
I am more inclined to choose online donation	.860
I am ready to donate money online to charities that I support	.839
I am open to the possibility of donating money online	.837
I will donate money online	.787
I plan to use online donations to help people who are in need	.769
Eigenvalue	3.353
Variance Explained (%)	67.069
Total Variance Explained (%)	67.069
Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO)	.830
Bartlett's Test of Sphericity (BTS)	$\chi^2 988.711, df = 10, Sig = < .001$

Reliability Analysis

Through a reliability analysis, this study sought to determine whether a set of items derived via factor analysis consistently reflects the variable it intends to evaluate. Hence, in this research, it is imperative to examine Cronbach's alpha value to assess the internal consistency of the scales employed in this study. Sekaran and Bougie (2010) stated that a Cronbach's alpha value near 0.1 suggests the item has a high internal consistency reliability. A value of more than 0.8 is considered good, 0.7 is considered fair, and a value below 0.6 is considered poor. Table 9 shows that the reliability analysis for all variables exceeds the threshold value of Cronbach's coefficient α , which is 0.70. The outcome confirms the consistent construction of all variables. The highest coefficient, denoted as α , corresponds to perceived behavioural control, which is 0.953. Meanwhile, the remaining variables exceed the threshold value of 0.80.

TABLE 9: RELIABILITY ANALYSIS

Variables	No. of Items	Cronbach's alpha
Attitude	5	.945
Subjective Norm	5	.949
Perceived Behavioural Control	5	.953
Online Donation Intention	5	.870

Correlation Analysis

The study conducted a Pearson correlation coefficient analysis to assess the intercorrelation among variables. The correlation coefficient is a statistical measure that quantifies the strength and direction of the relationship between two variables. A positive correlation appears when the value of r is greater than 0, while a negative correlation appears when r is less than 0 or equal to 0. In addition, all the values can range from -1 to +1, and the closer the value is to 1, the stronger the connection between the variables. Based on Table 10 below, perceived behavioural control had the most vital connection coefficient with online donation intention ($r = 0.670$), followed by attitude ($r = 0.600$) and subjective norm ($r = 0.574$).

TABLE 10: CORRELATION ANALYSIS

	OI_ALL	ATT_ALL	SN_ALL	PBC_ALL
OI_ALL	1	.600**	.574**	.670**
ATT_ALL	.600**	1	.612**	.650**
SN_ALL	.574**	.612**	1	.610**
PBC_ALL	.670**	.650**	.610**	1

**. Correlation is significant at the 0.01 level (2-tailed).

Multiple Regression

Multiple regression analysis examined the effect of independent variables on dependent variables, allowing verification of the proposed hypothesis. Based on Table 11 below, the most substantial standardised coefficient beta is associated with perceived behavioural control ($\beta_1 = 0.414$, t-value = 8.278, $p <.001$), influencing individuals' intention to donate online. Consequently, H_3 is supported. Additionally, the study revealed significant relationships between attitude ($\beta_1 = 0.215$, t-value = 4.281, $p <.001$) and subjective norms ($\beta_1 = 0.190$, t-value = 3.952, $p <.001$) with individuals' intention to donate online. Therefore, H_1 and H_2 remain sustained.

TABLE 11: MULTIPLE REGRESSION ANALYSIS

	Standardised Coefficient Beta (β_1)	t	Sig.	Reject Null Hypothesis
Attitude	.215	4.281	<.001	Yes
Subjective Norm	.190	3.952	<.001	Yes
Perceived Behavioural Control	.414	8.278	<.001	Yes
F Value		135.760 (.000)		
R Square		.515		
Adjusted R Square		.512		

Dependent Variable: Online Donation Intention

5. DISCUSSION

This study aims to identify the factors that influence charitable intent in online donations among Malaysians. This study has confirmed the applicability of the Theory of Planned Behaviour (TPB) in comprehending online donation intentions. Based on the literature analysis, three factors influence individuals' intention to donate online: attitude, subjective norm, and perceived behavioural control. The survey then sought to compile data on individual perceptions towards the variables. Factor analysis, reliability testing, correlation analysis, and regression analysis were applied to analyse the entire sample of 387 respondents.

Attitude and Intention to Donate Online

The empirical result shows a significant relationship between attitude and the intention to donate online. This result was in line with the study by Aji et al. (2021), who found that attitude influences individuals' behavioural intention to donate infaq online. Similarly, Li et al. (2022) discovered a direct correlation between attitude and the intention to donate online. Sura (2017) believed that a positive attitude towards online donation contributes to the significant relationship between a person's attitude and intention to participate in online donation. Amin (2020) stated that a positive attitude significantly increases the likelihood of transforming into intention and willingness, ultimately resulting in expected future behaviour. This discovery expands the scope of attitude to encompass the context of online donations, hence widening the theory's applicability, as previously demonstrated by Taylor and Todd (1995). Consequently, the greater the degree of attitude, the more willing individuals are to engage in online donations.

Subjective Norm and Intention to Donate Online

In addition, the data-driven outcomes demonstrate a significant relationship between subjective norms and the intention to donate online. This outcome aligns with the research conducted by Aji et al. (2021), who discovered that subjective norms play a crucial role in deciding whether to donate infaq online. Likewise, Li et al. (2022) found a substantial correlation between subjective norms and the intention to donate online. The respondents' positive social pressure, demonstrated by their support and role modelling in engaging in this voluntary behaviour, could influence their intention. The study conducted by Pitchay et al. (2015) showcased that an individual's intention is notably affected by their surroundings and environment. Similarly, Chetioui et al. (2023) have confirmed that the impact of individuals influences one's inclination to engage in philanthropic endeavours. Therefore, the greater the degree of subjective norm, the more willing individuals are to engage in online donations.

Perceived Behavioural Control and Intention to Donate Online

Furthermore, the result indicates a significant relationship between perceived behavioural control and the intention to donate online. This discovery pertains to an individual's aptitude, which signifies their expertise, understanding, and mastery over the available resources (Amin, 2020). The study's results are harmonious with those reported in the research by Chen et al. (2019), who found that the perception of one's ability to control one's behaviour significantly affects one's intention to donate money. Similarly, Susanto et al. (2021) discovered a significant relationship between perceived behavioural control and the intention to donate. In a recent study, Li et al. (2022) argued that there is a significant relationship between perceived behavioural control and the intention to donate online. Hence, individuals are more inclined to participate in online donations when they have more perceived control over their behaviour.

To summarise, while this study's findings are consistent with previous research on many factors, they also offer fresh insight into the impact of attitude, subjective norms, and perceived behaviour control on the intention to donate online. This study encompasses all the Malaysian perspectives on online donation, contributing to the existing information in this field.

6. CONTRIBUTIONS OF THE STUDY

The study provides a comprehensive analysis that contributes to developing a framework for understanding the aspects that influence Malaysians' philanthropic intent in online donations. The study offers valuable theoretical contributions to academics and practitioners, primarily to charities and non-profit organisations. It highlights the crucial role of these factors in promoting online donations. Research has indicated that perceived behavioural control significantly impacts an individual's willingness to make online donations. As a result, it is the organisations' responsibility to ensure that the online donation process is simple and easy to use. For instance, ensuring ease of use for their website or donation platform, simplifying the donation procedure, and offering clear instructions to potential donors form integral components of the approach.

Additionally, the research conducted in Malaysia devised a new measurement scale. The scarcity of conducted studies and opportunities for charities and non-profit organisations to boost online donations contribute to this. Moreover, the management of these organisations will gain knowledge from this study by understanding people's perspectives on online donations. As a result, this methodological contribution demonstrates that online donations can be appropriately presented to individuals while also expanding the use of online donations in Malaysia. This new measurement scale can also cover a research gap since the study examines the relationship between attitude, subjective norms, and perceived behaviour control, motivating any academician to conduct additional research.

The findings have practical significance for charities and charitable organisations who want to improve their online contribution facilities. Practical contribution is twofold. First, the current study proposes new suggestions for improving the factors that influence online donations. When marketing

their cause to potential donors, organisations should consider the factors identified in current studies. Increasing how they deliver information to contributors might help them generate positive attitude impressions. Suggest conducting workshops, webinars, and intensive training to explain the guidelines. Second, the current study offers a framework for focusing on charities and non-profit organisations to comprehend the intricate interaction of variables originating from various persons. As a result, the framework includes guidelines for making online donations in Malaysia.

7. CONCLUSION AND RECOMMENDATION

In conclusion, this study employs the TPB to provide an in-depth comprehension of the factors influencing charitable intent in Malaysian online donations. The findings emphasise the importance of perceived behavioural control in affecting people's intentions to donate online. Moreover, the study adds to our theoretical understanding of online donations and has practical implications for charities and nonprofit organisations looking to improve their online donation capabilities. However, it is vital to acknowledge the study's limitations, mainly its focus on the Malaysian context and the possibility of social desirability bias in self-reported data.

The findings allow for various recommendations for future research and practice. Future research could broaden the study's cultural and geographical breadth, increasing the findings' generalisability. Additional variables outside the TPB framework may provide a complete picture of online donation behaviour. For practitioners, improving the usability and accessibility of online donation platforms may increase perceived behavioural control and encourage more people to donate. Organisations may also consider offering clear and extensive information about their purpose and the impact of donations to develop positive attitudes regarding online donations. Furthermore, using social media and other online platforms may help to build a positive image of online donations and improve subjective norms.

While this study aims to provide unique insights into altruistic purposes in online donations among Malaysians using the TPB, it is important to recognise several limitations. First, the study's focus is limited to the Malaysian environment, which may limit the findings' applicability to other cultural or geographical settings. Moreover, the study focuses mainly on elements within the TPB framework, thus ignoring external variables that may influence online contribution behaviour. Furthermore, self-reported data in this study may be vulnerable to social desirability bias, potentially reducing the accuracy of responses. The dynamic nature of online platforms and increasing technology developments pose further challenges, as the study may fail to capture the most recent trends in the fast-changing online donation scene. Despite these constraints, this study aims to provide a thorough knowledge of philanthropic purpose in Malaysian online donations, providing valuable insights for practitioners, policymakers, and scholars in online philanthropy.

Overall, this study emphasises the importance of online donations as a charitable giving channel and offers helpful insights for improving the effectiveness of online donation strategies. Hopefully, these findings will help charities and non-profit organisations continue to develop a culture of giving that impacts society.

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ANALISIS TEMPOH MASA PENYENARAIAN SEMULA SAHAM PATUH SYARIAH DI BURSA MALAYSIA

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ABSTRAK

Sekuriti Patuh Syariah yang diurusniaga di Bursa Malaysia disaring menggunakan metodologi khusus oleh pihak Suruhanjaya Sekuriti Malaysia (SSM). Metodologi ini mula dilaksana pada tahun 1997 dan telah melalui beberapa perubahan. Metodologi semakan tahun 2013 merupakan pendekatan yang diguna pakai sehingga kini. Kesan pelaksanaan metodologi ini pada tahun 2013 menyebabkan 158 sekuriti telah dinyah senarai. Kajian menganalisis status syariah terkini sekuriti berkaitan sama ada telah disenarai semula atau sebaliknya. Tiga sektor dipilih untuk tujuan analisis iaitu barang pengguna, barang industri dan dagangan/perkhidmatan melibatkan 121 sekuriti. Hasil analisis mendapati, 41 sekuriti bersatus kekal tidak disenarai semula, manakala 80 sekuriti pula telah berjaya disenarai semula. Analisa tempoh masa menunjukkan lebih 60 peratus sekuriti berjaya disenarai semula patuh syariah dalam tempoh jangka pendek, dan bakinya pula dalam tempoh jangka sederhana. Pengetahuan tempoh masa ini menyumbang input tambahan kepada pelabur yang berhadapan situasi ini membuat keputusan untuk melupuskan atau mengekalkan pegangan sekuriti berkaitan.

KATA KUNCI: PASARAN SAHAM, KEPUTUSAN PELABURAN, PIAWAIAN, PATUH SYARIAH, PEMBANGUNAN KEWANGAN

ABSTRACT

Shariah Compliant Securities traded on Bursa Malaysia are screened using a specific methodology by the Securities Commission of Malaysia (SSM). This methodology was first implemented in 1997 and has gone through several changes. The 2013 review methodology is the approach used until now. The impact of implementing this methodology in 2013 resulted in 158 securities being delisted. This study analyzed the latest sharia status of related securities whether they have been relisted or otherwise. Three sectors were selected for analysis purposes, namely consumer goods, industrial goods and trading/services involving 121 securities. As a result of the analysis, 41 securities remain unlisted, while 80 securities have been successfully relisted. The Time Period Analysis shows that more than 60 percent of the securities have been successfully relisted as Shariah compliant in the short term, and

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the rest in the medium term. Knowledge of this time period contributes additional input to investors who are faced with this situation of making a decision to dispose of or maintain holdings of related securities.

KEYWORDS: STOCK MARKET, INVESTMENT DECISION, STANDARD, SHARIAH COMPLIANCE, FINANCIAL DEVELOPMENT

1. PENGENALAN

Pasaran modal di Malaysia telah melalui perubahan dari masa ke semasa. Bermula dengan pasaran modal konvensional pada tahun 1960, perubahan masa telah membawa kesedaran kepada pelabur dan penggubal polisi berkaitan kepentingan pelaburan secara Islam. Sehubungan itu, pasaran modal di Malaysia kini dilaksana secara dwi-sistem melalui pasaran modal konvensional dan pasaran modal Islam. Bagi mengawalselia dan membangunkan pasaran modal ini secara sistematik, Suruhanjaya Sekuriti Malaysia (SSM) ditubuhkan pada tahun 1993 (Md Nurdin 2009).

Kejayaan SSM membangunkan pasaran Islam bermula dengan perancangan strategik menerusi penubuhan Unit Pasaran Modal Islam (UPMI) pada tahun 1994 bertujuan menjalankan aktiviti penyelidikan dan pembangunan untuk memperkuatkan pasaran modal Islam di Malaysia (Mohd Yahya & Joni Tamkin 2009). Unit ini kemudiannya menubuhkan sebuah kumpulan yang dikenali Kumpulan Penyelidikan Instrumen Islam (KPII) dengan dianggotai oleh pakar-pakar syariah, pengamal kewangan Islam dan perundangan. Interaksi langsung KPII dengan pemain dalam industri pasaran modal dalam tempoh masa yang relevan, telah banyak memberi pendedahan yang jelas berkaitan produk, perkhidmatan, peraturan, operasi pasaran, serta isu-isu syariah yang berlaku. Tempoh masa ini memberikan kelebihan kepada KPII untuk memahami dan mengemukakan cadangan berkesan kepada pihak SSM dalam membangunkan sistem pasaran modal Islam.

Memandangkan KPII merupakan teras penting dalam pasaran modal Islam, sumbangan signifikan mereka ialah menghasilkan metodologi saringan yang telah mengubah landskap dalam pasaran modal di Malaysia. Ini kerana, proses penyaringan sekuriti patuh syariah pada peringkat awal tidak dilaksana secara berpusat di bawah SSM. Bank Islam Malaysia Berhad misalnya telah melaksana penyaringan sekuriti patuh syariah untuk kegunaan dalaman dan pelaburan pihak bank sendiri (Mohd Yahya *et al.* 2013). Atas sumbangan ini, peranan KPII telah dinaik taraf sebagai penasihat syariah kepada SSM pada 16 Mei 1996, dikenali Majlis Penasihat Syariah (MPS). Rentetan itu, 18 Jun 1997 merupakan masa yang bersejarah kepada SSM dengan penerbitan awam pertama senarai sekuriti patuh syariah melibatkan 371 buah syarikat.

Permodalan sekuriti patuh Syariah di Bursa Malaysia menunjukkan perkembangan yang positif terutama dari segi nilai pasaran. Pada tahun 2010, jumlah dana sekuriti patuh Syariah berjumlah RM803.2 bilion dan meningkat hampir 38 peratus kepada RM1104 bilion pada tahun 2016. Jumlah ini bertambah kepada RM1115 bilion pada tahun 2022. Namun demikian, nisbah peratus saiz pasaran modal Islam terhadap keseluruhan jumlah dana sekuriti sejak tahun 2010 hingga 2022, didapati stabil atau konsisten pada angka 63 peratus. (SSM, 2022). Peningkatan saiz pasaran modal Islam didapati seiring dengan peningkatan jumlah sekuriti patuh Syariah dari masa ke masa. Pada tahun 2013, jumlah sekuriti pastuh Syariah mewakili 71 peratus daripada jumlah keseluruhan sekuriti, dan meningkat kepada 79 peratus pada tahun 2022. (SSM, 2022). Hal ini menunjukkan, banyak syarikat melihat peluang mendapatkan dana pelaburan dengan menepati kriteria sekuriti patuh Syariah.

Indikator saringan sekuriti patuh syariah yang dibangunkan pada peringkat awal telah mengalami perubahan dalam beberapa fasa. Pada peringkat awal, proses saringan berfokus kepada satu indikator syariah sahaja iaitu aktiviti perniagaan yang melibatkan dua bentuk parameter iaitu parameter kualitatif dan parameter kuantitatif. Parameter kualitatif merupakan kriteria umum yang dilaksana bagi menilai aktiviti utama perniagaan sesebuah syarikat sama ada menepati atau berlawanan dengan syariah. Aktiviti utama syarikat yang berdasarkan perkhidmatan kewangan berteraskan riba (contoh: bank perdagangan atau saudagar konvensional, syarikat kewangan konvensional), perjudian dan pertaruhan (contoh: kasino, sport toto, nombor ekor), pengeluaran atau penjualan yang tidak halal atau yang berkaitan (contoh: daging babi, arak, bangkai), aktiviti syarikat insurans konvensional, aktiviti hiburan yang tidak selaras dengan syariah (contoh: diskò, pub, kelab malam), pengeluaran atau penjualan yang berasaskan tembakau atau yang berkaitan (contoh: rokok, cerut), pembrokeran atau jual beli sekuriti tidak patuh syariah dan aktiviti lain yang tidak selaras dengan Syariah (contoh: pelacuran) dikategorikan sebagai tidak patuh syariah (Mohd Yahya & Joni Tamkin 2009).

Bagi syarikat yang melaksanakan aktiviti perniagaan bercampur, parameter kualitatif tambahan diaplikasi beserta parameter kuantitatif. Parameter berkenaan ialah imej syarikat yang baik dalam pandangan masyarakat, aktiviti utama tidak bertentangan syarak sebagaimana parameter kualitatif umum, aktiviti atau sumber hasil daripada unsur haram adalah amat kecil berbanding dengan hasil aktiviti utama, dan aktiviti teras syarikat mempunyai kepentingan dan maslahah (kebaikan secara umum) kepada umat Islam dan negara. Tahap percampuran ini kemudian dinilai menggunakan parameter kuantitatif yang melibatkan beberapa tanda aras. Pada fasa ini, tiga tanda aras digunakan iaitu 5,10 dan 25 peratus. Laporan sekuriti patuh syariah Mei 2004 merupakan laporan pertama yang mendedahkan kepada awam pemakaian tanda aras berkaitan (SSM, 2004). Tiga tahun berikutnya, penambahbaikan dalam tanda aras telah dilaksanakan oleh SSM menggunakan empat tanda aras dengan tambahan tanda aras 20 peratus, dan ia mula dilaporkan dalam laporan Mei 2007 (SSM, 2007). Ringkasan berkaitan tanda aras ini ditunjukkan dalam Jadual 1 berikut.

JADUAL 1: TANDA ARAS AKTIVITI PERNIAGAAN BERCAMPUR

Tanda Aras	Penerangan
5 %	mengukur tahap percampuran sumbangan aktiviti yang jelas keharamannya (tidak selaras dengan Syariah) seperti riba (syarikat berdasarkan faedah seperti bank konvensional), judi, minuman keras dan daging babi
10%	mengukur tahap percampuran sumbangan aktiviti yang melibatkan unsur “ <i>umum al-balwa</i> ” iaitu perkara terlarang yang melibatkan kebanyakan orang dan sukar untuk dielakkan. Contoh pendapatan faedah daripada simpanan tetap dalam bank konvensional.
20%	mengukur tahap percampuran sumbangan penerimaan sewaan daripada aktiviti tidak patuh Syariah seperti menerima sewaan premis yang menjalankan aktiviti perjudian, jualan arak dan sebagainya
25%	mengukur tahap percampuran sumbangan aktiviti yang secara umumnya selaras dengan Syariah dan mempunyai maslahah kepada masyarakat awam, namun terdapat unsur lain yang boleh menjelaskan status Syariah aktiviti berkenaan. Antara aktiviti yang mempunyai tanda aras ini ialah aktiviti pengoperasian hotel dan pusat peranginan, perniagaan saham, pembrokeran dan sebagainya

Sumber: SSM (2004; 2007)

Tahun 2013 merupakan masa yang mencatatkan perubahan ketara dalam metodologi dan indikator saringan di Malaysia. Ia bagi menyelaraskannya dengan metodologi global (Wan Arliza *et al.* 2016; Engku Ngah 2016). Berdasarkan metodologi global, saringan sekuriti tidak terhad kepada indikator

aktiviti perniagaan sahaja, bahkan turut melibatkan indikator kewangan (SSM 2013). Senarai sekuriti patuh syariah yang menggunakan metodologi ini mula dilaporkan kepada pelabur awam bermula November 2013 sehingga kini. Metodologi semakan ini dapat dibahagikan kepada dua kategori indikator teras iaitu indikator aktiviti perniagaan dan indikator kewangan. Maklumat berkaitan metodologi semakan ini ditunjukkan dalam Jadual 2 berikut.

JADUAL 2: METODOLOGI SEMAKAN SARINGAN SEKURITI 2013

Indikator	2007	2013	Penerangan
Aktiviti Perniagaan	5%	5%	Mengukur sumbangan daripada perniagaan-perniagaan aktiviti-aktiviti tidak patuh Syariah kepada perolehan keseluruhan dan keuntungan sebelum cukai sesebuah syarikat. Antaranya ialah perbankan konvensional; insurans konvensional; perjudian; arak dan aktiviti-aktiviti berkaitan dengannya; babi dan aktiviti-aktiviti berkaitan dengannya; makanan dan minuman tidak halal; hiburan tidak patuh Syariah; pendapatan faedah daripada akaun-akaun dan instrument-instrumen konvensional; tembakau dan aktiviti-aktiviti berkaitan dengannya dan aktiviti-aktiviti lain yang diputuskan sebagai tidak patuh Syariah.
	10%	20%	Mengukur sumbangan daripada perniagaan-perniagaan atau aktiviti-aktiviti tidak patuh Syariah kepada perolehan keseluruhan dan keuntungan sebelum cukai sesebuah syarikat. Antaranya ialah operasi hotel dan rumah peranginan; jual-beli saham; pembrokeran saham; sewaan daripada aktiviti-aktiviti tidak patuh Syariah; dan aktiviti-aktiviti lain yang diputuskan sebagai tidak patuh Syariah
	20%	25%	Mengukur sumbangan daripada perniagaan-perniagaan atau aktiviti-aktiviti tidak patuh Syariah kepada perolehan keseluruhan dan keuntungan sebelum cukai sesebuah syarikat. Antaranya ialah operasi hotel dan rumah peranginan; jual-beli saham; pembrokeran saham; sewaan daripada aktiviti-aktiviti tidak patuh Syariah; dan aktiviti-aktiviti lain yang diputuskan sebagai tidak patuh Syariah
Kewangan	Nil	Tunai <33%	Nisbah Jumlah tunai yang ditempatkan dalam akaun-akaun dan instrumen-instrumen konvensional terhadap jumlah aset
	Nil	Hutang <33%	Nisbah Jumlah hutang yang berteraskan faedah terhadap jumlah aset

Sumber: SSM (2013)

Pengenalan indikator kewangan dalam metodologi semakan ini telah menyebabkan 158 sekuriti dinyah senarai patuh syariah dalam laporan pada November 2013. Statistik sekuriti yang dinyah senarai menggunakan metodologi berkaitan dari tahun 2013 hingga Mei 2022 ditunjukkan dalam Jadual 3 berikut.

JADUAL 3: KATEGORI SEKURITI DALAM LAPORAN SSM.

Laporan	Bilangan		Jumlah Sekuriti Patuh Syariah	Jumlah Sekuriti Bursa Malaysia
	Sekuriti Baru @ Disenarai Semula	Nyah Senarai		
November 2013	16	158	653	914
Mei 2014	28	9	665	905
November 2014	40	30	673	905
Mei 2015	19	13	674	903
November 2015	35	39	667	901
Mei 2016	20	15	669	905
November 2016	34	30	672	904
Mei 2017	23	13	676	901

November 2017	33	22	686	902
Mei 2018	17	7	693	901
November 2018	33	34	689	902
Mei 2019	14	10	689	897
November 2019	38	29	696	900
Mei 2020	12	9	697	900
November 2020	39	17	715	903
Mei 2021	25	15	746	936
November 2021	33	25	751	948
Mei 2022	24	19	751	953
JUMLAH	483	494		

Sumber: SSM (2013-2022)

Jadual 3 menunjukkan statistik sekuriti yang telah disaring sehingga Mei 2022 dengan jumlah sekuriti baru dan disaring semula sebagai patuh syariah berjumlah 483 sekuriti, manakala bilangan sekuriti yang dinyah senarai pula ialah 494 sekuriti. Susulan pengenalan indikator kewangan dalam metodologi semakan 2013 yang mengakibatkan bilangan sekuriti dinyah senarai pada November 2013 adalah tinggi (158 sekuriti), maka status terkini sekuriti berkenaan menarik untuk diteliti.

Tempoh masa sekuriti disenarai patuh syariah semula menjadi motivasi penting kajian ini disebabkan dua faktor. Pertama, pelaburan dalam sekuriti adalah berkait masa yang mana ia dapat dikategorikan kepada tiga masa piawai iaitu jangka pendek, sederhana dan panjang (Phansatan *et al.* 2012; Shanmugham & Ramya 2012). Oleh demikian, pelabur terdedah kepada pelbagai faktor risiko dalam menentukan tempoh masa pelaburan yang relevan termasuk risiko sekuriti dinyah senarai (Mohd Jaapar *et al.* 2020). Faktor kedua pula berhubung kait dengan tempoh masa yang dicadangkan oleh pihak SSM untuk pelabur melupuskan sekuriti dinyah senarai. Terdapat dua pilihan masa disarankan. Pertama, melupuskan atau menjual segera sekuriti berkaitan pada tarikh kuat kuasa laporan diterbitkan, yang mana ia mampu dilaksana oleh pelabur sekiranya harga pasaran sekuriti melebihi atau sama dengan kos pelaburan. Kedua, pelabur kekal memegang pelaburan sekuriti berkaitan sekiranya harga pasaran sekuriti berada di bawah kos pelaburan, dan menjualnya setelah situasi pertama berlaku. Selain itu, pelabur boleh melupuskan pelaburan berkaitan walaupun harga sekuriti berada di bawah pasaran dengan membandingkan kos pelaburan dengan harga sekuriti semasa beserta jumlah dividen (SSM 2021; 2022). Namun, tiada tempoh masa minimum dan maksimum khusus ditetapkan. Memandangkan kedua-dua justifikasi ini berkaitan masa, maka penting mengetahui corak atau tempoh masa yang dilalui oleh sekuriti yang dinyah senarai untuk disenarai semula sebagai patuh syariah sebagai sebahagian informasi dalam pelaburan. Pengetahuan ini membantu pelabur dalam memilih dan membuat keputusan yang relevan terhadap cadangan pelupusan sekuriti oleh pihak SSM.

Selain itu, kajian berkaitan sekuriti patuh Syariah yang dilaksanakan penyelidik sebelum ini didapati berfokus kepada metodologi saringan sekuriti patuh Syariah secara teori dan perbandingan, kesan perbezaan metodologi, dan implikasi pada pulangan saham secara empirikal. Namun, tiada kajian khusus meneliti tempoh masa yang diperlukan oleh sesebuah syarikat atau sekuriti yang telah dinyah senarai patuh Syariah untuk kembali disenarai sebagai patuh Syariah. Elemen ini signifikan diberi perhatian disebabkan ia memerlukan pelabur untuk memilih sama ada melupuskan sekuriti berkaitan sebagaimana cadangan pihak MPS atau kekal memiliki sekuriti berkenaan sehingga disenaraikan semula. Memandangkan pelabur perlu memilih dan berhadapan dengan risiko keuntungan dan kerugian, maka informasi tempoh masa dapat membantu pelabur untuk membuat keputusan yang rasional.

2. KAJIAN LEPAS

Aplikasi pasaran modal secara dwi-sistem di Malaysia telah mendorong beberapa kajian perbandingan dan empirikal dilaksana. Dalam kajian berkaitan sekuriti patuh syariah, dua elemen penting memotivasi kajian berkenaan. Pertama, pengikrirafan syariah oleh agensi yang diberi kuasa oleh perundangan di Malaysia iaitu Suruhanjaya Sekuriti Malaysia (SSM), dan kedua ialah proses saringan dilaksana oleh SSM adalah menggunakan metodologi tersendiri.

Rentetan itu, beberapa kajian meneliti perbezaan metodologi saringan di Malaysia dengan pasaran global. Wan Arliza *et al.* (2016) meneliti perbezaan ini berdasarkan empat metodologi global iaitu DJIMI, MSCI, FTSE, dan S&P. Penelitian pengkaji menunjukkan wujud persamaan indikator digunakan, namun sedikit berbeza dalam indikator aktiviti perniagaan. Antaranya, tanda aras tambahan iaitu 20 peratus, berbanding satu tanda aras sahaja iaitu lima peratus pada peringkat global. Di samping itu, saringan sekuriti patuh syariah menggunakan metodologi S&P dan DJIMI lebih ketat berbanding FTSE, MSCI dan Malaysia. Ketiadaan kawal selia patuh syariah oleh badan khusus dalam pasaran global memberikan implikasi status syariah yang berbeza-beza. Hal ini telah dikaji oleh Umayal dan Junaina (2016) yang mengaplikasikan pelbagai metodologi saringan ini di Malaysia, Indonesia, Singapura, Hong Kong dan Amerika. Walaupun senario ini diakui berlaku, ia menimbulkan kesukaran kepada pelabur untuk membuat keputusan melabur atau sebaliknya. Isu ini didapati banyak berlaku dalam sekuriti yang didagangkan di pasaran saham di Amerika Syarikat dan memerlukan pelabur perlu lebih berhati-hati dalam memilih pilihan.

Kajian Abdullah *et al.* (2019) mengkhususkan perbandingan saringan indikator kewangan di Malaysia dengan metodologi global iaitu DJIMI, FTSE, S&P, MSCI, AAOIFI, STOXX, Thomson Reuters dan ISRA Bloomberg. Dua aspek penting perbandingan yang diperoleh pengkaji. Pertama, dua bahagian dalam indikator kewangan di Malaysia iaitu tunai dan hutang, berbanding tiga bahagian pada saringan global iaitu nisbah hutang (*debt ratio*), nisbah aset berasaskan faedah (*Interest-Bearing Assets Ratio*), dan nisbah kecairan (*liquidity ratio*). Kedua, Malaysia menggunakan satu tanda aras bagi kedua-dua indikator, manakala saringan global pula menggunakan dua tanda aras iaitu 30 dan 33 peratus dalam nisbah hutang dan aset. Nisbah kecairan pula tidak diaplikasi di Malaysia, namun tanda aras saringan global adalah berbeza iaitu AAOIFI (49%), DJIMI (50%) dan Thomson Reuters (67%).

Secara empirikal, beberapa pengkaji menguji implikasi saringan global terhadap sekuriti yang telah disenarai patuh syariah di Malaysia. Azhar *et al.* (2010) menyaring semula 565 sekuriti patuh syariah yang diiktiraf di Malaysia pada tahun 2006 menggunakan metodologi DJIM berpandukan indikator kewangan iaitu nisbah hutang dan nisbah kecairan. Hasilnya, hanya 198 sekuriti (35.04%) didapati menepati metodologi DJIM. Pok (2012) turut menyaring semula 477 daripada 846 sekuriti patuh syariah tersenarai pada Mei 2010, menggunakan tiga metodologi global iaitu DJIM, S&P dan FTSE. Indikator kewangan yang diteliti melibatkan tiga nisbah iaitu nisbah kecairan (*liquidity ratio*), nisbah faedah (*interest ratio*) dan nisbah hutang (*debt ratio*). Berdasarkan tiga nisbah berkenaan, sebanyak 301 sekuriti (63.10%) mematuhi metodologi FTSE, manakala bilangan yang kecil dalam metodologi DJIM (58 sekuriti; 12.16%) dan S&P (80 sekuriti -16.77%). Kajian Fidlizan *et al.* (2022) pula menganalisis indikator syariah yang gagal dipatuhi oleh 44 sekuriti dinyah senarai pada tahun 2020 dan 2021 menggunakan aplikasi saringan Islamicly. Hasilnya, punca utama sekuriti dinyah senarai adalah disebabkan kegagalan mematuhi indikator kewangan.

Beberapa pengkaji pula menganalisis kepentingan status patuh syariah ini terhadap pulangan saham. Umar *et al.* (2012) menganalisis data saham Axis-REIT dari Ogos 2005 sehingga September 2010 (1328 data) dengan mengaplikasi pelbagai analisis ekonometrik GARCH. Dapatan analisis menunjukkan terdapat kesan positif terhadap pulangan saham Axis-REIT iaitu risiko spekulasi dapat dihapuskan dan secara tidak langsung mengurangkan risiko premium terhadap aktiviti pelaburan. Walaubagaimanapun, kajian data panel menggunakan 300 sekuriti di Malaysia dari tahun 2000 hingga 2006 pula oleh Albaity dan Rubi (2011) pula tidak menemui hubungan ini secara signifikan. Walaubagaimanapun, pelaksanaan urus niaga sekuriti berstatus patuh syariah lebih mudah disebabkan pelabur boleh menjadikan pemboleh ubah nisbah pasaran kepada buku (*market-to-book ratio*) sebagai petunjuk memilih sekuriti yang mempunyai prestasi yang baik. Sebaliknya pula, sekuriti tidak patuh syariah memerlukan pelabur meneliti lebih banyak indikator bersama-sama seperti risiko pasaran dan jumlah hutang. Dapatan ini juga disokong dalam kajian Saba *et al.* (2020) melibatkan 634 sekuriti patuh syariah di Bursa Malaysia dari tahun 2000 hingga 2014. Dalam pasaran global pula, Pepis dan De Jong (2019) meneliti kesan patuh syariah terhadap pulangan saham dan prestasi kewangan syarikat-syarikat global dari tahun 1990 hingga 2018. Pengkaji mendapati bahawa wujud implikasi yang berbeza-beza, namun syarikat yang diklasifikasikan patuh syariah menunjukkan kesan positif terhadap prestasi kewangan dalam jangka panjang. Hal ini didorong oleh kepentingan mengekalkan status syariah yang ditanggapi sebagai petunjuk ketelusan dan kebertanggungjawaban berterusan dalam pengurusan syarikat.

Masa penyahsenaraian sekuriti patuh syariah merupakan faktor informasi signifikan kepada pelabur. Kesan negatif kepada harga dan pulangan saham memerlukan pelabur membuat keputusan sama ada melupuskan atau mengekalkan sekuriti berkaitan (Nor Suhaira *et al.* 2020). Garis masa merupakan maklumat penting untuk individu atau negara dalam melaksanakan pembaharuan yang mampu diukur keberhasilannya pada masa masa tertentu (Suraiya, 2011). Berhadapan situasi ini dalam konteks sekuriti dinyah senarai, tiada kajian lepas yang meneliti dan mencadangkan satu jangkaan tempoh masa sebagai garis panduan atau informasi kepada pelabur membuat keputusan yang sesuai.

3. METODOLOGI KAJIAN

Kajian ini dilaksanakan dalam bentuk deskriptif bagi mengetahui status patuh syariah sekuriti yang telah dinyah senarai pada November 2013. Ini disebabkan, senarai sekuriti patuh Syariah yang diluluskan oleh MPS pada 29 November 2013 adalah berdasarkan kaedah penyaringan yang telah disemak semula. Kaedah saringan semakan ini menggunakan pendekatan kuantitatif dua peringkat dengan mengaplikasikan tanda aras aktiviti perniagaan bersama-sama tanda aras nisbah kewangan. Hal ini bertujuan untuk menggalakkan kemasukan dana-dana Islam asing ke dalam pasaran ekuiti patuh Syariah di Malaysia dan mengembangkan pasaran modal Islam ke peringkat global (SSM, 2013). Berdasarkan laporan, sebanyak 158 sekuriti telah dinyah senarai melibatkan pelbagai sektor. Walau bagaimanapun, analisis deskriptif ini terhad diaplikasi dalam tiga sektor sahaja. Justifikasi sektor berkenaan dipilih berdasarkan empat sebab. Pertama, bilangan sekuriti yang terdapat dalam tiga sektor ini adalah paling banyak berbanding sektor-sektor lain. Pada tahun 2013, sebanyak 600 (66%) sekuriti tersenarai di bawah tiga sektor berkaitan. Kedua, kadar peratus sekuriti patuh syariah dalam tiga sektor ini telah meningkat kepada 81 peratus (2022) berbanding tahun 2013 iaitu 73 peratus. Situasi ini menunjukkan bahawa penyenaraian sebagai sekuriti patuh syariah merupakan antara kriteria penting bagi menarik minat transaksi dalam kalangan pelabur. Alasan ketiga ialah bilangan sekuriti yang dinyah senarai dalam tiga sektor ini pada tahun 2013 mewakili 77 peratus (121 sekuriti) daripada jumlah keseluruhan dengan sektor barangang industri melibatkan 62 sekuriti, disusuli

sektor dagangan/perkhidmatan (40 sekuriti) dan barang pengguna (19 sekuriti). Keempat pula berdasarkan nisbah sekuriti yang dianalisis dalam kajian seperti Azhar *et al.* (2010) dan Pok (2012) yang melibatkan 50 hingga 60 peratus sampel keseluruhan.

Untuk mengenalpasti status patuh syariah terkini dan tempoh masa dilalui oleh setiap sekuriti dikaji, laporan senarai sekuriti patuh syariah yang diterbitkan oleh pihak SSM bermula laporan Mei 2014 sehingga Mei 2022 dilakukan. Analisis deskriptif sekuriti ini dikategorikan kepada empat peringkat sebagaimana dalam Jadual 4.

JADUAL 4: KATEGORI PENYENARAIAK SEMULA PATUH SYARIAH

Kategori		Keterangan
I.	Kekal tidak patuh syariah (KTPS)	Tidak disenaraikan semula sebagai patuh syariah bermula Nov. 2013 hingga kini (Mei 2022)
II.	Disenarai dan Kekal Patuh Syariah (KPS)	Disenaraikan semula sebagai sekuriti patuh syariah dalam tempoh kajian dan kekal status berkaitan hingga kini (Mei 2022)
III.	Penyenaraian berulang dan Patuh Syariah (BPS)	Disenari patuh syariah, kemudian berlaku penyahsenaraian berulang sama ada sekali atau lebih, dan status terkini (Mei 2022) adalah patuh syariah.
IV.	Penyenaraian berulang dan Tidak Patuh Syariah (BTPS)	Disenarai patuh syariah, kemudian berlaku penyahsenaraian berulang sama ada sekali atau lebih, dan status terkini (Mei 2022) adalah tidak patuh syariah.

Analisis masa bagi penyenaraian semula patuh syariah pula dibahagikan kepada tiga tempoh masa seperti ditunjukkan dalam Jadual 5.

JADUAL 5: KATEGORI TEMPOH MASA

Tempoh		Keterangan
I.	Jangka Pendek	1 hingga 2 tahun. Mengikut laporan, sekuriti disenaraikan semula antara Mei 2014 hingga November 2015
II.	Jangka Sederhana	Lebih 2 tahun hingga 5 tahun. Mengikut laporan, sekuriti disenaraikan semula antara Mei 2016 hingga November 2020.
III.	Jangka Panjang	Lebih dari 5 tahun. Mengikut laporan, sekuriti disenaraikan semula antara Mei 2021 hingga terkini (Mei 2022).

Bagi menilai kerelevanans masa yang diperoleh, sekuriti yang dinyah senarai pada Mei 2017 dan Mei 2018 digunakan sebagai sampel data baru atau kajian kes. Ia bertujuan menentu atau membanding setakat mana rumusan dapatan analisis awal adalah wajar dan tepat dengan mengaplikasikannya terhadap sampel baru. Umumnya, dalam analisis ekonomi empirikal menggunakan model ekonometrik dan alat analisis tertentu seperti E-views, Stata dan sebagainya, proses ini dilaksana oleh pengkaji bagi menguji konsistensi atau kestabilan hipotesis dikaji dengan pelbagai kaedah. Antaranya ialah pengkaji menambah sampel atau tempoh masa kajian, boleh ubah, teknik analisis dan sebagainya. (Zulkefly *et al.* 2022; Rosmah *et al.* 2020). Memandangkan penyelidikan ini berbentuk analisis dokumen, maka kaedah memilih sampel atau kes baru adalah sesuai. Paolo (1995) mengaplikasikan kaedah ini dalam penyelidikan berkaitan pembangunan dan pelaburan ini bertujuan mendapatkan padanan dari sudut statistik dan situasi sebenar yang berlaku. Bruce *et al.* (2006) turut menggunakan kaedah data lama dan data baru bagi membandingkan kesan pembangunan terhadap ekonomi dan sosial.

4. HASIL KAJIAN DAN PERBINCANGAN

Hasil analisis 121 sekuriti yang dikaji diterangkan dalam tiga bahagian. Bahagian pertama berkaitan status sekuriti sehingga laporan sekuriti patuh syariah oleh pihak SSM pada Mei 2022. Tempoh masa penyenaraian semula dan ujian keteguhan masa dibincangkan dalam bahagian dua dan tiga.

Status Penyenaraian Semula Sekuriti Patuh Syariah

Status patuh syariah bagi 121 sekuriti yang disenarai pada November 2013 ditunjukkan dalam Jadual 6 di bawah.

JADUAL 6: STATUS SEKURITI MENGIKUT PENYENARAIAN PATUH SYARIAH

Kategori	Bilangan	Peratus
I (KTPS)	41	33.9
II (KPS)	55	45.5
III (BPS)	15	12.4
IV (BTPS)	10	8.3

Berdasarkan Jadual 6, 80 sekuriti (66%) didapati berjaya disenarai semula sebagai patuh syariah. Walaubagaimanapun, penyenaraian ini dapat dikategorikan kepada tiga iaitu kategori II (KPS) melibatkan 55 sekuriti, kategori III (BPS, 15 sekuriti) dan kategori IV (BTPS, 10 sekuriti). Contoh sekuriti yang berada dalam ketiga-tiga kategori ini dapat diteliti dalam Lampiran A. Misalnya, Dutch Lady Milk Bhd. (3026), PNE PCB Bhd (6637), Press Metal Bhd (8869), Wellcall Holdings Bhd (7231) dan Bumi Armada Bhd (5210) dalam kategori II, Yi-Lai Bhd. (5048), GD Express Carrier Bhd (0078), dan Tan Chong Motor Holdings Bhd (4405) dalam kategori III, dan Malayan Flour Mills Bhd (3662), Focus Lumber Bhd (5197), Sanichi Technology Bhd (0133) pula dalam kategori IV. Sebanyak 41 sekuriti (34%) pula didapati kekal tidak patuh syariah sehingga laporan Mei 2022. Keadaan ini menunjukkan, sekuriti-sekuriti berkenaan masih gagal untuk melepassi indikator kewangan yang diperkenalkan dalam metodologi semakan pada tahun 2013. Dengan lain maksud, kedudukan tunai dan hutang syarikat yang menawarkan sekuriti berkaitan sehingga kini belum bebas daripada isu riba.

Analisis Masa Penyenaraian Semula Patuh Syariah

Analisis masa penyenaraian bagi 80 sekuriti yang diteliti sehingga laporan Mei 2022 ditunjukkan dalam Jadual 7 dan 8 di bawah.

JADUAL 7: PENYENARAIAN SEMULA PATUH SYARIAH MENGIKUT LAPORAN MPS

Laporan	Bilangan	Laporan	Bilangan
Mei 2014	22	Nov 2018	2
Nov 2014	17	Mei 2019	1
Mei 2015	4	Nov 2019	5
Nov 2015	10	Mei 2020	1
Mei 2016	7	Nov 2020	0
Nov 2016	4	Mei 2021	1
Mei 2017	1	Nov 2021	0
Nov 2017	4	Mei 2022	1

Mei 2018	0
Sumber: SSM (2014-2022)	

JADUAL 8: JANGKA MASA PENYENARAIAAN SEMULA PATUH SYARIAH

	Tempoh	Bilangan (peratus,%)
I.	Jangka Pendek (1-2 Tahun)	53 (66.25%)
II.	Jangka Sederhana (> 2 tahun – 5 Tahun)	18 (22.5%)
III.	Jangka Panjang (> 5 tahun – kini)	9 (11.25%)

Berdasarkan Jadual 7 dan 8, 53 sekuriti berjaya disenarai semula patuh syariah dalam tempoh jangka pendek yang mana 39 sekuriti (74%) disenarai dalam tempoh satu tahun (Mei & November 2014). Sebanyak 18 sekuriti disenarai semula dalam jangka masa sederhana, dan bakinya iaitu 9 sekuriti pula dalam jangka panjang. Kepelbagaiannya tempoh masa yang ditempuhi untuk memenuhi kriteria patuh syariah menunjukkan wujud usaha dan penambahbaikan yang berterusan dilaksana oleh pihak syarikat bagi memastikan indikator kewangan syarikat adalah bebas daripada elemen riba. Keputusan analisis ini menunjukkan metodologi atau indikator saringan yang diaplikasi di Malaysia ini membantu pelabur mengenal pasti dengan konsisten sekuriti patuh syariah, walaupun perbandingan dengan metodologi global agak longgar (Wan Arliza *et al.* 2016).

Analisis Tempoh Bagi Sampel Baru

Hasil analisis bagi sampel baru menggunakan 20 sekuriti dinyah senarai pada laporan Mei 2017 dan Mei 2018 ditunjukkan dalam Jadual 9, Jadual 10 dan Lampiran B.

JADUAL 9: STATUS PENYENARAIAAN SEMULA PATUH SYARIAH

Laporan Nyah Senarai	Bilangan Nyah Senarai	Senarai Semula (sehingga Mei 2022)
Mei 2017	13	9
Mei 2018	7	5
Jumlah	20	14

Berdasarkan Jadual 9, 70 peratus (14 sekuriti) berjaya disenaraikan semula sebagai sekuriti patuh syariah dalam tempoh analisa. Dapatan ini, didapati berpadanan dan menyokong hasil analisis awal yang ditunjukkan dalam Jadual 6 iaitu 66 peratus.

JADUAL 10: JANGKA MASA PENYENARAIAAN

Laporan Nyah Senarai	Bilangan Disenarai Semula	Jangka Masa Pendek (1-2 Tahun)	Jangka Masa Sederhana (< 2 tahun)
Mei 2017	9	5	4
Mei 2018	5	3	2
JUMLAH	14	8	6

Dapatan bagi analisis jangka masa penyenaraian bagi sampel baru ditunjukkan dalam Jadual 10, dan didapati menyokong hasil dapatan yang dibincangkan dalam Jadual 8. Sebanyak lapan sekuriti telah berjaya disenarai semula patuh syariah dalam tempoh jangka pendek iaitu sehingga dua tahun, manakala lima sekuriti pula berjaya disenaraikan dalam tempoh lebih dua tahun hingga lima tahun. Hasil keputusan bagi data baru ini membuktikan pengetahuan pelabur mengenai jangka masa

penyenaraian semula patuh syariah adalah penting dan dapat membantu pelabur untuk membuat keputusan yang relevan.

5. KESIMPULAN

Pasaran saham di Malaysia adalah unik dengan pelaksanaan secara dwi-sistem dengan kawal selia oleh badan berautoriti yang sama. Bagi membezakan kedua-dua pasaran ini, Majlis Penasihat Syariah Suruhanjaya Sekuriti Malaysia berperanan menyaring sekuriti-sekuriti diurus niaga menggunakan metodologi tersendiri. Beberapa perubahan telah dilaksana oleh badan berkaitan bagi menyeragamkan metodologi berkaitan dengan amalan pada peringkat global. Bagi memudahkan pelabur memilih sekuriti patuh syariah, hal ini dipermudahkan melalui ketersediaan laporan sekuriti patuh syariah yang dikeluarkan oleh pihak SSM sebanyak dua kali setahun. Melalui penerbitan berkala ini, pelabur mengetahui status semasa sekuriti dan mengambil tindakan sewajarnya terutamanya sekuriti yang dinyah senarai. Mendepani situasi sekuriti nyah senarai ini, pihak SSM telah mencadangkan beberapa pilihan kepada pelabur. Tiada tempoh masa minimum atau maksimum disyorkan untuk pelabur melupuskan sekuriti berkenaan.

Memandangkan pelaburan adalah berhubung dengan masa, maka informasi tentang kemungkinan untuk sekuriti disenarai semula patuh syariah dilihat signifikan. Informasi masa atau corak penyenaraian ini merupakan informasi berbentuk kewangan yang dapat digunakan oleh pelabur bersama-sama dengan maklumat kewangan sekuriti. Penelitian maklumat tambahan ini dapat membantu pelabur membuat keputusan pelaburan yang sesuai. Berdasarkan hasil analisis, didapati peratus kemungkinan sekuriti untuk disenarai patuh syariah semula adalah tinggi. Hasil kajian menunjukkan lebih 60 peratus sekuriti disenaraikan semula sebagai sekuriti patuh syariah dalam tempoh jangka pendek iaitu enam bulan sehingga dua tahun, dan bakinya pula dalam tempoh jangka sederhana. Sehubungan itu, masa atau corak sesebuah sekuriti merupakan input tambahan yang signifikan kepada pelabur dalam membuat keputusan bagi meminimumkan risiko dan kerugian yang ditanggung.

6. LIMITASI DAN CADANGAN KAJIAN HADAPAN

Kajian ini terhad dilaksana menggunakan kaedah saringan sekuriti patuh Syariah yang mula dilaksana oleh pihak SSM bermula pada November 2013. Dapatan analisis ini kemudiannya diuji terhadap sampel baru pada Mei 2017 dan Mei 2018. Aplikasi kaedah ini menemui bukti yang sepadan, namun ia agak terhad bagi tempoh berkaitan sahaja. Sehubungan itu, bagi memastikan dapatan ini relevan, kajian melibatkan pengujian sampel baru yang lebih pelbagai dapat dilaksana. Ini disebabkan, data-data sekuriti patuh syariah dikeluarkan sebanyak dua kali setahun oleh pihak SSM. Kajian lanjut juga boleh dilakukan secara perbandingan dengan mengaplikasi kaedah saringan yang digunakan pada peringkat global. Hal ini bersesuaian dengan objektif untuk menjadikan pasaran Islam sebagai sebagai pasaran modal global yang memungkinkan wujud senario kewajaran pelabur untuk melabur dalam sekuriti yang mempunyai status syariah berbeza mengikut kriteria saringan Malaysia dan global.

PENGHARGAAN

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LAMPIRAN A: STATUS PENYENARAIAH SEMULA SEKURITI PATUH SYARIAH

Bil.	Kod	Nama Sekuriti	Sektor	Mei 14	Nov 14	Mei 15	Nov 15	Mei 16	Nov 16	Mei 17	Nov 17	Mei 18	Nov 18	Mei 19	Nov 19	Mei 20	Nov 20	Mei 21	Nov 21	Mei 22
1	7722	Asia Brands Bhd	BPG				√													
2	7193	Biosis Group Bhd	BPG																	
3	2828	C.I. Holdings Bhd	BPG					√						x		√				
4	7174	CAB Cakaran Corporation Bhd	BPG	√												x		√		
5	5214	China Stationery Ltd	BPG																	
6	3026	Dutch Lady Milk Bhd	BPG	√																
7	5102	Guan Chong Bhd	BPG													√				
8	7141	Huat Lai Resources Bhd	BPG																	
9	5024	Hup Seng Bhd	BPG		√					x										
10	5058	Hytex Integrated Bhd	BPG																	
11	3662	Malayan Flour Mills Bhd	BPG	√			x										√			
12	5189	Maxwell International Holdings Bhd	BPG																	
13	5150	Multi Sports Holdings Ltd	BPG				√		x											
14	4006	Oriental Holdings Bhd	BPG																	
15	3719	Panasonic Manufacturing Malaysia Bhd	BPG																	
16	7136	Silver Bird Group Bhd	BPG																	
17	4405	Tan Chong Motor Holdings Bhd	BPG	√			x				√			x				√		
18	7252	Teo Seng Capital Bhd	BPG		√								x		√				x	
19	7176	TPC Plus Bhd	BPG								√									
20	7086	Ablegroup Bhd	BIND					√												
21	9148	Advanced Packaging Technology (M) Bhd	BIND	√																
22	7146	Ae Multi Holdings Bhd	BIND				√				x				√					
23	6556	Ann Joo Resources Bhd	BIND							√										
24	9954	Asia Knight Bhd	BIND												√					
25	7044	Autoair Holdings Bhd	BIND	√																
26	7005	B.I.G. Bhd	BIND		√															

FIDLIZAN MUHAMMAD, MOHD YAHYA MOHD HUSSIN, AZILA ABDUL RAZAK, AHMAD ZAKIRULLAH MOHAMED SHAARANI, SALWA AMIRAH AWANG

27	7187	Boon Koon Group Bhd	BIND		√														
28	7171	Century Bond Bhd	BIND																
29	5229	China Automobile Parts Holdings Ltd	BIND																
30	5835	Dolomite Corporation Bhd	BIND																
31	7233	Dufu Technology Corp. Bhd	BIND					√											
32	0149	Fibon Bhd	BIND																
33	5197	Focus Lumber Bhd	BIND		√		x								√		x		
34	7192	Goodway Integrated BINDes Bhd	BIND							√									
35	7077	GSB Group Bhd	BIND								√		x		√				
36	5072	Hiap Teck Venture Bhd	BIND				√												
37	7112	Ingress Corporation Bhd	BIND																
38	2127	Integrated Rubber Corporation Bhd	BIND		√														
39	7220	IRM Group Bhd	BIND																
40	5192	K. Seng Seng Corporation Bhd	BIND	√															
41	3476	Keck Seng (M) Bhd	BIND																
42	7064	Latexx Partners Bhd	BIND																
43	9881	Leader Steel Holdings Bhd	BIND					√						x		√			
44	3581	Lion Corporation Bhd	BIND																
45	5916	Malaysia Smelting Corporation Bhd	BIND												√		x		
46	7075	Malaysian Ae Models Holdings Bhd	BIND																
47	9202	Maxtral Industry Bhd	BIND																
48	3778	Melewar Industrial Group Bhd	BIND						√										
49	7059	Metal Reclamation Bhd	BIND																
50	6149	Metrod Holdings Bhd	BIND																
51	5152	Muar Ban Lee Group Bhd	BIND				√												

52	3883	Muda Holdings Bhd	BIND		✓														
53	5087	Mycron Steel Bhd	BIND	✓															
54	7109	Octagon Consolidated Bhd	BIND																
55	9997	Pensonic Holdings Bhd	BIND						✓				x						✓
56	5146	Perwaja Holdings Bhd	BIND																
57	6637	PNE PCB Bhd	BIND			✓													
58	9458	Premier Nalfin Bhd	BIND																
59	8869	Press Metal Bhd	BIND			✓													
60	9873	Prestar Resources Bhd	BIND				✓												
61	5170	Sarawak Cable Bhd	BIND	✓															
62	7366	Scomi Engineering Bhd	BIND																
63	7155	SKP Resources Bhd	BIND		✓														
64	5665	Southern Steel Bhd	BIND																
		Sunchirin Industries (M) Bhd	BIND																
65	7358	Ta Win Holdings Bhd	BIND																✓
66	7097	Tasek Corporation Bhd	BIND																
67	4448	Tatt Giap Group Bhd	BIND	✓															
68	5178	Tiger Synergy Bhd	BIND							✓		x							
69	7079	Uchi Technologies Bhd	BIND	✓															
70	7100	VTI Vintage Bhd	BIND	✓															
71	7595	Watta Holding Bhd	BIND					✓											
72	7226	Wawasan TKH Holdings Bhd	BIND	✓															
73	8818	Ya Horng Electronic (M) Bhd	BIND																
74	7231	Wellcall Holdings Bhd	BIND			✓													
75	7245	WZ Steel Bhd	BIND	✓															
76	7196	Yi-Lai Bhd	BIND																
77	5048	AirAsia Bhd	DKN										x		✓		x		✓
78	5099	Amway (Malaysia) Holdings Bhd	DKN			✓										✓			
79	6351	Berjaya Food Bhd	DKN														✓		
80	5196																		

FIDLIZAN MUHAMMAD, MOHD YAHYA MOHD HUSSIN, AZILA ABDUL RAZAK, AHMAD ZAKIRULLAH MOHAMED SHAARANI, SALWA AMIRAH AWANG

81	5210	Bumi Armada Bhd	DKN			√														
82	7016	Chuan Huat Resources Bhd	DKN				√													
83	7189	Emas Kiara Industries Bhd	DKN		√															
84	5056	Engtex Group Bhd	DKN													√				
85	5081	Esthetics International Group Bhd	DKN		√															
86	3204	George Kent (Malaysia) Bhd	DKN				√		x		√									
87	7242	Global Carriers Bhd	DKN																	
88	7110	Haisan Resources Bhd	DKN																	
89	7455	Hexagon Holdings Bhd	DKN																	
90	7185	Kejuruteraan Samudra Timur Bhd	DKN																	
91	6157	Konsortium Logistik Bhd	DKN																	
92	5143	Luxchem Corporation Bhd	DKN				√		x		√									
93	5090	Media Chinese International Ltd	DKN		√															
94	5128	Ogawa World Bhd	DKN																	
95	5125	Pantech Group Holdings Bhd	DKN		√															
96	5657	Parkson Holdings Bhd	DKN	√																
97	7122	PJI Holdings Bhd	DKN	√						x										
98	9652	SAAG Consolidated (M) Bhd	DKN																	
99	5147	Samchem Holdings Bhd	DKN																	
100	9431	Seni Jaya Corporation Bhd	DKN												√					
101	8702	Texchem Resources Bhd	DKN																	√
102	8397	Tiong Nam Logistics Holdings Bhd	DKN		√					x					√		x		√	
103	7218	Transocean Holdings Bhd	DKN		√															
104	5167	Turbo-Mech Bhd	DKN																	
105	7251	Vastalux Energy Bhd	DKN	√					√	x	√									
106	7293	Yinson Holdings Bhd	DKN																x	

FIDLIZAN MUHAMMAD, MOHD YAHYA MOHD HUSSIN, AZILA ABDUL RAZAK, AHMAD ZAKIRULLAH MOHAMED SHAARANI, SALWA AMIRAH AWANG

107	0072	AT Systematization Bhd	BIND		√															
108	0100	ES Ceramics Technology Bhd	BIND	√																
109	0133	Sanichi Technology Bhd	BIND	√									x				√		x	
110	0084	Techfast Holdings Bhd	BIND					√			x		√							
111	0122	Advance Information Marketing Bhd	BIND													√		x	√	
112	0173	Catcha Media Bhd	DKN																	
113	0080	Envair Holding Bhd	DKN					√												
114	0078	GD Express Carrier Bhd	DKN	√						x		√								
115	0147	Innity Corporation Bhd	DKN		√															
116	0095	Key West Global Telecommunications Bhd	DKN								√		x				√			x
117	0059	M-Mode Bhd	DKN													√				
118	0177	Pasukhas Group Bhd	DKN					√												
119	0006	Pineapple Resources Bhd	DKN	√							√									x
120	0158	SCC Holdings Bhd	DKN																	
121	0137	StemLife Bhd	DKN																	

Nota:(√) disenarai patuh syariah; (x) nyah senarai

Sekuriti 1 hingga 106 (Pasaran Utama), 107 hingga 121 (Pasaran ACE).

LAMPIRAN B: STATUS PENYENARAIAJAN SEMULA SEKURITI PATUH SYARIAH

Bil.	Kod	Nama Sekuriti	Mei 17	Nov 17	Mei 18	Nov 18	Mei 19	Nov 19	Mei 20	Nov 20	Mei 21	Nov 21	Mei 22
1	5568	APB Resources Bhd	X	/									
2	0078	GD Express Carrier Bhd	X	/									
3	7382	Golden Land Bhd	X								/		
4	8931	Jerasia Capital Bhd	X										
5	0180	Kim Teck Cheong Consolidated Bhd	X										
6	2887	Lion Diversified Holdings Bhd	X										
7	0020	NETX Holdings Bhd	X	/									
8	7225	P.A. Resources Bhd	X	/									
9	7055	PLB Engineering Bhd	X								/		
10	5075	Plenitude Bhd	X							/			
11	8966	Prolexus Bhd	X	/									
12	0106	Rexit Bhd	X								/		X
13	7122	YFG Bhg	X										
14	7031	Amtel Holdings Bhd			X						/		
15	2925	Cycle & Carriage Bintang Bhd			X						/		X
16	0045	G Neptune Bhd			X		/						X
17	7126	London Biscuits Bhd			X								
18	0112	Mikro MSC Bhd			X		/						
19	0047	Perisai Petroleum Teknologi Bhd			X								
20	5213	Sentoria Group Bhd			X		/						

Nota: Bilangan 1 hingga 13, diambil dari Laporan Senarai Sekuriti Patuh Syariah Oleh Majlis Penasihat Syariah Suruhanjaya Sekuriti Malaysia 26 May 2017, dan Bilangan 14 hingga 20 diambil dari Laporan Senarai Sekuriti Patuh Syariah Oleh Majlis Penasihat Syariah Suruhanjaya Sekuriti Malaysia 25 May 2018. (X) dinyah senara.

UNDERSTANDING AND KNOWLEDGE OF ISLAMIC ESTATE PLANNING STRATEGIES AT UNIVERSITI TEKNOLOGI MARA, SHAH ALAM, MALAYSIA

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ABSTRACT

Estate planning is one of the crucial elements of managing property during a person's lifetime. Unfortunately, it was reported that only 700,000 Muslims have declared their wills, out of a total population of 30 million Muslims in Malaysia. Therefore, this research explained the main tools available for wealth distribution planning that are viable in Malaysia. Secondly, this research aims to investigate students in Islamic studies tendencies in estate management planning and its determinants. To achieve these objectives, a quantitative methodology was adopted in which the data of this research was through a questionnaire to assess their level of awareness. The findings revealed that the level of awareness of students in Islamic Studies Campus Shah Alam, Universiti Teknologi MARA towards wealth distribution management and asset distribution planning is high. This study exposed some of the flaws in wealth distribution management and proposed numerous approaches to raise awareness about wealth distribution planning.

KEYWORDS: ESTATE MANAGEMENT, WEALTH DISTRIBUTION, ESTATE PLANNING, PROPERTY, WILLS

ABSTRAK

Perancangan harta pusaka adalah salah satu elemen penting dalam pengurusan harta semasa hayat seseorang. Malangnya, dilaporkan bahawa hanya 700,000 orang Islam yang telah mendaftarkan wasiat mereka, daripada jumlah keseluruhan penduduk iaitu seramai 30 juta orang Islam di Malaysia. Oleh itu, kajian ini bertujuan menjelaskan cara utama untuk perancangan pengagihan harta yang boleh dilaksanakan di Malaysia. Kedua, kajian ini bertujuan untuk menilai kecenderungan pelajar dalam pengurusan harta pusaka dan faktor penentunya. Untuk mencapai objektif ini, metodologi secara kuantitatif telah digunakan yakni data kajian ini diperoleh melalui edaran soal selidik untuk menilai tahap kesedaran mereka. Dapatkan kajian menunjukkan bahawa tahap kesedaran pelajar di Kampus Pengajian Islam Shah Alam, Universiti Teknologi MARA terhadap pengurusan pengagihan harta dan perancangan pengagihan harta adalah tinggi. Kajian ini mendedahkan beberapa kelemahan dalam pengurusan pengagihan harta dan mencadangkan pelbagai pendekatan untuk meningkatkan kesedaran mengenai perancangan pengagihan harta.

KATA KUNCI: PENGURUSAN HARTA, PENGAGIHAN KEKAYAAN, PERANCANGAN HARTA, HARTA, WASIAT

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1. INTRODUCTION

Islamic estate planning in Malaysia is less encouraging despite attempts by connected organizations and industry participants to enhance the industry. One of the government's measures was the creation of the Amanah Raya Berhad institution, which was followed by the founding of a private Islamic estate planning business to offer estate planning services. Among the 30 million Muslims in Malaysia, only 700,000 individuals declared their wills (Rahman, 2020). This statement is also agreed by (Bouteraa, 2019) who stated that there is still a lack of interest, especially among the Muslim community in estate planning. They are also still unconscious of making estate plans throughout their lives for their next inheritance. Islamic estate distribution among the heirs faces numerous issues with neglect and procrastination, which make the administration process challenging because they are inexperienced with the property distribution process (Abdullah *et al.*, 2020). Furthermore, a large percentage of Malaysians have not created a will. This is because if a person owns a lot of property and is affluent, they are compelled to create a will. This is one of the elements leading to the growth in unclaimed property, which has now become a severe problem that should be resolved quickly. Estate planning is critical in this scenario to ensure that operations go as planned and without incident in the future (Ahmad, 2021).

Previous studies in the practice of Islamic estate planning are not generally performed in Malaysia since most Malaysian Muslims consider it negligible (Boon *et al.*, 2011). Research on numerous estate planning instruments, such as wills and *hibahs* (gifts), revealed that ignorance and a low level of mindfulness are two of the factors contributing to the relative lack of Islamic estate planning (Abd. Wahab *et al.*, 2019). Previous research findings indicated that Muslims in Malaysia do not take estate planning seriously (Abdul Karim, 2016). While some individuals arrange verbally with the consent of other pertinent parties, the absence of a formal written agreement may lead to arguments and disagreements within the family. Sadly, a lot of Muslims subscribe to the idea that since possessions are distributed according to the *farāid*, estate planning is not necessary. Under the Probate and Administration Act 1959 (Updated 1972), all of the deceased's properties must be filed in court for validation, making such an assumption blatantly incorrect. In this case, even if a Muslim has passed away, all of their assets will be halted until probate is granted, even if a will has been drawn up; if this is not the case, a drawn-out process for applying for an administration letter will take place. Properties of the deceased will be suspended until an executor or administrator is appointed if suitable planning is not done. Therefore, there is an urgent need for a mechanism to help Muslims realise their plans for the future.

The purpose of this study is to look at student Malaysian Muslims' attitudes about Islam, and estate planning, and investigate whether the findings of this study may assist in alleviating the problem of Muslims' frozen money in Malaysia by identifying various activities that the appropriate authorities may take to encourage Malaysian Muslims to prepare for their wealth in the future. The uniqueness of this study is its focus on Student Malaysian Muslims. This study specifically targets student Malaysian Muslims, which could provide insights into the attitudes and behaviours of a specific demographic group that may not have been extensively studied before in the context of Islamic estate planning. Secondly is, potential solutions. The study aims to identify activities that appropriate authorities can take to encourage Malaysian Muslims to plan for their wealth in the future. This focus on actionable solutions distinguishes it from studies that may solely analyse the problem without proposing concrete steps for improvement. Lastly, addressing undistributed wealth via examining the behaviours and attitudes of Malaysian Muslims towards estate planning, the study aims to contribute to alleviating the issue of undistributed wealth in Malaysia. This practical focus on addressing a real-world problem sets it apart from purely theoretical or descriptive studies. Overall, the study's emphasis on a specific demographic group, its focus on actionable solutions, its goal of addressing undistributed wealth, and its integration of Islamic principles with estate planning could make it stand out from previous research in the field.

2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Knowledge

In Islam, every Muslim needs to seek for knowledge. Knowledge is a basis of human survival and a key to success since it may defend a person from difficulty and doubts. The Holy Quran had mentioned: "And say: My Lord, increase me in knowledge." (Taha 20:114). To make the knowledge valuable and *barakah*, it needs to be shared with others so that one of the good deeds will get us countless rewards hereafter.

In general, knowledge of the practice of Islamic Estate Planning is one of the important matters discussed in the *Qur'an* and *Hadīth* (sayings of the Prophet (SAW)). Regulations are drawn for estate planning which is intended to safeguard the interest of heirs against fund mismanagement and abuse. Evidence of the significance of estate planning can be found in *Sūrah Yusuf*, Verse 47–49. The *Qur'an* (12:47) states: "You will plant for seven years consecutively; and what you harvest leave in its spikes, except a little from which you will eat". The verse shows that Islam advises its followers to plan for the sustenance that God has given for the sake of well-being in this world and as a preparation for eternal life in the hereafter. Islamic-based financial advisors are entrusted to draw up a financial plan that is holistic for each customer, covering earthly and afterlife deeds while ensuring the sustainability of businesses and the goodness of society at large (Basah & Tahir, 2019).

Knowing, it helps an individual to have appropriate wealth management planning. In Islam, managing and planning property is strongly encouraged and has even become necessary - particularly in situations where doing so is required of us. Islam permits us to give property to specific people through a will in this situation. Unfortunately, a lot of us believe that a will is unimportant (Ahmad, 2021). Although there are options and goods available on the market for Muslim estate planning, sadly, it was discovered that Muslims lack awareness, for instance, in the sense of *Wasiak* ownership and understanding. This makes it difficult for people to handle their estate plans effectively. (Kamarudin *et al.*, 2019).

As commented by Abd. Wahab *et al.* (2019) higher level of knowledge and proper wealth management among Muslims will lead to a higher preparation of Islamic will among people in a country. Both the government and the Islamic estate planning industry should have the main role emphasizing educating and inviting Muslims and non-Muslims to plan and manage their wealth starting from now. As reported by Said and Saad (2016), data in Malaysia shows that there are increasing numbers of unsettled estates from year to year. Consistent with the discussion, it is expected that Muslims who know about Islamic Estate Planning will be more likely to practice Islamic Estate Planning. Hence:

H_1 : Knowledge has a positive influence on practices of Islamic estate planning.

Attitude

In this study, attitude towards Islamic Estate Planning means how a Muslim evaluates as good or bad and it will impact their decision to practice Islamic Estate planning. Generally, the process of decision-making by individuals is influenced by their attitude toward objects, events or organizations. In the theory of planned behaviour, attitude is the most important factor or key variable in predicting behavioural intention (Ajzen, 1991). Ajzen (1991) defined attitude toward behaviour as one appraisal towards behaviour. The appraisal is separated into two. The first one is the good evaluation as it will give a positive evaluation towards behaviour, and the second is the bad evaluation which will give a negative perception towards behaviour.

Previous studies in various environments have confirmed that attitude affects behavioural intention significantly. Amin *et al.* (2010) found that attitude led to greater behavioural intention to use Islamic personal financing in Malaysia. Particularly, attitude and intention to use Islamic banking products are found to be positively related, implying that efforts to change or influence potential users' attitudes

through education and marketing campaigns may result in the willingness of Muslims and non-Muslims to choose Islamic banking products.

In other Islamic behavioural studies such as *halal* food and *halal* products (Alam & Sayuti, 2011; Lada *et al.* 2009) and *zakat* context (Idris *et al.*, 2012) also recognized that positive attitude significantly influences behavioural intention. Other studies by Malebana (2014) also found attitude significantly influences entrepreneurial behavioural intention. In information technology background, Mishra (2014); and Teo and Lee (2010) also found the same phenomena. Consistent with the discussion, it is expected that Muslim who has a positive attitude towards Islamic Estate Planning will be more likely to practice Islamic Estate Planning. Thus:

H₂: Attitude has a positive influence on practices of Islamic estate planning.

Religiosity

The religious value factor is expected to influence giving behaviour significantly. Religious value is an individual practice on Islamic matters. It includes obligatory *ibadah* (act of worship) such as obligatory prayers, paying *zakat*, fasting on the month of *Ramadhan* and going to *hajj* if capable. Other than that, is performing matters that are encouraged in Islam, for example, reading *al-Quran* and religious books. According to Idris *et al.* (2012), one would tend to do religious obedience if he was always involved in various religious activities. In addition, high religious values will affect intentions and behaviour related to observance claimed in religion (Idris *et al.*, 2012). Even though religious value is not an easy thing to measure, the religious factor should be tested as it is believed to play an important role in influencing Muslim behaviour (Idris *et al.*, 2012).

Johnson *et al.* (2001) defined religiosity as the extent to which an individual is committed to a religion, and he admitted that his teachings, such as attitudes and individual behaviour reflect that commitment. Holyk (2008) defined the term religiosity as the notion of individuals' actions that may be influenced by the extent of their religious knowledge and beliefs. Meanwhile, King and Williamson (2005) defined religiosity as the strength of one's connection to or conviction for their religion. One's connection is like a bond to the religion and conviction for their religion means belief in their religion.

Furthermore, Haron *et al.* (1994) found that Muslim consumers prefer to choose Islamic banking products compared to conventional products. The main role of Muslims is a religious obligation that influences individual behaviour to choose activities that do not contradict the *Shariah*. Religious factors have been reported as one of the important factors in influencing various behaviours, especially in Islamic environment behaviour. In the *zakat* compliance behaviour environment, religious values influence compliance behaviour significantly. Besides, Osman *et al.* (2015) also proved the significant relationship between religious factors and *waqf*-giving behaviour. In another study, Tang (2010) recognised that religious value significantly influences unethical behaviour. Consistent with all the above arguments, this study expects that Muslims who have a high degree of religious value will have a high tendency to do estate planning. Thus, this hypothesis is developed:

H₃: Religion has a positive influence on practices of Islamic estate planning.

Research Conceptual Framework

The research conceptual framework below is proposed based on the literature review and development of the hypothesis discussed in section 2. The model is illustrated in Figure 1. In this model, independent variables are expected to have a direct positive relationship with the dependent variable which is the Practices of Islamic Estate Planning. The independent variables include both internal factors which are knowledge, attitude and environmental Factors value influencing practices of Islamic Estate Planning. It is expected that practices of estate planning will be significant if all factors also have positive factors.

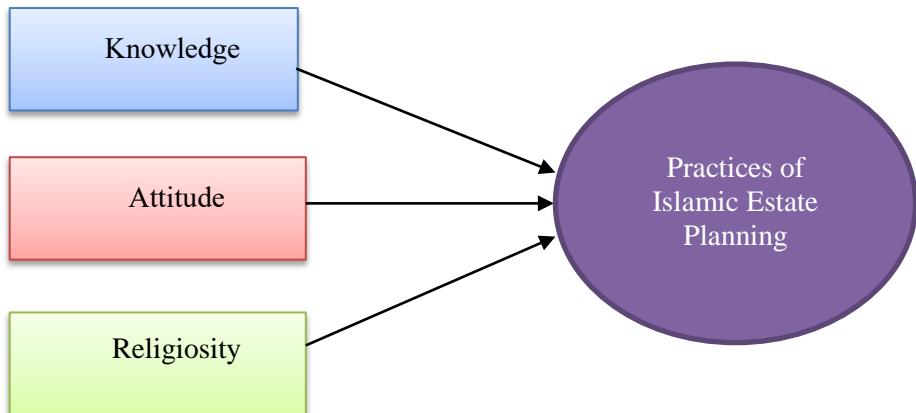


FIGURE 1: THEORETICAL FRAMEWORK

3. METHODOLOGY

Data Collection

In this study, the findings were then analysed using SPSS. A convenience sampling technique was utilised to access potential respondents. All the respondents were students in Islamic studies. A structured questionnaire was the main instrument used for data collection. The distribution of questionnaires was done within one month. A total of 150 copies of the questionnaire were distributed, out of which 145 copies were returned as correctly filled and usable. The data collected was analysed using descriptive statistics techniques.

Validity and Reliability

In this study, the "goodness of a measure" was attainable by using Cronbach's Alpha test where results nearer to 1 will deliver superior reliability from the internal consistency. Hence, a reliability lesser than 0.60 is reflected to be poor, then in a range of 0.70 is acceptable and a reliability which more than 0.80 is reflected as good. This will show that the data collected were reliable for the researchers to further assess the situation. As illustrated in Table 1, the results of applying Cronbach's alpha showed that all variables had a reliability coefficient above 0.80. This indicates that the questionnaire used in this study is suitable with high degrees of consistency for all variables.

TABLE 1: RESULT OF RELIABILITY ANALYSIS

Variable	Cronbach's Alpha
Knowledge	0.884
Attitude	0.917
Religiosity	0.837

4. FINDINGS AND DISCUSSION

Descriptive Analysis of the Respondents

Table 2 displays the respondent's data for this study. A total of 145 respondents' demographic profiles are shown in Table 2 below. Based on Table 2, the respondents in this research consisted of 110 respondents females (76%) and 35 males (24.1%). In terms of age, most of them are between 20-24 years old. Concerning education level, 145 respondents possess a bachelor's degree in *Muamalat* and *Halal*. As mentioned earlier in the methodology section, the targeted respondents are students who study in Islamic courses, therefore in this study most of the respondents have at

least a bachelor's degree and also study about the Islamic Estate Management sector which will have knowledge as well as more intention to do estate planning.

TABLE 2: DEMOGRAPHIC PROFILES

Variable	Total	Percentage
<i>Gender</i>		
Male	35	24.1
Female	110	75.9
<i>Age</i>		
20 - 23 years	131	80.3
24 - 25 years	14	9.65
Education Level (Course)		
<i>Halal</i>	45	31
<i>Muamalat</i>	100	68.97

Knowledge of Islamic Estate Planning

Table 3 shows the dependent variable of the knowledge of Islamic estate planning. There are 6 questions for these dependent variables. The highest mean is on the question "I'm sure I can prevent Malaysia's growing number of frozen estates by practising estate planning" which is 4.00. This indicated that most of the respondents agreed with this question. Meanwhile, the lowest mean for this variable is on the "I am aware that plans for inheritance must be made before death" which is 3.19.

TABLE 3: KNOWLEDGE OF ISLAMIC ESTATE PLANNING

Statement	Mean	Std. Deviation
I am aware that plans for inheritance must be made before death	3.19	1.18
I understand the significance of doing estate planning ahead of time	3.74	1.17
I know the estate planning process in general	3.99	0.63
I am familiar with estate planning instruments including trusts, <i>hibah</i> , and wills	3.39	0.81
I'm sure I can prevent Malaysia's growing number of frozen estates by practising estate planning	4.00	1.12
I may choose in my will a trustee company to serve as my executor or administrator	3.58	1.02

To interpret this section, it shows that the mean score of the fifth question is the highest of all the mean score = 4.00. The question asked if the respondent was sure that we can prevent Malaysia's growing number of frozen estates by practising estate planning and the results for this factor prove that some of the respondents involved in this study are confident that estate planning can reduce the problem of frozen property. Meanwhile, the lowest mean score is on the question "I am aware that plans for inheritance must be made before death" which means = 3.19. This suggests that part of the community still does not know the need and importance of doing property planning before their death.

Attitude of Islamic Estate Planning

Table 4 shows the independent variable of the attitude of Islamic estate planning. There are 4 questions for these independent variables. The highest mean is on the question "I have faith that the appointed executor will effectively administer the estate." which is 4.21. This indicated that most of the respondents agreed with this question. Meanwhile, the lowest mean for this variable is on the question "Ignoring estate planning will make the process of filing an estate claim more difficult" I have heard about *Waqf*" which is 3.60.

TABLE 4: ATTITUDE OF ISLAMIC ESTATE PLANNING

Statement	Mean	Std. Deviation
I have to plan my property shortly	3.77	0.99
A delayed attitude towards estate planning may result in a frozen estate	3.98	1.67
Ignoring estate planning will make the process of filing an estate claim more difficult	3.60	0.49
I have faith that the appointed executor will effectively administer the estate	4.21	0.74

Religiosity

Table 5 shows the dependent variable of the religiosity of Islamic estate planning. There are 7 questions for these dependent variables. The highest mean is on the question 1, 2, 3, 4 and 7 which is 5.00. This indicated that all respondents agreed with this question. Meanwhile, the lowest mean for this variable is on the “I always give Sadaqat/contribution to the needy” which is 4.0.

TABLE 5: RELIGIOSITY OF ISLAMIC ESTATE PLANNING

Statement	Mean	Std. Deviation
I always perform prayers five times a day	5.0	0
I fast during the month of <i>Ramadan</i>	5.0	0
I tried to follow the Islamic way of life in all things.	5.0	0
I pay <i>zakat</i> every year if I meet the criteria set.	5.0	0
I always read the Quran	4.02	0.80
I always give <i>sadaqat</i> /contribution to the needy.	4.0	1.00
I believe every good deed will be rewarded in the Hereafter.	5.0	0

5. IMPLICATION

Based on these findings, it is also emphasized that every individual must have a deep knowledge of Islamic estate planning from the beginning. This is because, as stated before, due to various factors, the delay in the administration of inheritance has had various negative implications for the property of Muslims in Malaysia. Since hibachi is one of the most effective ways to distribute property to family members or whoever desires it, the researcher believes that this practice should be practised because it can benefit the property management system for Muslims in Malaysia. Looking at the aspect where it is a gift during life, administrative problems such as those faced in the process of settlement of inheritance through the *faraid* system will also be avoided.

In addition, the government should encourage institutions related to estate planning to offer their services to the community, such as bank institutions, and *takaful* institutions that provide hibachi, waqf institutions, and so on. Therefore, the government and relevant authorities should cooperate with relevant institutions, for example, the government and *Takaful*. Institutions provide *Hibah* property contributions by forming clear advertising schemes and guidelines for all Muslims in Malaysia. This method will help increase people's awareness of the importance of preparing their property during life by making hibachi contributions to guarantee the lives of their wives, parents, children, and families in the future in the event of an unwanted calamity.

Besides, the community needs to instil awareness about the importance of making early plans regarding the distribution of property before death to prevent heirs from having to deal with the problem of managing the distribution of inheritance. The community also needs to be more aware of the knowledge and processes related to property planning and management. Through this, it will increase cooperation between the ARB and the community from the point of view of the administration of Muslim property and will even help facilitate and speed up the process of administration and management of Muslim property.

6. CONCLUSION AND FUTURE RESEARCH

This study was conducted to emphasize Islamic estate planning through a study of the level of understanding about Islamic estate planning among students in Islamic Studies at UiTM Shah Alam. The findings of the study show how far the knowledge of students about four elements in planning their estate during life has advanced: will (Waiya), hibachi (gift), endowment (waqf), and trustee. The findings also show that there are still more students who do not know about the estate planning that needs to be done during life to ensure that their property will be managed and distributed well to the beneficiaries of the property.

The obligation to plan property management should be done wisely and carefully because property is one of the most important aspects of life. It is one of the five objectives of Islamic law. Accordingly, in continuing this survival, property distribution planning is very important and should be emphasized. The practice of property planning and management is not just about collecting, managing, developing, and protecting property; the property and wealth owned must be ensured to be inherited as best as possible without causing difficulties and hardships to the heirs who deserve it.

The first limitation of the paper is that the best practices were developed based on a qualitative method. There is no evidence of its validity, which is a gap that can be explored in the future. Second, it involves the perceptions of two types of respondents (individuals and Islamic estate planning providers), which may be broadened to other related stakeholders such as regulators, in future studies. Future research on potential correlations between some of the independent variables could also be conducted to reveal other implications towards influencing the intention of undertaking Islamic home financing.

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