BRPI

Original Article | Open Access | Peer Reviewed

⊕ Check for Updates

Identifying Factors that Affect Awareness of Gold and Silver Zakat: A Study among Public Servants in Kedah

Noor Hasnita Abdul Talib[1], Jasmin Ilyani Binti Ahmad[1], Muhammad Saiful Islam Ismail[2] and Farahdina Fazial[2]

[1] College of Computing, Informatics and Media, Universiti Teknologi Mara Kedah Branch, Bedong, 08400, Kedah, Malaysia.

[2] Academy of Contemporary of Islamic Studies, Universiti Teknologi Mara Kedah Branch, Bedong, 08400, Kedah, Malaysia.

Address for Correspondence:

Noor Hasnita Abdul Talib, College of Computing, Informatics and Media, Universiti Teknologi Mara Kedah Branch, Bedong, 08400, Kedah, Malaysia.

Abstract

Zakat is one of pathway to Islamic community growth. Implementing Zakat distribution effectively and efficiently can lead to improvements in the overall socioeconomic situation. Despite this, the gold and silver zakat collection still ranks lower than other zakat collections. To boost gold and silver zakat collection, one of the approaches is to raise awareness about gold and silver zakat among Muslims. There are various factors that can influence this awareness, including religious obligations, knowledge, attitudes, and subjective norms. Thus, this paper aims to identify the factors that influence the awareness of gold and silver zakat among public servants in Kedah. Multiple regression analysis was used to study the influence between awareness of gold and silver zakat with factors such as attitudes, religious obligations, subjective norms, and knowledge. The analysis shows the results that the variables of religious obligation, knowledge and subjective norms influence the awareness of gold and silver zakat among public servants in Kedah. However, there are also variables that do not affect that awareness, which is an attitude that indicates a negative relationship towards the awareness of gold and silver zakat. Based on the findings of the study, it can be concluded that any strategy by zakat institutions to improve zakat collection needs to focus on increasing knowledge, a sense of responsibility towards religion and the influence of the surrounding community. These can be done by improving the dissemination of zakat in-formation through various methods including user-friendly counter services, web based and mobile apps which is increasingly popular among users in the community.

Keywords   Attitude, Gold and Silver Zakat, Religious Obligation, Subjective Norms, Zakat Awareness

1. Introduction of Gold and Silver Zakat

Zakat is obligatory on all Muslims. The meaning of zakat in terms of language is clean, pure, increased and developed. In terms of terminology, it is issuing a certain portion of property to the asnaf who is entitled to certain conditions (Mohamad, 2014; Abd Muin, Shuib, Che Omar, Abdul Ghani, & Abdullah, (2019). Zakat plays an important role especially in the development of society and state. The significance of zakat can also be viewed from the angle of impact and relation to the economy of the Muslims.

Zakat on wealth is subject only to certain types. These types of wealth have been mentioned by Allah in the Holy Quran; they are gold and silver, agricultural products, live stocks, business profit, minerals and treasure (al-Zuhayli, 1989). Zakat on gold is mandatory like zakat al-mal for all Muslims which is to be charged over the total amount of gold owned by a person if it exceeds a certain quantity. The quantity over which the zakat is applicable to be paid is known as nisab. In terms of zakat on wealth collection, the total income zakat collection ranks highest in the list of zakat collections.

Nevertheless, the trend of total zakat collection of gold and silver is often seen at the bottom of the list of zakat collections although gold is a metal that is very valuable and useful. History has shown throughout the early Islamic civilization, gold was the main medium of exchange and used as transaction tools to obtain the required products. Therefore, this situation has raised some questions about the factors that influence people's awareness in paying gold and silver zakat, especially among public servants, which is an important asset to a government.

Based on the previous study, research on gold and silver is very limited although every Muslim that is eligible is entitled to pay zakat on gold and silver. Due to the lack of study in zakat compliance payment on gold and silver zakat, the researchers had taken an initiative to identify the factors that influence the public servants' awareness in paying gold and silver zakat.

2. Previous Studies on Factors That Affect Awareness

There are several factors that influence the awareness and intention of gold and silver zakat payment among individuals. The factors are religious obligations, knowledge, subjective norms and attitudes. In this study the attitude, religious obligation, and subjective norms were adopted from Priyojadmiko (2022). Meanwhile, the knowledge was adopted from Wahid et al., (2005).

Religion is a belief that contains certain rules for its followers. Belief in religion can influence the ethics of an individual (Maisarah, Porter, and Woodbine (2009). In line with this study, there are many previous studies that show religious obligation influences individuals in the observance of zakat payment. Abu Bakar & Rashid (2010) found that religious obligation may influence the Muslims behavior towards zakat on income. Thus, this study also suggests the need for appropriate education on zakat to improve understanding and practice in religion. Previous study by Othman & Fisol (2017) also reported that religiosity has significant relationships and positive influence on the intention to pay zakat income among public educators in Kedah, Malaysia. Moreover, according to Abdullah & Sapiei (2018) religiosity had a significant influence on zakat compliance. However, from their study it was found that formal Islamic educational background had no significant influence on zakat compliance.

Knowledge is one of the factors that influence a person's awareness in paying zakat. According to Hakimi et al. (2021) from their empirical findings, it indicates that a zakat knowledge positively and significantly affects the intention to pay zakat. Likewise, with a previous study by Kasri & Yuniar (2021) who also reported that zakat literacy significantly affects the intention to use an online platform to pay zakat in Indonesia. Yet, social influence is found to be insignificant in this study. Other than that, previous studies from Saad et al. (2020) also show that zakat knowledge positively and significantly influences the intention to pay zakat. Just like the study from Othman et al. (2017) who can provide empirical evidence that is in line with past studies that expand the boundaries of knowledge in influencing the behavior of zakat payment compliance. Therefore, based on the study, relevant authorities and policy makers should formulate suitable strategies to increase zakat collection in the future.

Among one of the important factors studied by past studies is attitude. Attitude refers to the degree to which a person has negative or positive evaluation towards a target behavior (Ajzen, 1991). According to Shukor (2021), an individual will be motivated to perform the desired behavior when he has a positive attitude towards performing the behavior. Previous studies have found that attitude has a significant and positive impact on zakat compliance payment on gold (Sukri, 2016). On the other hand, subjective norm is the perception of other individuals or society in

influencing someone to perform a certain behavior (Ajzen, 1991). According to Isa et al., (2022), the regression analysis shows that subjective norms have a positive effect on the intention to pay zakat. Arrosyid, & Priyojadmiko, (2022) also found that the reason 80% of respondents pay zakat is because the people closest to them also pay zakat.

3. Methodology

This study employed a qualitative method through primary data. This method is suitable due to the data collected from questionnaires surveyed as primary sources suggested by Sekaran (2000). The analysis and sampling framework of this study consists of Muslim public servants serving in public universities, Kedah. For identifying the total sampling population, a simple random sampling method is used. A complete set of questionnaires was distributed and filled out by each respondent, where it is distributed randomly to respondents who are public servants of higher educational institutions in Kedah.

In terms of data analysis technique, this study uses the methods of normality test analysis, reliability (reliability test), and Multiple regression analysis. Normality and reliability tend to examine whether the data was normally distributed to the respondents by pilot test. As result, the data is balanced and normal based on the Cronbach alpha as well as skewness and kurtosis value. Meanwhile, multiple regression is typically used to analyze data involving several independent variables with a single dependent variable. The purpose of performing this test is to see how much variance in the dependent variable is affected by the independent variable. This test was also used to answer the objective of this article.

In this research, Square R values were used to interpret the data in terms of variance explaining both variables (Gliner et al., 2009). Before proceeding with the regression analysis, the initial assumptions of linearity, error normality and homoscedasticity must be examined. Moreover, another assumption that seems important to this analysis such as case ratios for independent variables, outliers and multicollinear arity also need to be examined before conducting regression analysis (Coakes and Steed, 2003).

To determine the influence of the independent variable on the dependent variable, it can be seen through the significant values provided in the regression table. 20 If the value is below the significance level of $p < 0.05$, this means that the independent variable has influenced the dependent variable. On the other hand, if the value is above the sign value, it indicates that there is no influence between the in-dependent and dependent variables (Gliner et al., 2009).

4. Finding

The aim of this paper is to determine the factors that influence Kedah public servants' awareness towards gold and silver zakat. To find out which factor has the most influence, multiple regressions analysis was used to analyze the best predictors that influence Kedah public servants' awareness towards gold and silver zakat. As mentioned, those variables: attitude, religious obligation, subjective norms, and knowledge were tested by using multiple regressions to achieve the outcome of this study.

As usual, there are several assumptions that need to be fulfilled as mentioned in the previous chapter before we run these analyses. In this study, the univariate outliers were detected during data screening as well as multivariate outliers which have been noticed by using statistical methods and graphical methods. Instead of that, the VIF value is more than 1 and multicollinearity does not exist. Besides, the residuals have a linear relationship with awareness scores, and it is normally distributed. Table 1 indicates the findings of this study.

Table 1 illustrates the result gathered from multiple regressions analysis. It was found that the F statistic produced (F= 76.034) is found to be significant (p= 0.000) at the level 0.00. Besides, the R^2 score in this study was 0.728. This means 72.8% of the variance in awareness towards gold and silver zakat had been explained by all independent variables which are attitude, religious obligation, subjective norms, and knowledge. The remaining 27.2% might be explained by the excluded factors. Next analysis is on Table 1 regarding attitude in which the value of t is 1.453, Beta is -0.156 and B is -0.133 (not significant 0.149). Followed by religious obligation the value of t is 2. 704, Beta is 0.353 and B is 0.259 which is significant (0.008) at level 0.000. Besides, subjective norms showed the significant result too which is at 0.012 and the value for B, Beta and t is at 0.156, 0.101 and 2.564.

Knowledge also represented the significant result at 0.000 and the value of t and B, Beta is at 7.828, 0.646 and 0.623. Test regressions show that there are significant influences between religious obligation, subjective norms, and knowledge in awareness towards gold and silver zakat. However, the attitude indicated an insignificant influence

towards awareness on gold and silver zakat. The result indicated that an increase of 1% in religious obligation will increase to 0.259 units of awareness towards gold and silver zakat. Similarly, if there is an in-crease of one unit in social norms and knowledge, it will increase 0.15 and 0.64 in choosing Islamic hire purchase respectively. However, for attitude, the increase of one unit will decrease to -0.13. There is a formulation of multiple regressions which are shown in Figure 1.

This finding concludes the religious obligation, subjective norms, and knowledge have significant influence towards the awareness of gold and silver zakat. In fact, based on the findings, knowledge is the most significant influence variable. However, the result shows the attitude is not an influence variable which is more than 0.05. It indicates that the variable is not the main factor and does not influence the awareness towards gold and silver zakat.

5. Conclusion

This study aims to examine the most significant factors towards the awareness of gold and silver zakat among public servants in Kedah. The analysis of Multiple Regression indicates the result of which the following variables: religious obligation, subjective norms, and knowledge have a significant influence towards the awareness of gold and silver zakat among public servants in Kedah. However, one of the variables which is attitude indicates a not significant influence towards the awareness of gold and silver zakat. Based on the findings of the study, it can be concluded that any approach by zakat collection institutions to improve gold and silver zakat collection needs to focus on increasing knowledge, sense of responsibility towards religion and subjective norms by expanding the dissemination of zakat information through various methods and mediums that can cross all levels of society.

For future research, since the R squares were not too high, we concluded there are other factors that influence the respondents' awareness towards gold and silver zakat. According to the previous researchers, service quality was used as one of the factors to determine the performance and boost the awareness. Thus, we recommend that service quality can be applied as one of the factors. It hopes this study able to educate the zakat payer, boost the LZNK's performance, and increase the awareness of zakat with the beautifulness of Islam and achieve mardhatillah in world and hereafter.

References

Abdullah, M., & Sapiei, N. S. (2018). Do religiosity, gender and educational background influence zakat compliance? The case of Malaysia. International Journal of Social Economics, 45(8), 1250–1264. https://doi.org/10.1108/IJSE-03-2017-0091

Abu Bakar, N. B., & Rashid, H. M. A. (2010). Motivations of paying zakat on income: Evidence from Malaysia. International Journal of Economics and Finance, 2(3), 76–84. https://doi.org/10.5539/ijef.v2n3p76

Ajzen, I. (1991). The theory of planned behavior. Organizational behavior and human decision processes, 50(2), 179–211. https://doi.org/10.1016/0749-5978(91)90020-T

Arrosyid, A. & Priyojadmiko, E. (2022). Analisis pengaruh sikap, norma subjektif, kontrol perilaku dengan religiusitas dan niat sebagai variabel moderasi terhadap keputusan muzakki dalam membayar zakat. Quranomics: Jurnal Ekonomi dan Bisnes Islam Vol 1 (1) 2022.

Al-Zuhayli, W. (1989). Vol. 2, Al-Fiqh al-Islami wa adillatuhu. Dimashq: Dar al-Fikr

Coakes, S. J., & Steed, L. G. (2003). SPSS Analysis Without Anguish. Brisbane, Australia: John Wiley & Sons Australia, Ltd.

Gliner, J. A., Morgan, G. A., & Leech, N. L. (2009). Research methods in applied settings: An integrated approach to design and analysis (2nd ed.). Routledge. https://doi.org/10.4324/9780203843109

Othman, Y. H., & Fisol, W. N. M. (2017). Islamic Religiosity, Attitude and Moral Obligation on Intention of Income Zakat Compliance: Evidence from Public Educators in Kedah. Journal of Academic Research in Business, 7(2), 726–737. https://doi.org/10.6007/IJARBSS/v7-i2/2680

Hakimi, F., Widiastuti, T., Al-Mustofa, M. U., & Al Husanaa', R. (2021). Positive Effect of Attitude, Peer Influence, And Knowledge Zakat on Zakat Compliance Behavior: Update in Covid 19. Journal of Islamic Economic Laws, 4(2), 1–16. https://doi.org/10.23917/jisel.v4i2.13859

Isa, A., Mohd Yusof, F. H., & Mohd Daud, N. F. (2022). Self-psychological and Zakat Institution Factors: It is Reliable to Influence Intention to Pay Zakat among Muslim. International Journal of Academic Research in Business and Social Sciences, 12(1), 1892–1903. https://doi.org/10.6007/ijarbss/v12-i1/10807

Kasri, R. A., & Yuniar, A. M. (2021). Determinants of digital zakat payments: lessons from Indonesian experience. Journal of Islamic Accounting and Business Research, 12(3), 362–379. https://doi.org/10.1108/JIABR-08-2020-0258

Maisarah, M. S., Porter, S., & Woodbine, G. (2009). Does religiosity influence ethical sensitivity? An investigation on Malaysian future accountants. Malaysian Accounting Review, 8(2), 17–41.

Abd Muin, M. A., Shuib, M.S., Che Omar, Abdul Ghani, A.H. & Abdullah, S. (2019). Analisis Kutipan Zakat Pendapatan di Negeri Kedah bagi Tahun 2012 hingga 2018. Journal of Human Development and Communication, 8, 117–122.

Mohamad, N.A., (2014). Zakat Ke Atas Harta Emas: Amalan Dan Pelaksanaan Di Malaysia. Jurnal Pengurusan Jawhar, 8(1).

Othman, Y. H.-, Yusuff, M. S. S., Saufi, M. S. A. M., & Hafsha, S. (2017). The Influence of Knowledge, Islamic Religiosity and Self-Efficacy on the Intention to Pay Income Zakat among Public Educators in Kedah, Malaysia. International Journal of Academic Research in Business and Social Sciences, 7(11). https://doi.org/10.6007/ijarbss/v7-i11/3550

Saad, R. A. J., Farouk, A. U., & Abdul Kadir, D. (2020). Business zakat compliance behavioral intention in a developing country. Journal of Islamic Accounting and Business Research, 11(2), 511–530. https://doi.org/10.1108/JIABR-03-2018-0036

Sekaran, U. (2000). Research methods for business: A skill-building approach (3rd ed.). John Wiley & Sons.

Shukor, S. A. (2021). Determinants of zakat compliance among muslim individuals: a systematic literature review. Journal of Islamic Finance, 10(2), 90–100.

Sukri, F. A. (2016). Compliance To Pay Zakat on Gold: A Study on UUM Staff. Global review of islamic economics and business, 4(2), 090. https://doi.org/10.14421/grieb.2016.042-03

Wahid, H., Mohd Noor, M., & Ahmad, S. (2005). Kesedaran membayar zakat: Apakah faktor penentunya? International Journal of Management Studies (IJMS), 12(2), 171–189.

Appendices

Table 1. Multiple Regressions

Determinant	Beta	Unstandardized Coefficients B	T	Sig
(Constant)		0.379	1.170	0.245
Attitude	-0.156	-0.133	-1.453	0.149
Religious Obligation	0.353	0.259	2.704	0.008
Subjective Norms	0.101	0.156	2.564	0.012
Knowledge	0.623	0.646	7.828	0.000

Dependent variable   **:** Awareness towards gold and silver zakat

R Square   **:** 0.585

F value   **:** 76.034

Significant   **:** 0.00

AGSZ = 76.034 - 0.133 **AT** + 0.259 **RO** + 0.156**SN** + 0.649**KN**

(1.170) (-0.1453) (2.704) (2.564) (7.828)

*significant at 0.01

Figure 1: Formulation of Multiple Regressions