

THE INFLUENCE OF ATTITUDE, RELIGIOSITY, AND  
PERCEPTION TOWARDS LAW ENFORCEMENT  
ON INTENTION TOWARDS COMPLIANCE  
BEHAVIOUR OF INCOME ZAKAT: AN  
EMPIRICAL STUDY CONDUCTED  
AMONG KUIN STAFF IN  
KEDAH, MALAYSIA

By

Jama Mohamed Sareye Farah  
A1420327M04

MASTERS' DEGREE in  
Islamic Banking and Finance  
Kulliyah of Muamalat  
INSANIAH UNIVERSITY COLLEGE

1438H/2017

PERPUSTAKAAN  
INSANIAH

06 FEB 2018

TERIMA

## ABSTRACT

The National Fatwa Council as an entrusted body pertaining to Islamic issues in Malaysia agreed upon a consensus on the 22nd June 1997 that *zakat* on income is compulsory for every Muslim individual who fulfils the conditions as a perfect title and *nisab haul*. Most Muslims employees who were revealed eligible to pay income tax; however, did not pay income *zakat*. *Zakat* collection is still far behind compared to tax collection by Inland Revenue service. The objectives of the study are to examine the influence of attitude, religiosity, and perception towards law enforcement on compliance behavior to pay income *zakat* among KUIN staff. This study employs a cross-sectional survey design. Survey design is a good way of measuring the relationship between variables. Since this study is concerned with how variables are associated, the quantitative research is used. The findings of the study show that attitude and perception towards law enforcement significantly influence intention to comply with *zakat* on income. Islamic religiosity, however, did not show any significant influence on *zakat* compliance. In general, the study reveals that the Theory of Planned Behavior is capable of predicting *zakat* compliance intention and consequently, *zakat* compliance behavior. The findings of the present study can be used by the institution of *zakat* and policy makers to promote and educate the general public as to the importance of *zakat* on employment income. The implications of the findings and the limitations of the present study and conclusions are also highlighted.

**Keywords:** income *zakat*, religiosity, attitude, law enforcement, Kuin staff

## ABSTRAK

Majlis Fatwa Kebangsaan yang telah diamanahkan untuk menguruskan hal ehwal berkaitan Islam di Malaysia telah memutuskan pada 22 Jun 1997 bahawa zakat pendapatan adalah wajib ke atas setiap individu Muslim yang memenuhi syarat pemilikan tetap, nisab dan haul. Kebanyakan pekerja Islam didapati memenuhi syarat membayar zakat, walau bagaimanapun, mereka tidak membayar zakat pendapatan. Kutipan zakat pendapatan masih jauh ketinggalan berbanding kutipan cukai pendapatan oleh Lembaga Hasil Dalam Negeri. Objektif kajian ini ialah untuk mengkaji pengaruh sikap, keagamaan, dan persepsi terhadap pelaksanaan undang-undang terhadap gelagat kepatuhan zakat pendapatan di kalangan staf KUIN. Kajian ini menggunakan rekabentuk tinjauan keratan rentas. Rekabentuk tinjauan merupakan kaedah yang baik untuk mengukur hubungan antara pembolehubah-pembolehubah. Oleh kerana kajian ini mengkaji hubungan antara pembolehubah-pembolehubah, kajian ini menggunakan kaedah kuantitatif. Dapatan kajian menunjukkan bahawa sikap dan persepsi terhadap pelaksanaan undang-undang mempunyai pengaruh yang signifikan terhadap niat untuk patuh membayar zakat pendapatan. Keagamaan Islam, walau, bagaimanapun, tidak menunjukkan sebarang pengaruh yang signifikan ke atas kepatuhan zakat. Secara umumnya, kajian ini mendedahkan bahawa Teori Gelagat Terancang mampu meramal niat kepatuhan zakat dan seterusnya gelagat kepatuhan zakat. Dapatan kajian ini boleh digunakan oleh institusi zakat dan pembuat dasar untuk mempromosi dan mendidik masyarakat umum tentang kepentingan zakat pendapatan pengajian. Implikasi dapatan kajian, kekangan kajian dan kesimpulan juga telah diperjelaskan.

**Katakunci:** Zakat pendapatan, keagamaan, sikap, pelaksanaan undang-undang, kakitangan KUIN

## TABLE OF CONTENTS

ABSTRACT.....	i
ABSTRAK.....	ii
SUPERVISOR'S DECLARATION .....	iii
STUDENTS DECLARATION .....	iv
CHAPTER ONE.....	1
INTRODUCTION .....	1
1.0 Background of Study .....	1
1.1 Problem Statement .....	3
1.2 Research Questions .....	7
1.3 Research Objectives.....	7
1.4 Scope of Study .....	8
1.5 Significance of Study .....	8
1.6 Definition of Key Terminologies.....	8
1.7 Organization of the Study .....	9
CHAPTER TWO: LITERATURE REVIEW .....	11
2.0 Introduction.....	11
2.1 Theory of Reasoned Action (TRA).....	12
2.2 Theory of Planned Behavior (TPB).....	13
2.3 Compliance Behavior of <i>Zakat</i> .....	14
2.4 Intention to pay <i>zakat</i> .....	15
2.5 Attitudes towards Intention.....	16
2.5.1 Attitude .....	17
2.6 Religiosity towards Intention.....	18
2.6.1 Religiosity .....	20
2.7 Perception towards Law Enforcement Intention towards Intention .....	20
2.7.1 Law Enforcement.....	22
CHAPTER THREE: RESEARCH METHODOLOGY.....	24
3.0 Introduction.....	24
3.1 Research Design.....	24
3.2 Research Framework .....	25
3.3 Hypothesis Development.....	25

3.4 Data Measurement .....	27
3.4.1 Section A.....	27
3.4.2 Section B.....	27
3.4.4 Section D.....	28
3.4.5 Section E.....	28
3.4.6 Section F .....	28
3.5 Measurements of Variables.....	29
3.5.1 Attitudes and Intention to pay Employment Income <i>Zakat</i> .....	29
3.5.2 Measures of Islamic Religiosity.....	30
3.5.3 Measurement of Perception towards Law Enforcement .....	31
3.5.4 Intention.....	33
3.5.5 Measurements of Compliance behavior of income <i>zakat</i> .....	34
3.6 Data Collection Technique .....	36
3.6.1 Population of the Study.....	37
3.6.2 Sampling.....	37
3.6.3 Method of Data Collection.....	38
3.7 Research Variables.....	38
3.8. Descriptive Analysis .....	39
3.8.1 Validity .....	39
3.8.1 Reliability Test.....	40
3.9 Correlation Analysis .....	40
3.9.1 Multiple Regression Analysis.....	42
3.9.2 Hierarchical Regression Analysis.....	42
CHAPTER FOUR: ANALYSIS AND FINDINGS.....	45
4.0 Introduction.....	45
4.1 Respondent's Demographic Profile .....	45
4.3 Descriptive Analysis .....	48
4.4 Multiple Regression Analysis .....	48
4.5 Discussion on Full Regression Model .....	49
4.5.1 Relationship between Independent Variables and Mediating Variable .....	49
4.5.2 Relationship between Mediating Variable and Dependent Variable .....	53
4.5.3 Test of Mediation.....	54

3.4 Data Measurement .....	27
3.4.1 Section A.....	27
3.4.2 Section B.....	27
3.4.4 Section D.....	28
3.4.5 Section E.....	28
3.4.6 Section F .....	28
3.5 Measurements of Variables.....	29
3.5.1 Attitudes and Intention to pay Employment Income <i>Zakat</i> .....	29
3.5.2 Measures of Islamic Religiosity.....	30
3.5.3 Measurement of Perception towards Law Enforcement .....	31
3.5.4 Intention.....	33
3.5.5 Measurements of Compliance behavior of income <i>zakat</i> .....	34
3.6 Data Collection Technique .....	36
3.6.1 Population of the Study.....	37
3.6.2 Sampling .....	37
3.6.3 Method of Data Collection.....	38
3.7 Research Variables.....	38
3.8. Descriptive Analysis .....	39
3.8.1 Validity .....	39
3.8.1 Reliability Test.....	40
3.9 Correlation Analysis .....	40
3.9.1 Multiple Regression Analysis.....	42
3.9.2 Hierarchical Regression Analysis.....	42
CHAPTER FOUR: ANALYSIS AND FINDINGS.....	45
4.0 Introduction.....	45
4.1 Respondent's Demographic Profile .....	45
4.3 Descriptive Analysis .....	48
4.4 Multiple Regression Analysis .....	48
4.5 Discussion on Full Regression Model .....	49
4.5.1 Relationship between Independent Variables and Mediating Variable .....	49
4.5.2 Relationship between Mediating Variable and Dependent Variable .....	53
4.5.3 Test of Mediation.....	54

4.6 Summary .....	54
CHAPTER FIVE: DISCUSSION AND CONCLUSION.....	58
5.0 Introduction.....	58
5.1 Recapitulation of the study .....	58
5.2 Discussion.....	62
5.2.1 Objective one to examine the relationship of attitude towards intention to pay income <i>zakat</i> among KUIN Staff.....	62
5.2.2 Objective two to study the relationship of religiosity towards intention to pay income <i>zakat</i> among KUIN Staff.....	62
5.2.3 Objective three to justify the relationship of law enforcement towards intention to pay income <i>zakat</i> among KUIN Staff.....	63
5.2.4 Objective four to investigate the mediating effect of intention towards of attitude, Islamic religiosity and law enforcement and compliance behavior of income <i>zakat</i> among KUIN Staff .....	64
5.3 Implications of the Study .....	64
5.3.1 Managerial Implications .....	64
5.3.2 Theoretical Implication.....	67
5.4 Limitation of the Study .....	67
5.6 Conclusions.....	68
Bibliography .....	70
APPENDIX: A DEMOGRAPHIC PROFILE .....	75
APPENDIX B: RELIABILITY STATISTICS .....	85
<b>Religiosity</b> .....	85
<b>Perception towards law enforcement</b> .....	85
<b>Intention</b> .....	86
<b>Compliance Behaviour</b> .....	86
APPENDIX C: Descriptive Statistics .....	87
APPENDIX D: Multiple Regression Analysis .....	88
<b>STEP ONE IV TO MV</b> .....	88
APPENDIX STEP: 1 MV.....	90
APPENDIX: F.....	91
<b>STEP 2 MV</b> .....	91