

The Relationship between Knowledge, Trust, Intention To Pay Zakah, and Zakah-Paying Behavior

by Ahmad Nurkhin

Submission date: 15-Mar-2019 11:18AM (UTC+0700)

Submission ID: 1093673974

File name: pay_zakat_and_zakat_paying_behavior_TRANSLATED_by_Adrian_1.docx (1,004.76K)

Word count: 2604

Character count: 14046

The Relationship between Knowledge, Trust, Intention To Pay *Zakah*, and *Zakah*-Paying Behavior

Abstract

5 The purpose of this study is to investigate the effect of knowledge and trust on intention to pay *zakah*. This study also tests the the effect of knowledge, trust, and intention to pay *zakah* on *zakah*-paying behavior. The population of the research comprises the employees of the Ministry of Religion, specifically in the Semarang municipal region. The method of data collection used is a questionnaire which has been developed from those used by previous researchers. Path analysis was used to analyze the data by using WarpPLs 6.0. The results show that knowledge and trust have a positive and significant effect on the employees' intention to pay *zakah* and their *zakah*-paying behavior. Intention to pay *zakah* has no impact of on *zakah*-paying behavior. Knowledge has a high positive effect on intention to pay *zakah* and *zakah*-paying behavior. This research suggests that *zakah* organizations should increase their trust by improving their performance and service quality. They should organize education and dissemination activities to improve *zakah* payers' knowledge.

Key words: knowledge, intention to pay *zakah*, trust, *zakah*-paying behavior

Introduction

Poverty is an important issue that demands attention. One of the efforts made to reduce poverty in Indonesia has been to even out the income inequality between those people who are capable and those who are disadvantaged (Canggih, Fikriyah, & Yasin, 2017). In Islamic studies, *zakah* (a kind of tithe) is an instrument of income equalization. *Zakah* is the third pillar of Islam that must be fulfilled with regard to one's wealth, the provisions of which are regulated by Koran; one of these is the word of God in *Surah Al Baqarah* verse 43 which reads: "Attend to your prayers, pay your *zakah*, and bow down before God with those who bow down".

Zakah is wealth that must be spent by Muslims or business entities by giving it to those who have the right to receive it in accordance with Islamic law. *Infak* is wealth given for general benefit by someone or a business entity aside from *zakah*. *Sadaqah* is assets or non-assets handed over by a person or business entity outside of *zakah* for the general benefit (*Zakah* Law No.23/2011 pertaining to Management of *Zakah*).

Payment of *zakah* is an obligation for a Muslim. Khasanah (2016) explains that *zakah* serves to redistribute wealth from the rich to the poor according to certain terms and conditions. The assets that are given have the function of cleansing and purifying the soul of its stingy and avaricious nature. Fakhruddin (2016) adds that *zakah* serves to help others by being channeled to those who are entitled to receive *zakah* (*mustahiq*). Thus, paying *zakah* is an obligation that must be fulfilled properly.

This phenomenon shows that *zakah*, which has not yet been optimally empowered, still has potential (BAZNAS, 2016). One reason is that there are still many *umma* (members

of the Islamic community) who have not complied in terms of paying *zakah*, especially professional *zakah*. This kind of *zakah* is paid out of income received by someone such as salary, wages, etc.

The factor making acceptance of *zakah* less than optimal in Indonesia is the lack of trust in institutions that manage *zakah*. *Zakah* management institutions in Indonesia are based on Law No.23/2011 pertaining to the Management of *Zakah*, and come in the form of appointed collectors such as BAZNAS (*Badan Amil Zakah Nasional* or National *Zakah* Collection Agency), LAZ (*Lembaga Amil Zakah* or *Zakah* Collection Institution) and UPZ (*Unit Pengumpul Zakah* or *Zakah* Collection Unit). Muslim communities in Indonesia are allowed to pay *zakah* through any *zakah* management institution. In reality, no small number of *zakah* management institutions are unprofessional in managing those *zakah* funds. This has caused public distrust of appointed *zakah* management institutions. In the end, the community often chooses to fulfill the obligation to pay *zakah* by way of distribution directly to the parties who are entitled to receive it.

Mubarok & Fanani (2014) outline several factors that are thought to influence the low realization of *zakah* collection in Indonesia. These factors include: people not fully trusting the appointed *zakah* collection institutions; and there are still many Muslims who do not understand how to calculate *zakah* or to whom the *zakah* is entrusted for distribution. Another factor is the weakness of the rules and institutional framework for *zakah* and the low efficiency and effectiveness of the utilization of *zakah* funds.

One theory that is often used to understand the way people act is the Theory of Planned Behavior (TPB) which was created by Azjen (1991). Heikal et al. (2014) use TPB to test factors that influence the intention to pay *zakah*. Azman & Bidin (2015) have also used TPB and find that intention to pay *zakah* is influenced by attitude, preferent group, religiosity, and perceived corporate credibility. Abashah et al. (2018) have used TPB and find a significant effect of attitude and subjectivity on *zakah*-paying behavior. Meanwhile, Tajuddin et al. (2015) find a significant effect of understanding on *zakah*, and of convenience of facilities, on *zakah* compliance behavior. Muhammad & Saad (2015) find a positive and significant effect of moral reasoning and attitude on intention to pay *zakah*.

This study aims to examine the relationship between knowledge and trust and *zakah*-paying behavior. TPB is used to understand the factors that influence the intention to pay *zakah* and the *zakah*-paying behavior. Structural models have been used to determine the relationship between these variables.

Development of Research Hypotheses

Effect of Knowledge on Intention to Pay Zakah and Zakah-paying Behavior

Knowledge is one of the factors determining the intention of the Muslim community (*umma*) in paying *zakah*. Rashid (2010) states that proper education is needed to increase people's knowledge and understanding so that they have a strong intention to pay *zakah*. Finally, the *umma* will be obedient in paying *zakah*. According to the TPB perspective, knowledge is an internal factor that will influence one's intention to carry out an action. Saad et al. (2015) also recommend dealing with knowledge as an internal factor that will

influence *zakah*-paying behavior. Syahrullah & Ulfah (2016) also argue that knowledge is an important factor that influences the *zakah*-paying behavior.

Huda & Gofur (2012) demonstrate that knowledge has a significant effect on the intention to pay the professional *zakah*. Mukhlis & Beik (2013), Sidiq (2015), Pangestu (2016), Fakhruddin (2016) and Sedjati et al. (2018) also find the same thing: knowledge is a significant predictor of *zakah*-paying behavior. Haji-Othman et al. (2018) find that the motivation to pay *zakah* includes knowledge about *zakah*. In addition, Saad & Haniffa (2014) state that decisions that influence individuals to pay or not pay *zakah* are not entirely related to intention. Afridiana et al. (2018) obtain different results and find no significant effect on the intention to pay *zakah*. The research hypotheses developed are as follows:

- H1a Knowledge has a positive and significant effect on Intention to Pay *Zakah*
- H1b Knowledge has a positive and significant effect on *Zakah*-Paying Behavior
- H1c Intention to Pay *Zakah* has a positive and significant effect on *Zakah*-Paying Behavior
- H1d Knowledge has a positive and significant effect on Paying *Zakah* Behavior through Intention to Pay *Zakah*

Effect of Trust on Intention to Pay *Zakah* and *Zakah*-paying Behavior

One of the factors that influences the low realization of *zakah* collection is trust in the institutions appointed to collect it (Mubarok & Fanani, 2014). The trust felt by those Muslim members of the community who are obliged to pay *zakah* (*muzakki*) is a strong determinant of the intention to pay and paying behavior. If an appointed *zakah* institution is able to demonstrate professionalism in managing *zakah* funds, the community will increasingly trust the institution. The community will fulfill the obligation to pay *zakah* through the appointed collection institution. The same opinion was also expressed by Liana (2018) that trust is a factor that can influence *zakah*-paying behavior. Bariyah (2010) shows a change in public trust in *zakah* management institutions because of the lack of information regarding *zakah* distribution.

Some researchers have shown empirical evidence that trust can influence the *zakah*-paying behavior including Sidiq (2105), Fakhruddin (2016), Yunus (2016), and Satrio & Siswanto (2016). Trust causes the *muzakki* to feel more comfortable because the *zakah* management institutions will manage the *zakah* funds as well as possible.

The research hypotheses developed are as follows:

- H2a Knowledge has a positive and significant effect on Intention to Pay *Zakah*
- H2b Knowledge has a positive and significant effect on *Zakah*-Paying Behavior
- H2c Intention to Pay *Zakah* has a positive and significant effect on *Zakah*-Paying Behavior through Intention to Pay *Zakah*

The research framework is shown in Figure 1 below. Knowledge and trust are determinants of intention to pay *zakah* and obedient *zakah*-paying behavior. Intention to pay *zakah* is a mediating variable.

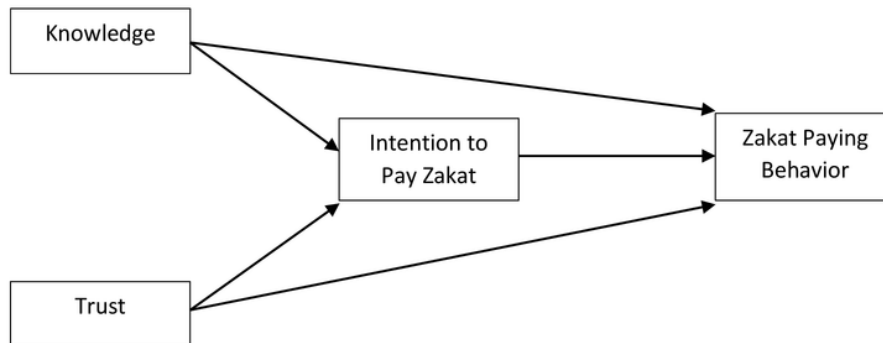


Figure 1. Conceptual Framework

Method

The population in this study is the *muzakki* working for the Ministry of Religion in the Semarang municipal area who are registered with the National *Zakah* Collection Agency (*Badan Amil Zakah Nasional* or BAZNAS). Determination of the sample in this study uses the non-probability sampling technique with a type of purposive sampling. The criteria in taking the sample are respondents who are employees of the Ministry of Religion Office in Semarang and of the Semarang Religious Affairs Office.

The research variables consist of knowledge, trust, intention to pay *zakah*, and *zakah*-paying behavior. Knowledge and trust are antecedent variables, while the intention to pay *zakah*, and *zakah*-paying behavior are the dependent variables. *Zakah*-paying behavior is measured using three indicators (namely awareness, obedience, and consistency). Intention to pay *zakah* is measured using four indicators (namely target, action, situation, and time). Indicators for the measurement of the knowledge variable are knowledge about professional *zakah*, professional *zakah* law, and the amount of professional *zakah* that must be paid. Meanwhile there are seven measurement indicators for the trust variable (namely openness, competency, honesty, integrity, accountability, sharing, and appreciation).

The data collection method used is a questionnaire using a 5-point Likert scale which has been developed based on the opinions of previous researchers. For the Knowledge variable there are 9 statements; the trust variable has 11 statements, and the intention to pay *zakah* and *zakah*-paying behavior variables have 4 statements.

The data analysis method used is path analysis. Data are processed using WarpPLS software to test the structural relationships between variables. Data analysis is also carried out by describing variables.

Results and Discussion

WarpPLS software version 6.0 has been used to analyze the data. The test results show the value of the composite reliability coefficients of the knowledge, trust, intention to pay *zakah*, and paying behavior *zakah* variable are 0.716, 0.762, 0.920, 0.821. Meanwhile, the value of Cronbach's alpha coefficients of the knowledge, trust, intention to pay *zakah*, and *zakah*-paying behavior variables are 0.564, 0.663, 0.884, and 0.707. Thus, it can be stated that the research instrument has met the requirements in terms of validity and reliability.

The model test results are as follows. The average path coefficient (APC)=0.307, $P < 0.001$. Average R-squared (ARS)=0.500, $P < 0.001$. Average adjusted R-squared (AARS)=0.500, $P < 0.001$. The value P from APC, ARS, and AARS is less than 0.001 which means the model is fit (i.e. meets the requirements) so hypothesis testing can be continued. Other results show that the average block VIF (AVIF)=1.761, acceptable if ≤ 5 , ideally ≤ 3.3 . Average full collinearity VIF (AFVIF)=2.464, acceptable if ≤ 5 , ideally ≤ 3.3 . AVIF and AFVIF values also meet the ideal limit so the model can be declared fit (i.e. meets the requirements).

Path Analysis and Hypothesis Testing Results

Figure 2 shows the results of the path analysis and hypothesis testing. The first model, with intention to pay *zakah* (IPZ) as the dependent variable, shows that the probability value of the knowledge variable (KNOW) is less than 0.01 with a coefficient of 0.03. This means that the knowledge variable is proven to have a positive and significant influence on intention to pay *zakah*. The probability value of the trust variable is less than 0.01 with a coefficient of 0.28 which means that the trust variable has a positive and significant effect on intention to pay *zakah*. The results of this study show that knowledge has a coefficient greater than trust which means its influence is stronger.

The next result of this study is about *zakah*-paying behavior as a dependent variable. The probability value of the knowledge variable is less than 0.01 with a coefficient of 0.57 which means that knowledge has a positive and significant effect on *zakah*-paying behavior. The probability value of the trust variable is less than 0.01 with a coefficient of 0.36, which means that the trust variable is proven to have a positive and significant effect on the *zakah*-paying behavior. Meanwhile, the probability value of the intention to pay *zakah* variable is 0.48 or more than 0.05 and means intention to pay *zakah* is not proven to have a significant effect on *zakah*-paying behavior. The results of the study show that knowledge has a coefficient greater than trust which means its influence is stronger.

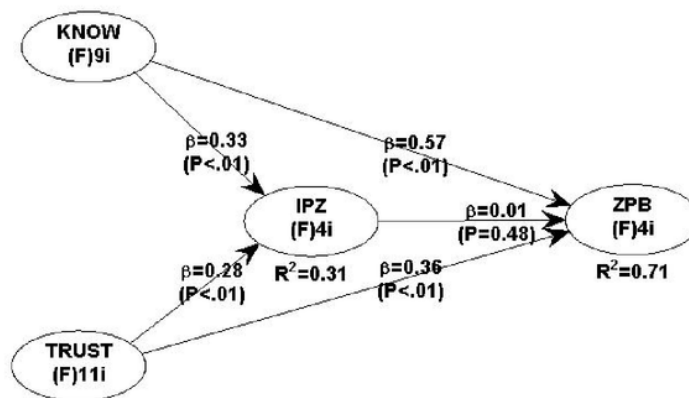


Figure 2. Path Analysis

Effect of Knowledge on Intention to Pay Zakah and Zakah-paying Behavior

The results show that knowledge is demonstrated as having a positive and significant effect on intention to pay zakah and zakah-paying behavior. The influence is also stronger than the trust variable. This shows that knowledge is very important in influencing someone to intend to pay zakah and to make regular zakah payments. Someone having better knowledge about zakah will increase their intention to pay zakah. And the person will carry out these obligations continuously.

The results of this study are in line with findings of previous researchers who have succeeded in finding that knowledge has a significant effect on intention to pay zakah (Huda & Gofur, 2012; Muhklis & Beik, 2013; Sidiq, 2015; Fakhruddin, 2016; Sedjati et al., 2018; Hajj-Othman et al., 2018) and knowledge has a significant effect on zakah-paying behavior (Saad et al., 2015; Syahrullah & Ulfah, 2016).

Effect of Trust on Intention to Pay Zakah and Zakah-paying Behavior

A person's belief in something will affect his or her intention to act. The results show that public trust in appointed zakah-collection institutions has been demonstrated to have a significant effect on his or her intention to pay zakah. This trust also influences the community to continue to pay zakah regularly. The trust of the muzaki community must be maintained properly by the appointed zakah-collection institutions. The results of this study are in line with the opinion of Liana (2018) which states that trust is a factor that can influence the zakah-paying behavior. Sidiq (2105), Fakhruddin (2016), Yunus (2016), and Satrio & Siswanto (2016) find empirical evidence that trust can be a significant predictor of zakah-paying behavior.

Effect of Intention to Pay Zakah on Zakah-paying Behavior

TPB explains that people's behavior is influenced by their intentions. That is to say, someone will do something if he or she intends to do it. This study has not succeeded in

demonstrating the effect of intention to pay *zakah* on *zakah*-paying behavior. This is probably due to the payment of *zakah* being an obligation for a Muslim. Meaning, whether or not there is intention, *zakah* payments must still be made.

Conclusion

Intention to pay *zakah* and *zakah*-paying behavior can be understood in terms of the knowledge and trust of *zakah* payers (*muzakki*). Knowledge has a stronger influence than trust. The knowledge of *muzakki* must be improved so that the intention to pay *zakah* will increase. The appointed *zakah*-collection institutions can organize activities to disseminate information or provide education for *muzakki* to increase their knowledge about *zakah*.

The Relationship between Knowledge, Trust, Intention To Pay Zakah, and Zakah-Paying Behavior

ORIGINALITY REPORT

11%	7%	10%	4%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

PRIMARY SOURCES

1	collections.plymouth.ac.uk Internet Source	2%
2	Caturida Meiwanto Doktoralina, Zakaria Bahari. "The Relationship between Income Household and Intention to Pay Zakat on Income among Indonesian Academicians", Mediterranean Journal of Social Sciences, 2017 Publication	1%
3	Submitted to Universiti Malaysia Perlis Student Paper	1%
4	José Roberto Díaz-Reza, Jorge Luis García-Alcaraz, Valeria Martínez-Loya. "Impact Analysis of Total Productive Maintenance", Springer Nature America, Inc, 2019 Publication	1%
5	eprints.perbanas.ac.id Internet Source	1%
6	Gabe, T. M., and J. R. Abel. "Specialized knowledge and the geographic concentration of	1%

occupations", Journal of Economic Geography, 2012.

Publication

-
- | | | |
|---|--|----|
| 7 | Maizaitulaidawati Md Husin, Asmak Ab Rahman. "Do Muslims intend to participate in Islamic insurance?", Journal of Islamic Accounting and Business Research, 2016 | 1% |
|---|--|----|
- Publication
-
- | | | |
|---|---|----|
| 8 | Submitted to Symbiosis International University | 1% |
|---|---|----|
- Student Paper
-
- | | | |
|---|--|----|
| 9 | digilib.unila.ac.id | 1% |
|---|--|----|
- Internet Source
-
- | | | |
|----|---|-----|
| 10 | Chulmo Koo, Namho Chung. "Examining the eco-technological knowledge of Smart Green IT adoption behavior: A self-determination perspective", Technological Forecasting and Social Change, 2014 | <1% |
|----|---|-----|
- Publication
-
- | | | |
|----|---|-----|
| 11 | D. V. R. Poosha. "Family resemblance for cranio-facial measurements in Velanti Brahmins from Andhra Pradesh, India", American Journal of Physical Anthropology, 09/1984 | <1% |
|----|---|-----|
- Publication
-
- | | | |
|----|---|-----|
| 12 | Vicente Coll-Serrano, Cristina Pardo-García, Pedro J. Pérez. "Teaching-learning methods | <1% |
|----|---|-----|

and their effect on professional development and the development of graduates' competencias / Métodos de enseñanza-aprendizaje y su efecto en el desarrollo profesional y competencial de los egresados", *Cultura y Educación*, 2018

Publication

13

businessperspectives.org

Internet Source

<1%

14

Rasoolimanesh, S. Mostafa, Mastura Jaafar, A. Ghafar Ahmad, and Rabeeh Barghi.

"Community participation in World Heritage Site conservation and tourism development", *Tourism Management*, 2017.

Publication

<1%

Exclude quotes Off

Exclude matches < 4 words

Exclude bibliography On