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**DETERMINANTS OF WAQF PARTICIPATION IN HIGHER
EDUCATION**

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**Report submitted in fulfillment of the requirement for the degree of Bachelor of
Technology and Technopreneurship with Honours (BTMM)**

**Faculty of Technology Management and Technopreneurship (FPTT)
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DECLARATION

I declare that this thesis research project of title “determinants of Waqf participation in higher education” is the result of my own research except the cited in the references. The research project has not been for any degree and is not concurrently submitted in candidature of any degree.

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Date :.....

DEDICATION

I would like to dedicate the success of this project research especially to my parents which is my father Mahadi bin Sabli and my mother, Normah binti Shahr. This report will be dedicate to them because I want to thank for all the sacrifices that they made for me while I been studied at this university. Secondly, this dedicstion is given to siblings who have helped in terms of advice, finance and encouragement support to make this report. Nest, I would like to express a lot of gratitude to my supervisor Dr.Nor Azah binti Abdul Aziz and my friends that give a lot of helped while make this Final Year Project.

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ABSTRACT

The practice of Waqf (religious endowment) is a practice that is required by Islam. Although it is not a mandatory practice, the rewards gained from this practice would last forever. Although Malaysia is increasingly developing and expanding rapidly in line with the globalization of the world, the level of participation in Waqf is still unsatisfactory. Therefore, this study aims to examine the determinants to participate on Waqf among the higher education. The determinants of Waqf participation in higher education are attitude, religiosity, awareness on Waqf, knowledge on Waqf and promotion of Waqf. These five elements contribute the factors that influence the Waqf participation in higher education. This study adopts quantitative primary data. The methodology used is through questionnaires which were distributed to working people who stay at Melaka Tengah, Melaka. The data obtained is then analyzed using SPSS Software. The results of this study can be used as a starting point by various parties to promote Waqf as a norm of the society especially by younger generation.

Keywords: Waqf participation, attitude, awareness on Waqf, knowledge on Waqf, promotion of Waqf.

ABSTRAK

Amalan Waqf (ajaran agama) adalah amalan yang diperlukan oleh Islam. Walaupun bukan amalan mandatori, ganjaran yang diperoleh dari amalan ini akan kekal selamanya. Walaupun Malaysia semakin berkembang dan berkembang pesat selaras dengan globalisasi dunia, tahap penyertaan dalam Waqf masih tidak memuaskan. Oleh itu, kajian ini bertujuan untuk mengkaji penentu untuk mengambil bahagian dalam Waqf di kalangan pendidikan tinggi. Penentu penyertaan Waqf dalam pendidikan tinggi adalah sikap, religiositi, kesedaran tentang Waqf, ilmu tentang Waqf dan promosi Waqf. Lima elemen ini menyumbang faktor yang mempengaruhi penyertaan Waqf dalam pendidikan tinggi. Kajian ini menggunakan data primer kuantitatif. Metodologi yang digunakan adalah melalui soal selidik yang diedarkan kepada pekerja yang tinggal di Melaka Tengah, Melaka. Data yang diperoleh kemudian dianalisis menggunakan perisian SPSS. Hasil kajian ini dapat digunakan sebagai titik awal oleh berbagai pihak untuk mempromosikan Waqf sebagai norma masyarakat terutama generasi muda.

Kata kunci: Penyertaan Waqf, sikap, kesedaran tentang Waqf, ilmu tentang Waqf, promosi Waq

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CHAPTER 1

INTRODUCTION

1.1 Introduction

This chapter is the summarization which gives the reader a comprehensive overview of the study. In this chapter will started by a background of study and followed by providing the problem statement of the research problem, research question and focusing the exactly of the objectives goals of this study. At the end of this chapter includes the scope, limitation, significant of study and summary. The topic of this research is to know the determinants of waqf participations in higher education.

1.2 Background of study

This study explores the factors of that influences the participation of people on waqf. The concept of waqf or another term is “endowment”, developed by Prophet Muhammad (SAW). Since then it has played an important role in fulfilling the needs of Islamic civilization. The plural of term waqf is “awqaf” and “wuquuf”. Waqf refers to the property or assets contributed by its owners for the purpose of God for eternity to be used for benefactors for the benefit of civil society.

Waqf practice in Malaysian society is getting attention not only from the public but also in the corporate sector and more. Various not-profit oriented organizations or government agencies and universities have begun promoting Waqf activities as an additional means of growth and development in the community. These organizations have set up strategic programs to increase wage income such as monthly cash donations through salary deductions and contributions for certain activities.

The waqf known as habous or mortmain property is an inevitable welfare charity under Islamic law, which usually involves donating buildings, land plots or other assets for religious and Muslim charities without the intention or reclaiming assets. The donated assets can be held by charity trust.

For centuries humans have taught, recognized and fostered that enormous benefits associated with charitable behaviour. There are several measures can be used to promote donation in Islam which is waqf. Waqf is one of the imperative methods of charitable behavior in Islam.

In Islam, waqf has special meaning and considered as one of the recommended deeds that has social and economic impact to community. In addition, waqf serves as a means for spiritual enrichment to the person who makes waqf.

With the new interest in waqf in Islamic countries including Malaysia, the role of system and operation of waqf has been visited and efforts are made to exploit the full potential of waqf in accordance with the needs and the present. There are

many factors that can contribute and motivate an individual to participate in donation or charity activities.

This research aim to study more details based on determinants of waqf participation in higher education. By investigate the key factors that will influence people to participate in waqf and the extent of waqf practicing in Malaysia using a quantitative method by conducting survey among working people.

1.3 Problem Statement

Generally, waqf fund has huge potential and role in assisting the participation in higher education, so the crucial point about waqf is to attract the working people among community who are willing to donating.

But in this context the framework which includes determining factors towards Waqf behaviour, especially in the Malaysian context, is lost. This is because of lack of knowledge and awareness among community about waqf. So, in this research is to knowing what the factors to get involved in waqf are.

This study is aimed at examining the determinants of donor to participate in giving waqf in Malaysia particularly among high education. From its early contact with Islam, Waqf has always played a crucial role in the Malay world. The Waqf institutions in Malaysia have since undergone various positive transformations and are now operated at the state level supposedly to give these institutions a wider room for outreach, sustainability and im pact. However, a number of Malaysia participation in waqf has decreased.

According to Mohammed (2012) and Hassan (2010), socially-administered waqf behaviors are essential in the development of awqaf instruments and institutions that rely heavily on cash to support the establishment and sustainability of this awqaf institution. Therefore, in such circumstances, it is increasingly important to understand the characteristics and behaviors of Islamic donors in the practice of cash waqf giving.

Importantly, this study is aimed at identifying the factors influencing participation in higher education on waqf. As mentioned in the hadith of Rasullullah PBUH that “every action of a man will determine by intention”. For the purpose, the theories are used to identify factors and key factors influencing the waqf participation. And also how the extents of waqf practice for participation in higher education.

1.4 Research Questions

The main study objectives have been constructed as per below:

1. What are the determinants of waqf participation in higher education?
2. What are the key determinants of waqf participation in higher education?

1.5 Research Objective

The main study question has been constructed as per below:

1. To investigate the determinants of waqf participation in higher education.
2. To investigate the key determinants.

1.6 Scope of the study

This study focuses on having religiosity, attitude, and promotion of waqf, knowledge about waqf and awareness about waqf as the independent variables and waqf participation as the dependent variables. This research was choosing among working people because the researcher wants to find the factors that influence the community to participate in waqf as we know, waqf it is one of the many platforms in which the philosophy of Islamic theology is practiced.

For the geographic research was carries in are Melaka. This places are being chooses in this research because the researcher wants to know the user of waqf in this state. The researcher believes that the user can contribute the variety of the user result. The questionnaire will distribute to the targeted respondent among the working people and the total number of respondent is to 384.

1.7 Limitation

According to the research, there have a few limitations that must be faced to get the best result about this study. This research is given to the random of people in Melaka Tengah, Melaka. The questionnaire is given to the multiple races among working people.

1.8 Significant of the Study

Through this study may help the community are involved in the process of identifying the actors that the public participate in to contribute to the waqf. The certainly and reliability of the result are able to act as guidelines for future researcher to do a research about the determinants of participate in waqf. Last but not least this research paper may benefit universities and authorities who are conducting the service-based business.

1.9 Summary

The first chapter of the study discussed the background of the study, the research problem, the objectives, research questions and also the significant of the study.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter consists of literature review, review of the relevant theoretical model, conceptual framework, hypothesis development and overall conclusion for Chapter 2.

2.2 Waqf participation in higher education

Participation is the action taking part in something. Waqf is an endowment made by a Muslim for religious, educational or charitable purposes. To ensure the effectiveness of the waqf system is important, the public has a basic knowledge and understanding of waqf and is informed of the economic benefits and legal procedures involved. Waqf information can be channeled through various means including internet, television, brochures and lectures. Having sufficient knowledge and understanding the benefits of waqf can motivate the public to donate their assets to waqf instruments. In addition, knowing the procedures involved in waqf transactions can also increase participation. In view of the current waqf situation, it is interesting to study the basic factors that can contribute to the participation of waqf among Malaysians.

Through waqf, community members, whether individuals, families, companies, or private sectors, have the opportunity to contribute to the nation's development. Active participation from the community is possible because the waqf contribution can be in various forms, whether in the form of moving assets, such as

cash and shares, or immovable property, such as land and buildings. There is no limit to donations. In fact, the benefits of waqf assets must be maintained (except for certain factors) that make waqf a special mechanism of wealth distribution in the long run. The waqf privileges include storage and investment elements, and the benefits of waqf can be used continuously, but may be improved, increased, and expanded. Hence, community involvement through waqf practices can enhance the waqf institution in Malaysia. It aims to stand alone waqf as a public funding tool that not only provides the ease and service in the development of spirituality, education, health, economy and social.

According to Rahman (2009), the two most famous waqfs are immovable property ('aqar) and movable property (manqul). In 2007, the National Fatwa Council decided that cash wakaf was allowed in Islam (Rahman, 2009). With this decision, Muslim communities in Malaysia are allowed to participate in cash Waqf.

The young and professional Muslims who have more disposable income should be targeted to participate in waqf program beside the older adults or retirees. According to Harrison (1995), people with high income most likely will donate to non-profit organization and income was cited as an important factor as people with higher levels of income have the excess resources available to donate Bruggink and Siddiqui (1995, cited in Arnelt et al, 2003).

Cash waqf is also seen as one of the initiatives that can be taken to eradicate poverty in Malaysia. According to Osman Mohammed and Amin (2005), all the determinants of our religion, attitudes, knowledge of waqf, awareness of wakaf and promotion of waqf are significant influence on the level of participation in the group. According to Saifuddin, Kayadibi, Polat, Fidan, and Kayadibi (2000), suggested four reasons to promote cash waqf. The first thing to stop cash waqf is easy and does not require a huge amount of wealth and thus, enabling the increase of waqf among the public. The second is waqf cash that can accelerate the physical development of waqf land such as building mosques and schools for public use. Thirdly allow cash waqf payments to assist educational institutions with cash flow problems to make financing for suggestions or suggestions for emergencies. And

finally, cash waqf can reduce reliance on government funding and at the same time strengthen the waqf institution to become proactive and business-oriented.

On the other hand, waqf is also provided for the establishment and improvement of higher education institutions. World famous universities such as al-Azhar University, Oxford and Harvard are proof of the success of the role of awqaf and endowment. By taking this initiative, the International Islamic University of Malaysia has set up its own awqaf institution or endowment known as Endowment Fund II (IEF) on 15 March 1999. Among its objectives is to obtain and receive contributions in the form of movable and immovable property such as cash, negotiable instruments and so on from Malaysian and foreign donors for educational and research purposes. As a result these funds can be used in the form of scholarships, loans and assistance to students who need IIUM.

2.3 Determinants of waqf participation

This section discuss will discuss the factors that influence community to participate in waqf.

2.3.1 Attitude

Attitude is important to predict and describe human behaviour (Ajzen, 1991). According to Ajzen (1991), attitude is defined as a psychological tendency expressed from a pleasant or poor assessment of a particular entity. Meanwhile, according to Fishbein & Ajzen (1975) attitudes towards id behaviour define as individual positive or negative feelings (assessment effect) on the implementation on the target behaviour.

According to Ajzen (2008), attitudes toward behaviour generally affect more intentions than dimension of subjective norms and perceived behavioural control. In a addition, the attitude dimension depends on the individual's important beliefs, which represent the results or behavioural attributes considered (Conner & Armitage,

19998). Based on various studies in various behaviours and intentions to engage in such behaviour, the attitude of describing more than 50% variance in intent (Ajzen, 1991). Many studies have documented the significant relationship between attitudes and intentions (Shih & Fang, 2001; Lada el at., 2008; Amin & chong, 2011). The more positive the attitude, the greater the intention.

i) Group reference

Reference groups are defined as people or groups of people who may significantly influence someone's behavior (Bearden and Etzel, 1982). The effect of the reference group's influence on the different aspects of consumer behavior has been examined by many researchers. For example, some researchers have investigated the impact of the reference group on Brand Priorities (Ford and Ellis, 1980, Stafford, 1966), purchasing decisions (Bearden and Etzel, 1982), shopping behavior (Mangleburg et al., 2004) and Cousineau, 1975, White and Dahl, 2006), the number of investment transactions made (Hoffmann and Broekhuizen, 2009), and advertising implications (Lessig and Park, 1978). From this study the findings show that reference groups play an important role in shaping user results. Based on previous studies, regarding the participation in cash waqf, it is anticipating that referral groups will influence the attitude of Islamic consumers towards participation in cash waqf.

ii) Product knowledge

According to O'Cass (2004), finds consumer confidence in relation to the user in making decisions. The authors argue that consumer knowledge is important as it can affect the strength of the relationship between attitude and behavior. According to Bearden et al., (1990), Clark and Golsmith (2006), individuals with the knowledge are more likely to be more confident in making the right decisions and showing less interest in the information and opinions of others. Therefore, in this study, it is hoped that someone who has more knowledge about Cash waqf is expected to develop a positive attitude towards participation in cash waqf.

iii) Trust

According to Moorman et al 1992, trust is defined as a willingness to rely on self-confidence exchange partners. The need for trust will arise when a person becomes weak little and no doubt about the decision of their decision, which is important for them. According to Rogers (2003), the ability to reduce user uncertainty is very important for innovation, due to something new. In accordance with the past research, it is hoped that the individual's confidence in cash waqf will affect people attitude toward participation in cash waqf.

2.3.2 Religiosity

Various researchers have done by incorporating religion influence as one of the determinants of donor behaviour. Religion has a strong influence on religiosity having a strong influence on influencing users to donate. According to Edmundson (1986) found that between 47 to 70 percent of charity contributions in the United States have contributed to a church or religious organization. Through me, I find that religion is the most important in influencing consumers to donate through waqf as it can affect significant percentages. Muslims with the higher religiosity believed to be more religious and their intentions to participate in cash waqf scheme were stronger than others. McDaniel and Burneet (1990) define religion as a belief in God accompanied by a commitment to follow principles that are believed to be set of God.

Another study was conducted by incorporating religious influence as one of determinants of donor behaviour. According to Hiewu, Tngshan an Osborne (2011) who study the comparison between religion and financial factors. Research finds that religion has a strong influence on like hood to donate from financial factors. Oppoku (2012), Lwin, Pphau and Lim (2013), also found a significant relationship between religion and donations in Sausi Arabia. However, according to Ibrahim Sulaiman (2013), it is found otherwise when religion does not affect the behaviour of donations in Saudi Arabia. While Teah, Lwin and Cheah (2014) finf that religiosity is a factor