

## ONLINE WAQF ACCEPTANCE AND DETERMINANT FACTORS

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### ABSTRACT

*This research explores the factors influencing the acceptance of online waqf in Islamic banking institutions. The survey involved 230 Muslim respondents among Universiti Utara Malaysia, College of Business (UUM COB) staffs. Descriptive statistics analysis is used to describe the profile of the respondents and level of the variables. Issues discussed were: i. Level of online waqf acceptance and determinant factors, ii. The differences between demographic factors and online waqf acceptance, iii. The differences between gender and online waqf acceptance, iv. The differences between position in the university and online waqf acceptance, v. The difference between age and online waqf acceptance, vi. The differences between highest education level and online waqf acceptance, vii. The differences between monthly income and online waqf acceptance and, viii. The differences between working period and online waqf acceptance. The results showed that four variables are positively correlated with the acceptance of online waqf at 95% and 99% of confidence level. The results of this study indicate that there are no significant difference between gender, highest education level, position in the university, monthly income and working period and, online waqf acceptance in Islamic banking institutions. There is significant difference between age and online waqf acceptance. Therefore, understanding what influences users to accept and use online waqf can be beneficial to banks, system developers and marketing practitioners in developing and marketing online waqf services that will be acceptable by the target market. Other than that, this study also propagate valuable insights for Islamic banking institutions to introduce online waqf in the future where the factors analyzed could be used as a guideline for better planning and implementation of online waqf.*

Keywords: Online waqf, Adoption, Technology Acceptance Model (TAM), Islamic Banking Institutions.

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### 1. INTRODUCTION

According to Kahf (1998), a *waqf* is an act of holding certain property and preserving it for the confined benefit of certain philanthropy that disallows any use or disposition of it outside the specific objective. *Waqf* applies to non-perishable property, the benefit of which can be extracted without consuming the property itself (Toraman et al., 2004).

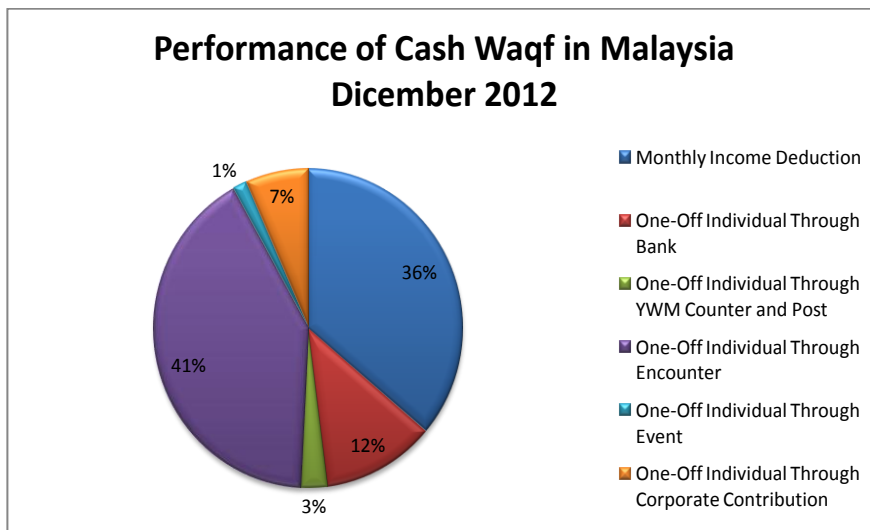
Becoming in development of the technology, *waqf* institutions are not left behind to face new challenges in the area of globalization, accordance to Islamic scholar with the viewpoint and opinions. With the development of this technology, each *waqf* institution in Malaysia expected to improve wealth redistribution among Muslims from year by year through Islamic banking institutions. This systems was developed as to give the customer facility to the contribute *waqf* easily.

As we know, the contribution of *waqf* has been changed according to the level of technological rather than going to the *waqf* counter nearby or just via the online or better known as *e-waqf*. The online *waqf* has function itself, the researcher will stress on *Waqf* contribution through online in Islamic banking institutions.

For example, Yayasan Wakaf Malaysia (YWM) through Bank Islam Malaysia Berhad (BIMB), Maybank Islamic Berhad, AmIslamic Bank, Hong Leong Islamic Bank, Public Islamic Bank Berhad, RHB Islamic Bank and also Kuwait Finance House respectively, has made it possible to contribute to the *waqf* fund by using internet banking (Buletin YWM, 2013). This is because, the development of technology has changed people's perception toward *waqf*. The utilization of technology has

facilitated the implementation of *waqf* in a more user friendly manner. Moreover, refer to YWM, the performance of cash *waqf* contribution in Malaysia through Islamic banks quite good as shown in Figure 1.1. The customers can make their contribution through Cash Deposit Machine or direct transfer to any account bank like.

Figure 1.1: Performance of Cash Waqf in Malaysia December 2012



Source: Buletin Yayasan Wakaf Malaysia (YWM), 2012

As time passed by, as mention before, *waqf* has been emerged from land *waqf*, cash *waqf* and recently to an online *waqf*. According to Amin et al. (2014), online *waqf* is generally referred as *Muslims'* donation in the form of cash that is performed via electronic means (e.g. Internet banking facilities). If it is offered through internet banking facilities, online *waqf* is therefore viewed as one of the services provided by Islamic banks. Online *waqf* is particularly not yet fully implemented in a Malaysia context. However, online *waqf* has been established as a viable solution to improve wealth redistribution amongst Muslims in Kuwait and extends its applicability to a Malaysia context. The term Muslims refer to individuals who believe and follow the religion of Islam. Nonetheless, online *waqf* contribution to society at large is still at infancy stage and the supports by all parties are necessary to make it feasible at the national level. However, Maybank Islamic bank is the first financial institution in Malaysia to offer such an integrated *waqf* solution to customers under community-giving initiative that allows customers to place deposits as *waqf* contribution (Maybank2u website, accessed in Mei 29, 2014).

The research problem in this study is to identify the customer's acceptance of online *waqf* contribution. The researcher wants to explore the factors that influencing the acceptance of online *waqf* in Islamic banking institutions. This is because, many of Islamic banking institutions in Malaysia such as BIMB, Bank Muamalat Malaysia Berhad (BMMB) and CIMB Islamic Bank have implemented internet banking services but they are not yet in place to fully implement online *waqf* in their existing facilities of internet banking services (Amin et al., 2014).

### Respondents' Profile

The respondents profile was analyzed by using descriptive statistics analysis. Descriptive statistics is conducted to explore the data and describes the observations or an interview of the sample data collected. As shown in the table below, the profile of the respondents covers the aspect of gender, marital status, age, highest education level, position in university, monthly income and working period.

Items	Category	Frequency	Percentage
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		(N=230)	(%)
Gender	Male	90	39.1
	Female	140	60.9
Marital status	Single	46	20.0
	Married	178	77.4
	Divorce	6	2.6
Age	30 years and below	59	25.7
	31-40 years	71	30.9
	41-50 years	76	33.0
	51 years and above	24	10.4
Highest Education Levels	SPM	39	17.0
	STPM/Sijil/Diploma	30	13.0
	Degree	32	13.9
	Master	58	25.2
	PhD	71	30.9
Positions in university	Academician	138	60.0
	Non-academician	92	40.0
Monthly Income	RM 900 and below	8	3.5
	RM 1,000-RM 2,999	91	39.6
	RM 3,000-RM 5,999	63	27.4
	RM 6,000-RM 9,999	55	23.9
	RM 10,000 and above	13	5.7
Working Period	below 5 years	53	23.0
	6-10 years	60	26.1
	11-15 years	51	22.2
	16-20 years	30	13.0
	more than 21 years	36	15.7

#### 4.3 Level of Online *Waqf* Acceptance and Determinant Factors

Table 4.2 shows overall the mean scores for all the 30 items show a high positive mean value ranging from 2.50 to 4.43. All variables were measured on a 5 point Likert Scale. The level of online *waqf* acceptance is quite high where mean value is 4.20. This shows that the consumers generally have higher intention to accept online *waqf*. However, it depends on the independent variables that have a high agreement towards online *waqf* acceptance.

Table 4.2:  
*Level of Online Waqf Acceptance and Determinant Factors*

Variable	Mean	Std. Deviation
Online <i>Waqf</i> Acceptance	4.20	0.42
Perceived Usefulness	4.17	0.43
Perceived Ease of Use	3.97	0.53
Perceived Religiosity	4.43	0.46
Perceived Self-Efficacy	3.89	0.56
Amount of Information	2.50	0.87

#### 4.4 The differences between Demographic Factors and Online *Waqf* Acceptance

In order to test the first research questions, whether there are any differences between respondent's demographic profiles (gender, age, highest education levels, position in university, monthly income and working period) and online *waqf* acceptance in Islamic banking institution. The test of differences was conducted through Independent Sample T-Test and One-Way ANOVA to analyze the Hypotheses One (H1).

Independent Sample T-Test analysis is conducted to test the Hypothesis One in terms of gender and position in university. Meanwhile, One-Way ANOVA is used to examine the significant difference between demographic factors that have more than two groups with online *waqf* acceptance. There are four hypotheses that had been analyzed based on age, highest education level, monthly income and working period.

#### 4.4.1 The difference between Gender and Online Waqf Acceptance

Independent Sample T-Test analysis is conducted to test null hypothesis one ( $H_01a$ ) in terms of gender which is as follows:

$H_01a$ : There is no significant difference between gender and online *waqf* acceptance

$H_a1a$ : There is a significant difference between gender and online *waqf* acceptance

Table 4.3 presents the results from Independent Sample T-Test analysis in terms of gender.

Table 4.3: The Difference between Gender and Online Waqf Acceptance

Gender	Mean	Std. Deviation	t-value	Sig.
Male	4.20	0.40	0.46	0.65
Female	4.18	0.43		

The results from Table 4.3 indicate that the difference of mean and standard deviation between male and female towards online *waqf* acceptance are relatively small. The mean difference is only 0.02. Independent Sample T-Test found that the t-value is 0.46 and its greater than the acceptable level of 0.05, therefore the null hypothesis is failed to reject. Hence, the finding concludes that there is no significant difference between male and female and online *waqf* acceptance.

#### 4.4.2 The difference between Position in University and Online Waqf Acceptance

Independent Sample T-Test analysis is conducted to test null hypothesis one ( $H_01b$ ) in terms of position in university which is as follows:

$H_01a$ : There is no significant difference between position in university and online *waqf* acceptance

$H_a1a$ : There is a significant difference between position in university and online *waqf* acceptance

Table 4.4 presents the results from Independent Sample T-Test analysis in terms of position in university.

Table 4.4: The difference between Positions in University and Online Waqf Acceptance

The results from Table 4.4 indicate that the difference of mean and standard deviation between academician and non-

Position in UUM	Mean	Std. Deviation	t-value	Sig.
Academician	4.20	0.42	0.65	0.51
Non-academician	4.17	0.41		

academician and online *waqf* acceptance are relatively small. Independent Sample T-Test found that the t-value is 0.46 and its greater than the acceptable level of 0.05, therefore the null hypothesis is failed to reject. Hence, the finding concludes that there is no significant difference between male and female and online *waqf* acceptance.

#### 4.4.3 The Difference between Age and Online Waqf Acceptance

One-Way ANOVA analysis is conducted to test null hypothesis one ( $H_01c$ ) in terms of age which is as follows:

$H_01c$ : There is no significant difference between ages and online *waqf* acceptance

$H_a1c$ : There is a significant difference between ages and online *waqf* acceptance

Table 4.5 presents the results from One-Way ANOVA analysis in terms of age.

Age	Mean	Std. Deviation	F	Sig.
30 years and below	4.20	0.42	2.66	0.05
31-40 years	4.29	0.41		
41-50 years	4.10	0.42		
51 years and above	4.16	0.39		

Table 4.5:  
*The difference between Ages toward Online Waqf Acceptance*

The result from One-Way ANOVA analysis above indicated that the value F is 2.66 and significance value is 0.05. Since the significance value is less than 0.05 ( $p > 0.05$ ), thus the null hypothesis is rejected. Therefore, this study concludes that there is a significant difference between ages and online *waqf* acceptance.

In order to determine the difference of staff's age group, Tukey table was observed. Based on Tukey table in Appendix E, the result found that there is at least two groups have a significant difference between the staff's age group of 31-40 years and group of 41-50 years (mean different = 0.19, sig. = 0.029). Tukey test also shows that the staff's age group of 31-40 years is higher of intention to use online *waqf* compared to the staff's age group of 41-50 years. Then, it followed by the staff's age group of 30 years and below and the group of 51 years and above as shown in Table 4.6 below.

Table 4.6: Post hoc ANOVA analysis of Ages

Ages	30 years and below	31-40 years	41-50 years	51 years and above
30 years and below	-	0.561	0.564	0.982
31-40 years	0.561	-	0.029	0.515
41-50 years	0.564	0.029	-	0.936
51 years and above	0.982	0.515	0.936	-

Note: Figure in cells is significant value  
\*. The mean difference is significant at the 0.05 level.

#### 4.4.4 The difference between Highest Education Level and Online Waqf Acceptance

One-Way ANOVA analysis is conducted to test null hypothesis one ( $H_01d$ ) in terms of highest education level which is as follows:

$H_01d$ : There is no significant difference between highest education levels and online *waqf* acceptance

$H_a1d$ : There is a significant difference between highest education levels and online *waqf* acceptance

Table 4.7 presents the results from One-Way ANOVA analysis in terms of highest education level.

Table 4.7: The Difference between Highest Education Levels and Online Waqf Acceptance

Highest Education Levels	Mean	Std. Deviation	F	Sig.
SPM	4.24	0.36	1.62	0.17
STPM/Sijil/Diploma	4.23	0.44		
Degree	4.06	0.44		
Master	4.26	0.43		
PhD	4.15	0.41		

The result from One-Way ANOVA analysis above indicated that the value F is 1.62 and significance value is 0.17. Since the significance value is more than 0.05 ( $p > 0.05$ ), thus the null hypothesis is failed to reject. Therefore, this study concludes that there is no significant difference between highest education levels and online *waqf* acceptance.

#### 4.4.5 The Difference between Monthly Income and Online Waqf Acceptance

One-Way ANOVA analysis is conducted to test null hypothesis one ( $H_{01e}$ ) in terms of monthly income which is as follows:

$H_{01e}$ : There is no significant difference between monthly incomes and online *waqf* acceptance

$H_{a1e}$ : There is significant difference between monthly incomes and online *waqf* acceptance

Table 4.8 presents the results from One-Way ANOVA analysis in terms of monthly income.

Table 4.8: The Difference between Monthly Income and Online Waqf Acceptance

Monthly Income	Mean	Std. Deviation	F	Sig.
RM 900 and below	4.20	0.34	0.94	0.44
RM 1,000-RM 2,999	4.21	0.42		
RM 3,000-RM 5,999	4.23	0.45		
RM 6,000-RM 9,999	4.15	0.41		
RM 10,000 and above	4.00	0.35		

The result from One-Way ANOVA analysis above indicated that the value F is 0.94 and significance value is 0.44. Since the significance value is more than 0.05 ( $p > 0.05$ ), thus the null hypothesis is failed to reject. Therefore, this study concludes that there is no significant difference between monthly incomes and online *waqf* acceptance.

#### 4.4.6 The Difference between Working Period and Online Waqf Acceptance

One-Way ANOVA analysis is conducted to test null hypothesis one ( $H_{01f}$ ) in terms of working period which is as follows:

$H_{01f}$ : There is no significant difference between working periods and online *waqf* acceptance.

$H_{a1f}$ : There is significant difference between working periods and online *waqf* acceptance.

Table 4.9 presents the results from One-Way ANOVA analysis in terms of working period.

Table 4.9: The difference between Working Period and Online Waqf Acceptance

Working Period	Mean	Std. Deviation	F	Sig.
below 5 years	4.19	0.46	1.67	0.16
6-10 years	4.18	0.40		
11-15 years	4.30	0.40		
16-20 years	4.07	0.39		
More than 21 years	4.16	0.40		

The result from One-Way ANOVA analysis above indicated that the value F is 1.67 and significance value is 0.16. Since the significance value is more than 0.05 ( $p > 0.05$ ), thus the null hypothesis is failed to rejected. Therefore, this study concludes that there is no significant difference between working periods and online *waqf* acceptance.

## CONCLUSION

The results of this study indicate that there are no significant difference between gender, highest education level, position in the university, monthly income and working period and, online *waqf* acceptance in Islamic banking institutions. There is significant difference between age and online *waqf* acceptance. Therefore, understanding what influences users to accept and use online *waqf* can be beneficial to banks, system developers and marketing practitioners in developing and marketing online *waqf* services that will be acceptable by the target market. Other than that, this study also propagate valuable insights for Islamic banking institutions to introduce online *waqf* in the future where the factors analyzed could be used as a guideline for better planning and implementation of online *waqf*.

It is found, the employees of UUM COB can accept to contribute *waqf* through online system. However, the awareness of benefit online *waqf* contribution among employess is still low, it is because online *waqf* system is still new in Malaysia. *Waqf* institutions with collaboration Islamic banking institutions have responsibility to educate them to increase the confident to make contribution through online system

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