

# Relation of Technology Acceptance Towards Intention to Contribute Cash Waqf: Investigation of Three Selected States in Malaysia

Wan Musyirah Wan Ismail \*; Mohamed Saladin Bin Abdul Rasool

Faculty of Business and Administration & Center for Islamic Philanthropy & Social Finance (CIPSF), UiTM Melaka

Email: [musyirah792@uitm.edu.my](mailto:musyirah792@uitm.edu.my)

## Abstract

**Purpose:** Technology plays an important role in increasing the financial sector efficiency. Through technology, it provides better experience and convenience for users. Economically, many payment services, banking industries and financial regulations have applied new technologies in their operations. Due to the lack of cash waqf collection in Malaysia, technology could be important aspect for the researcher to study its effectiveness in overcome the issue. The motive to increase the collection of cash waqf should be an important agenda in improving the beneficiaries' socio economy and wellbeing, thus this study focus on three developed states which are Selangor, Kuala Lumpur and Johor. The study focus on technology acceptance among Muslims in these three states with their intention to contribute cash waqf.

**Methodology:** This study is based on the data obtained from a survey using structured questionnaire involving employed Muslims in Selangor, Kuala Lumpur and Johor which constitute the highest employed people with the highest income and payment salary, as well as the highest collection of cash waqf. Data collected from 316 respondents were analysed using PLS-SEM.

**Findings:** The results show that technology acceptance was positively significant in influencing the intention to contribute cash waqf.

**Research limitations:** The survey for this study selected to only three states which are Selangor, Kuala Lumpur and Johor. It is more effective if the survey includes all states in Malaysia, however with certain limitations, the study need to choose only three states.

**Practical implication:** Thus, this study emphasizes the role of technology that needs to be implemented aggressively in cash waqf collection to increase contributions among Muslims in Malaysia. In addition, various ways to enhance contribution of cash waqf are also provided.

**Value:** The study highlighted that technology plays an important role in increasing cash waqf collection as it would influence giving behavior.

**Keywords:** Technology, Acceptance, Cash Waqf, Intention, Contribution.

## Introduction

The practice of cash waqf as Islamic philanthropy has drawn many researchers' thought to deliberate the capability and effects of this humanity method. One of the justifications to cash waqf to be recent comeback in the modern perspective is because cash waqf is flexible where it is not put specific amount for Muslims to contribute in waqf fund. It is also more reasonable where the cash waqf fund distribute to the wider segments of receivers, it is more easy in managing the fund, and also it is easier to employ for the beneficiary's daily needs (Aldeen et al., 2020).

Most of waqf institutions in Malaysia have been encouraging to implement cash waqf based on the regulation, strategic planning, financial sources, collaboration, and duration of cash waqf implementation. However, present human resource, documentation and reporting practices are required to improve in order to fully utilize the benefits of cash waqf. This is a result of the management of cash waqf's flaws, which needs to be fixed. The nation's waqf institutions have been making substantial efforts to advance knowledge of cash waqf management and advance cash waqf implementation in Malaysia. (Khamis and Che Mohd Salleh, 2018)

In addition, there is also a need for more public awareness and exposure of cash waqf. (Jalil et al., 2017; Allah Pitchay et al., 2018; Ab Fatah et al., 2017; Adeyemi et al., 2016). As a result, Malaysia's cash waqf contribution does not adequately represent the size of the Muslim population there. This emphasizes the necessity for Malaysian waqf organizations to improve their administration and record-keeping of cash waqf collection, investment, and distribution. Systematizing the activities is essential since cash waqf donation participation rises as public awareness rises. The study by Qurrata et al. (2021) is beneficial for analyzing the effectiveness of cash waqf management towards enhancing community welfare via the SWOT (Strengths Weaknesses Opportunities Threats) method. Waqf management can be enhanced through two different strategies: internally, by distinct donations and transparent fund management; and externally, through changing people's perceptions that cash waqf does not have to be large to be beneficial.

## **Literature Review**

### ***Cash Waqf***

A key factor in making sure that cash waqf implementation is successful would be the collection of cash waqf and its sustainability. It relates to the understanding of cash waqf in the context of cash waqf contribution. The amount of cash waqf being collected in Malaysia at the moment is not particularly outstanding. The numerous cash waqf collectors, including non-profit organizations (NPO), non-governmental organizations (NGO), and institutions and organizations of syndicated collectors, are a good source of information about the overall cash waqf collection in Malaysia.

According to Yusop (2021), due to Malaysians' benevolence in providing cash waqf for Muslims, dishonest parties have been enticed to conduct fraud. More syndicated parties would be motivated to gather cash waqf for their advantage if there were issues like this. Therefore, it is impossible to gauge Malaysia's cash waqf collection by include every cash waqf collector. In order to demonstrate the level of cash waqf contribution in Malaysia, the current study uses data on cash waqf that was obtained from Yayasan Wakaf Malaysia (YWM) for the year 2019.

Using the information from YWM, it was calculate that each Muslim contribute RM0.28 in cash waqf in 2019. The sum was confirmed by Fuadah Johari, Deputy Director of Islamic Finance Wealth Management Institution, a waqf expert, who stressed that RM0.28 each employed Muslim is only a minor portion of cash waqf contributions (Johari, 2020).

This research focuses on the technological acceptability factor that may influence Muslims to pay cash waqf in an effort to increase cash waqf contributions. Three states which were

Selangor, Kuala Lumpur, and Johor have been chosen for this study. These states have the highest wages collected, highest employment rates, and highest income levels.

### ***Technology Acceptance In Cash Waqf Contribution***

Technology has a significant impact on the efficiency of the financial sector. Technology offers people a better experience and greater ease (Devadevan, 2013). Economically, several banking sectors, financial regulations, and payment services have incorporated new technologies into their daily operations.

Firms in the financial sector are generally doing well when they employ technology for a variety of financial solutions, such as banking, payments, and personal financial management. FinTech businesses, or those that combine "finance" and "technology," draw clients with their user-friendly, effective, transparent, and automated goods. However, the financial industry must first understand the extent of consumer adoption of the relevant technologies before utilizing these services. With the use of a mobile device, such as a smartphone or tablet, customers can, for instance, conduct financial transactions remotely thanks to mobile banking. Transactions may also involve the use of debit or credit cards to process Electronic Funds on Point of Sale (FTPOS) payments in addition to mobile payments. (Al-Ajlouni & Al-Hakim, 2019)

Technology acceptance was defined by Binbasioglu and Turk (2020) as the process and system adaption brought on by the user of a new technology as a result of numerous variables. Technology acceptance, according to Nadal et al. (2020), is essentially acceptability and, to a lesser extent, acceptance or adoption. The acceptance of online cash waqf by the general people was also explored by Mohd Isa (2014), Amin et al. (2014), and Nasiri et al. (2019). According to Abrahao et al. (2016), behavioural intentions are used to analyze people's motivations for adopting new technology. The TAM and UTAUT were used in this study to gauge public acceptance of technological innovations in routine business practices.

According to Keng-Soon et al. (2019), increasing consumer flexibility and ensuring customer happiness can lead to high technological acceptance in the banking sector. According to Vrabie (2015), the younger generations are particularly affected by modern technology, which have a huge impact on how they live their lives.

Amin et al. (2014) state that an individual's acceptance of online waqf is significantly determined by the amount of information available about online waqf service and its benefits. Bank managers and Islamic practitioners must underline the importance of perceived usefulness, perceived ease of use, and amount of information in their online waqf program. According to Amin et al. (2014), the amount of information available concerning online waqf service and its advantages has a substantial impact on a person's decision to accept it. The perceived usefulness, perceived ease and amount of information in their online waqf program must be stressed by Islamic practitioners and managers.

Given the widespread use of social media and the Internet nowadays, acceptance of cash waqf technology is seen as doable. Adeyemi et al. (2016) emphasized the efficiency of employing social media, such as Facebook, YouTube, Instagram, and mobile applications, in raising awareness among the general public. Therefore, it is believed that using cash waqf technology

will significantly increase the effectiveness and efficiency of cash waqf collecting. Adeyemi et al. (2016) claim that using an online payment option can make it simpler to make donations or contributions. Driving monetary waqf contributions is not just the duty of waqf institutions; it is also the duty of the general public, charitable institutions, and the government.

This is consistent with the suggestion made by Puad et al. (2014) that waqf institutions and telecommunications firms should work together to facilitate and enhance communication for society. The report also recommended working with banks to offer cash waqf deposit services via Automated Teller Machines (ATMs) and creating an electronic system similar to Short Messaging Service (SMS) to assist the general population in doing waqf. Although cash waqf payments through banking systems are already possible, they can only be made in one location per banking system. Cash waqf collectors should be made accessible through a variety of methods, including banking systems, kiosks, mobile applications, or SMS, as many individuals today prefer using online banking systems. To foster public trust, collectors need to be registered. Additionally, people should have the option to select the waqf institution to which they want to contribute.

### **Method**

The primary goal of this study is to forecast cash waqf contribution intentions using the acceptance of technology as a factor. The description of the population and sample, the administration, development, and translation of the questionnaire, and the ethical issues come after the justification of the research design. Following a thorough discussion of the data gathering strategy and procedure, which uses the Statistical Packages for Social Science (SPSS) and Partial Least Square Structural Equation Modelling (PLS-SEM) software, the data analysis procedure is described.

### ***Data Collection***

The quantitative survey strategy was used in the current study's data collection process. In this study, the most effective and efficient surveying techniques were used to collect the required data. Structured observation, structured interviews, and self-administered questionnaires are the three types of survey procedures that are generally used to gather quantitative data (Saunders et al., 2009).

Due to time and financial constraints, the self-administered questionnaire technique was determined to be the most suitable for the current investigation. The surveys were filled out by the respondents without the researcher's assistance, but the researcher had supplied explanations of the study's goals and the format of the questionnaire to help the respondents.

Muslim workers in Selangor, Kuala Lumpur, and Johor, specifically those working in the public and private sectors as well as self-employed individuals, were given the questionnaires. 420 questionnaires were provided by the researcher for this study. To ensure feedback by the respondents, the researcher followed up with them individually. 316 responses have been made, though. Schools, colleges, universities, government offices, regional offices of international and domestic corporations, offices of small and medium sized organizations, agencies, hawkers, and sellers were among the places where the questionnaires were distributed. There are a variety of respondents' age, gender, background, career, and income level.

In order to make digitally enabled intercept surveys more practical, an online survey approach was used. This method made use of recording devices, portable tablet computers, and project management software tools (Velu & Naidu, 2009; Flint et al., 2016). Kilinc and Frat (2017) claim that an online survey technique has five flaws, including a low return rate, being monotonous and distracting, posing little external threat, being poorly explained, and providing inaccurate information. However, it offers nine advantages, including simple target group identification, a larger participant pool, decreased data loss, suitability for sensitive topics, convenience of data processing, increased volunteerism, suitability for international work, improved reliability, and a variety of question kinds. In view of these advantages and due to technological advancement, the current study used the online survey technique for data collection involving respondents from Selangor, Kuala Lumpur and Johor. The questionnaires were distributed via email, Facebook, Telegram and WhatsApp.

A cover letter that describes the study's objectives, implores responders to answer the questions honestly, and guarantees both their anonymity and the confidentiality of their answers was added to the questionnaire to allay any potential misunderstandings. The respondents were made aware that the information they provided would only be utilized for study.

**Data Analysis**

The research objective is to assess the effect of Technology Acceptance (TA) and on the intention to contribute cash waqf (BI). The hypothesis is,

H1: Technology Acceptance (TA) has a positive relationship with intention to contribute cash waqf (BI)

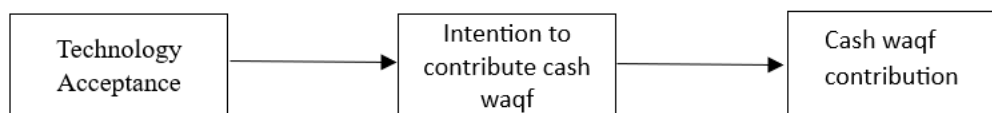
Table 1.1: Result for Technology Acceptance

	Original Sample (O) Path Coefficient/ $\beta$	Standard Deviation (STDEV)	T-Statistics ( O/STDEV )	Significant level/ P Values	Result
TU -> BI	0.132	0.08	1.654	0.099	Supported

Table 1.1 shows the path coefficients for technology acceptance is significantly established to measure commitment which generated a beta value  $\beta$  of 0.132, T-statistics of 1.654, and p-value of 0.099. Hence, the results of technology acceptance (TA) summarizes that the hypothesis for H1 is significant at 10% level with a p value of 0.099. Thus, the hypothesis is supported (Joe Hair et al., 2014). Thus, this indicates that technology acceptance has significant influence on the intention to contribute cash waqf.

**Conceptual Framework**

Diagram 1.1 below shows conceptual framework for the research where technology acceptance as independent variable and intention to contribute cash waqf as dependent variable.





## Diagram 1.1: Conceptual Framework

**Findings**

In light of hypothesis H1, the items were initially designed to examine the relationship between Muslim's acceptance of technology and intention to contribute cash waqf. According to Davis' (1989) research, perceived utility and perceived user-friendliness are two factors that influence user acceptance of technology. These factors might be categorized as the fundamental ones that determine user acceptance. As a result, the researcher selected perceived utility and perceived ease of use as significant factors to gauge technology acceptability in the previous research (Faturohman et al., 2020).

With regards to technology acceptance, Kasri and Yuniar (2021) discovered a positive relationship between zakat payment and performance expectancy of technology adoption. This study used to be relevant because of the zakat payment method, which calls for the employment of technology to enhance the zakat system. The study discovered that in order to persuade individuals to adopt the new technology-based zakat payment system, they must first accept technology. According to Faturohman et al. (2020), the intention to undertake online waqf is significantly influenced by technology acceptance. A substantial correlation between technology acceptance and intention to give donation was discovered by Tri Kurniawati et al. in 2021. All of these studies concurred with H1, which claimed that there is a strong correlation between technological acceptance and intention to make cash waqf contributions. However, several studies, including those by Zheng (2020) and Mensah (2019), found a negative correlation between technological acceptance and intention to contribute.

This study found a substantial correlation between technology acceptance and intention to contribute cash waqf. Because individuals must accept the technology before using the services, this suggests that technology acceptance is essential. With facilities using high-impact technology, this is especially true. They would find it easier and more convenient to use the facilities as a result of technology. This indicates that people's acceptance of technology affects how they use high-tech facilities.

Before utilizing the services offered by advanced technology, it is crucial that people accept the technology. According to the study, technology acceptance is essential in determining one's propensity to make a cash waqf contribution. This implies that once Muslims accepted the technology, they would use the high-impact tools supplied. As a result, this would affect the cash waqf contribution. This is supported by Young et al. (2002) who demonstrated that technology has become so user friendly that it is largely invisible. In truth, a lot of individuals use technology with little to no understanding of how it operates, the consequences of using it, or even where it came from. This demonstrates that people are more inclined to adopt technology when it facilitates them since it is more adaptable and simpler to use.

People are more exposed to technology today in a variety of activities like online purchasing, television viewing on websites, global social interactions, and online learning. Users of online activities are not restricted to a particular age group because, in the modern era, people of all ages have begun to accept technology in keeping with the times. Although the new generation

is more inclined towards technology, but older people have also begun to accept technological changes in line with the facilities provided.

### Discussion and Conclusion

The research findings revealed the significant effect of technology acceptance on the intention of cash waqf contribution. A positive significant direct effect of technology acceptance on the intention of cash waqf contribution has been reflected in the result. Therefore, H1 was supported by the research finding.

This study's contribution in terms of technology implementation could be helpful for the relevant bodies seeking comfort and familiarity while utilizing cutting-edge ways to enhance the current application to make cash waqf contributions. This would encourage organizations to use technology more effectively in cash waqf.

Based on this study, technology acceptance would influence intention of cash waqf contribution. Thus, technology aspects should be included in the current related state policies, acts and enactments. Existence of various policies and enactments involved cash waqf practice such as Waqf Prohibition Enactment 1911, Control of Waqf Enactment, 1951, The Trustees (Incorporation) Act 1952 [Act 258], and Selangor Waqf Enactment 2015. The States Islamic Religious Councils (SIRCs), which are made up of thirteen states and federal territories, are in charge of managing and regulating waqf administration in Malaysia under various laws and regulations. According to the study, technology plays a big role in running waqf organizations. Therefore, all state agencies (SIRCs) should consider technical aspects while creating relevant rules and legislation for cash waqf. Additionally, both governmental and private sectors should be informed of the monetary waqf policies. This is done in order to facilitate the use of cash waqf in both the public and private sectors.

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