

FACTORS DETERMINING THE PARTICIPATION OF PENANG MUSLIMS IN CASH WAQF: THE MANAGEMENT PERSPECTIVES

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Abstract

Cash waqf started in Penang since 1994. For more than ten years offered, the total amount of cash waqf collections by Penang Islamic Religious Councils (PIRC) showed inconsistent trend until 2007 but from the year of 2008 up to 2015, the total amount of cash waqf collections showed an increasing trend. This situation raises the question of how the amount of cash waqf collection started to increase in 2008 and from the management point of view, what are the factors behind. This paper aims to achieve two objectives. Firstly, to identify the factors determining the participation of Penang Muslims in cash waqf from the waqf management perspectives. Secondly, to analyze the factors determining the participation of Penang Muslims in cash waqf from the waqf management perspectives. This study was conducted through semi-structured interview with the management of cash waqf section of PIRC. The data collected then were analyzed using qualitative content analysis. There are four factors in determining the participation of Penang Muslim society in cash waqf from the perspectives of PIRC waqf management, which are the sin, reward, convenience and promotion. The analysis then found convenient factor through monthly salary deduction has contributed to the increase of cash waqf collections in Penang.

Keywords: cash waqf, Penang, management perspectives

INTRODUCTION

Nowadays, other than in the form of permanent waqf such as land and houses, there is also waqf in the form of fund collection using movable properties. It is a collection of money collected for the purpose of waqf in the name of charity according to Islamic law. If the purpose of the collection is stated, it is called specific waqf but when there is no purpose stated, it is called general waqf. Even though waqf in the form of fund is not popular in the present society, few states have already implemented it, such as Perak, Penang, Johor, Selangor, Pahang, Melaka and Negeri Sembilan (Mahamood, 2007).

Cash waqf application in Penang started since 1994. Although it started early, the development of cash waqf in Penang is very slow and not consistent throughout the year (Abdullah, 2009). Table 1 shows the total cash waqf collection of PIRC from the year 1995 to 2015.

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Table 1: Total Cash Waqf Collection from Year 1995 – 2015

Year	Cash Waqf Collection (RM)
1995 - 1999	711,511.91
2000	39,287.65
2001	159,737.80
2002	7,353.00
2003	34,118.39
2004	5,306.12
2005	464,148.76
2006	37,608.65
2007	13,671.65
2008	51,177.23
2009	76,169.00
2010	112,586.91
2011	120,427.44
2012	104,770.29
2013	127,377.00
2014	783,480.95
2015	3,685,150.46

Source: *Bahagian Wakaf, Majlis Agama Islam Negeri Pulau Pinang*

Based on Table 1, from the year 1995 until 2015, the total cash waqf collection in Penang is inconsistent. Starting with RM711, 511.91 in 1995 until 1999, the total cash waqf recorded has increased until 2001. In 2002, the collection of cash waqf was just RM7, 350.00. A significant drop from RM159, 737.80 in the previous year. It then recorded a small increase in 2003 before declining again in 2004. In 2005, PIRC launched the cash waqf funds in Penang. Through the launch, PIRC recorded the highest cash waqf fundraising with the total of RM464, 148.76 in 2005. However, the development of cash waqf collection is not continuous, and the collection of cash waqf continued to show inconsistency until 2007. Apparently, starting from 2008, the collection of cash waqf showed increment until the year 2015.

Based on that situation, hence, this research was carried out to identify the factors that contribute to the participation of Penang Muslims in cash waqf from the management perspective. The organization of the paper is as follows, the second section discusses on the past studies conducted in the area of cash waqf giving behaviour. The third section focuses on the methodology employed in this study. The fourth and fifth section provides the detailed information on the discussion of the findings and the conclusion of the paper respectively.

PAST STUDY

There were a lot of studies done on cash waqf but research done on the behavioural aspect of cash waqf is still limited. Among the research done were by Osman, Htay and Muhammad (2012), Yusof, Ab. Azizi and Johari (2013), Osman (2014), Allah Pithcay, Mydin Meera and Saleem (2015), Mokthar (2015), Chairul Anam (2015) as well Zulkiflee, Wahid and Ahmad (2015).

The studies on the determinants of cash waqf giving were done by Osman et al. (2012), Yusof et al. (2013), Zulkiflee et al. (2015) and Chairul Anam (2015). The researches done by Osman et al. (2012) and Chairul Anam (2015) were through the review of past studies on cash waqf determinants. Meanwhile, the field work researches done by Yusof, et al. (2013) and Zulkiflee et al. (2015). The researches by Osman et al. (2012) found a few determinants of cash waqf giving in Malaysia including religiosity, understanding of waqf, trust, efficient management and tax exemption. For Chairul Anam (2015), three factors were pointed out which are the level of religiosity, the level of individual trust on waqf institution and the efficiency of waqf management institution.

The research conducted by Yusof et al. (2013) showed that the level of income does not affect the Muslim's willingness to contribute to the waqf Islamic Bank. In truth, the lack of knowledge regarding waqf and lack of trust on the agent who collected the cash waqf fund are the reasons why Muslim's do not want to participate in cash waqf. Zulkiflee et al. (2015) later looked on the promotion and knowledge in raising the public's awareness to engage in cash waqf in Besut, Terengganu. The study found that both factors were positively related towards the realization of cash waqf.

Research on behavioural intention in cash waqf was done by Osman (2014), Allah Pithcay et al. (2015) and Mokthar (2015). However, all these three types of research used different theoretical approach. Osman (2014) used the theory of planned behavior while Allah Pithcay et al. (2015) used the theory of reasoned action and Mokthar (2015) is using the Islamic-based behavioural intention concept. The study conducted by Osman (2014), was among the young intellectuals at the International Islamic University (IIUM) and it was found that the attitude, perceived behavioural control and the subjective norm are the most influential factors on the intention to cash waqf. The addition of the religious factor, however, showed less effect on the intention to cash waqf with 10 percent degree of significant.

Meanwhile, Allah Pithcay et al. (2015) found a significant relationship between the attitude and the subjective norms towards the intention to contribute to cash waqf through salary deduction among Muslim workers in the Klang Valley. Meanwhile, Mokthar (2015) discovered the power of intrinsic and extrinsic factors' influence on the intention to present cash waqf exceeds the power factor of religious adherence that is only significant at a 10 percent significance level. While the test of the dimensions showed that the dimension of religious adherence, understanding, generosity, recommendations and service delivery have a significant effect on the intention to participate in cash waqf among the Muslims in Penang.

In general, these studies were carried out from the customer's perspective, and a few factors were identified to have influenced people to perform cash waqf. However the views of cash waqf management on factors to have influenced people to perform cash waqf has never been discussed. This paper will got the views of the management of cash waqf itself on the factors that influence the Muslims in Penang to participate in cash waqf giving.

METHODOLOGY

This research employed a qualitative research method. According to Cresswell (2009:4), qualitative research is to explore and understand the meaning of individuals or group in a particular social or human problem. The process of qualitative research involves the setup of questions and procedure, data collected in the respondent's setting; data analysis inductively from particulars to a general theme and the researcher making interpretations of the meaning of data. There are various strategies for the qualitative research design that can be used to execute this research. This research used the case study approach. Stake (1995) explained a case study is a strategy of inquiry where researcher explores in depth such as a program, activity, process or one or more people. The present study gathered information through semi-structured interviews from the expert, e.g. the Head of Penang Waqf Section. This study employed qualitative content analysis as data analysis technique. This method involves the researcher collecting qualitative data, analyze it by forming themes or perspectives and reporting (Cresswell, 2009:184). The data from informant are transcribed and coded into themes assigned by the researcher.

FACTORS DETERMINING THE PARTICIPATION OF PENANG MUSLIMS IN CASH WAQF

Based on the interview done with the informant, the first factor that affects an individual to perform cash waqf is sin. It is because, they may perform cash waqf to eliminate all their sin.

They want to donate their properties to get rid of old sins. (Personal communication, July 25, 2016)

This happened when people are aware of themselves for not being a good servant to Allah SWT. So, they want to eliminate the sins that they have done by donating their properties especially the elderly who are not married and do not have any heirs.

He can give because he is not married; He doesn't have any children. Rather than leaving his properties hanging, it is better for him to do good while he can. (Personal communication, July 25, 2016)

Apart from sins, people also perform cash waqf to get rewards. It is because they believe their donation will become the supply of good deeds in the hereafter.

He wants reward from the money he gave because he can get the reward (Pahala) by doing so. (Personal communication, July 25, 2016)

Other than these two factors, convenience may also influence the performance of cash waqf among Muslim in Penang.

His intention of doing that may due to the fact that is it rather easy to do so. (Personal communication, July 25, 2016)

The convenience meant was that cash waqf is much easier to do compared to the permanent form of waqf. With that, people who do not have permanent properties such as land or house can also have their chance to do waqf with cash. Hence, there is a salary deduction scheme provided to make it much easier for people to perform cash waqf.

The last factor influencing the participation of Penang Muslims in cash waqf is promotion.

Actually, in reality, people do not just sit there, and suddenly he wants to perform cash waqf unless there are efforts in explaining and understanding. (Personal communication, July 25, 2016)

Through the promotion, people will get the information about cash waqf that helps to give understanding either in the form of awareness of the existence of cash waqf, the method to perform cash waqf also present the advantages of the cash waqf. In such a way, it increases the knowledge and awareness on cash waqf among Penang Muslims.

From the discussion, there are four factors highlighted by the Penang waqf management which influenced the participation of Penang Muslims in cash waqf. Those factors are; to eliminate the sin, to get rewarded, easy to perform and they have information regarding cash waqf.

ANALYSIS OF THE FACTORS DETERMINING THE PARTICIPATION OF PENANG MUSLIMS IN CASH WAQF

From the above discussion, there are four factors that have been identified to influence the participation of Penang Muslims in cash waqf giving. All the factors are summarised in Table 2.

Table 2: Summary of Factors

No.	Factors	Meaning
1	Sin	To eliminate the sin (<i>dosa</i>)
2	Reward	To get rewarded (<i>pahala</i>)
3	Convenience	Easier to perform than permanent waqf
4	Promotion	Medium to inform people

Table 2 shows the four factors that influence the participation of Penang Muslims in cash waqf and the meaning of each of these factors based on the Penang waqf management's views. Sin's influenced the Penang Muslims to participate in cash waqf giving behaviour is because they want to eliminate their sins as they believe by donating their property, it is expected to eliminate the sins they have committed. Apart from eliminating the sin, Penang Muslims participated in cash waqf also because they want the reward (*Pahala*) as it is promised by Allah SWT.

However, sin and reward as a factor has never been found in any literature of cash waqf giving or charitable giving yet, but it might come under the general term of religiosity. Md Idris, Bidin and Saad (2012) identified Islamic Religiosity Measurement in three dimensions which are optional religious worship, believe in Allah's reward and believe in Allah's Punishment. Basically, the sin and reward factor found in this paper are dimensions of Islamic religiosity measurement. Religiosity has been used to determine its relationship with cash waqf giving behaviour and showed a positive relationship. Research by Osman, Mohammed and Fadzil (2016) and Osman, Mohammed and Amin (2014) found a positive relationship between religiosity and cash waqf giving behaviour. This indicates Muslims with strong *iman* believe in Allah SWT rewards on those who give (*infaq*) their wealth in the way of Allah SWT, they will receive Allah's blessings and reward and will increase the motivation of the individual Muslim donors to participate in cash waqf giving. In a different context, the effect of religiosity is found to be consistent with the previous study in giving behaviour contexts such as Opoku (2013) and Lwin, Phau and Lim (2013).

Convenience is defined as a factor that makes cash waqf so much easier to perform. In that context, it refers to the channel provided for cash waqf contribution. In Penang, there are lots of channels to perform cash waqf such as monthly salary deduction, online banking, PIRC office counter, mobile counters, and postage. The management of waqf in PIRC sees these factors to contribute to the increase of cash waqf contribution in Penang, especially through monthly salary deduction. The monthly salary deduction was introduced in the year 2006 and since then, the amount of cash waqf collection in Penang started to increase (Suhaimi, 2011). This finding supported Wahid, Mohd Noor and Ahmad (2005) who did the research on zakat compliance identifying factors such as location and facility to highly influent zakat compliance behaviour. Saad, Bidin, Md Idris and Md Husin (2010) also suggested that zakat management needs to provide a different channel to ease the zakat payment in developing a positive perception that will increase the intention to pay zakat. In the context of cash waqf, the effect of channels to perform cash waqf has only been discussed by Osman et al. (2016). However, the research focuses on service quality, but not whether if the service provided influences the participation in cash waqf.

Promotion and marketing are one of the ways to inform the public about something. In this context, it is to inform the public about what is cash waqf. People need to know about cash waqf because the level of knowledge on cash waqf among Malaysian is too narrow. Their understanding is only limited to buildings, mosque and graveyard as waqf. (Mohsin, 2009; Zulkiflee et al., 2015). This is because of the lack of promotion has made the people to have less exposure on the information related to cash waqf (Zulkiflee et al., 2015). For Penang's case, it is stated by Haron, Kamarudin, Muhamad Fauzi, Mhmd Ariff and Zainuddin (2016) that there is lack of promotion done by PIRC to promote cash waqf in Penang from the year 2006, 2007 and 2012. This has resulted in the declination of cash waqf collection for the respective years. This proved that if the promotion is done, the amount of cash waqf collection will increase.

All these four factors are influencing the Penang Muslims to participate in cash waqf. Based on the previous studies conducted on Penang cash waqf revealed that salary deduction has contributed towards a better collection of cash waqf especially from the year 2006 until 2009. According to Suhaimi (2011), monthly salary deduction has stimulated the increase of

cash waqf collection from the year 2006 until 2009. This is due to the efficiency of monthly salary deduction scheme in lessening the time of donors to perform cash waqf manually through counters. Another reason is the promotion from the government department that has given the opportunity for the government staff to participate when there is a salary deduction code that was already prepared by the PIRC for the state government and *Jabatan Akauntan Negara*. Also, people who participate in cash waqf through monthly salary deduction are also eligible for tax exemption under section 44(6) *Akta Cukai Pendapatan* 1967. This explains why a large number of contributions in the year 2009 come from the staffs of the state and federal public sector in Penang.

CONCLUSION

Present study identifies four factors that determine the participation of Penang Muslims in cash waqf. The factors are sin, reward, convenience and promotion and marketing. The major finding of this study is by making cash waqf giving process less time-consuming and easier will increase cash waqf participation as well cash waqf fund collection. So, it is appropriate for the PIRC to focus more on providing different channels to ease cash waqf participation especially monthly salary deduction. This situation shows that Penang Islamic Religious Council has portrayed a good image and perception towards the effectiveness and efficiency of the waqf institution. Compared to a few years back, the collection of cash waqf has increased tremendously showing that the efforts undertaken are working.

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