

International Conference on Accounting Studies (ICAS) 2015
17-20 August 2015, Johor Bahru, Johor, Malaysia

The mediating effect of perceived behavioural control on the relationship between zakat law enforcement and intention to pay zakat

Sani Adamu*, Ram Al Jaffri Saad

School of Accountancy, Universiti Utara Malaysia

Abstract

This paper aims to propose a conceptual framework for examining the influence of mediating effect of perceived behavioural control on the relationship between zakat law enforcement and intention to pay zakat among Muslim in State of Kano, Nigeria. An extensive literature review method was utilized to identify and analyse relevant literatures in order to propose the conceptual framework. This paper proposed framework to show those relationship. Theoretical and practical implications of the paper as well as suggestions for future research were also discussed.

Keywords: Perceived behavioural control, zakat law enforcement, intention, zakat

1. INTRODUCTION

Islam regarded zakat as one of its pillars stated in the Holy Quran several times together with prayer. Zakat is a compulsory form of “charity” that every Muslim is expected to pay. Zakat is defined literally as “purify”, the payment of zakat is considered as an act of worship and at the same time social investment (Saad & Haniffa, 2014). Three conditions must be fulfilled before zakat is payable. Among the conditions are asset type, haul, and nisaf. Asset will only be subjected to zakat if the asset is for the purpose of wealth generation. Secondly, the property must reach one full Islamic year, i.e. 354.5 days based on the lunar year or its equivalent of 365.25 days based on the solar year. Thirdly, is the nisaf (most exceed a minimum threshold of equivalent to 85 g of gold) (Saad & Haniffa, 2014). Zakat as an act of worship is a symbol of the Islamic economic justice that ensures equal and trustworthy distribution of wealth (Abubakar & Abd Ghani, 2011).

Zakat institution in Muslim countries must be effective in terms of collection for it to contribute to the development of Muslim Ummah. (Fidiana & Triuwono, 2013) claim that proper collection and distribution of zakat to asnaf according to the teaching of Islam can reduce poverty to zero level. They assert that the payment of zakat will reduce poverty to zero level. It is indicated during the dynasty of Umar bin Abdul-Aziz. Patmawati (2005) argue that the zakat support the receivers determine their goals, this is in addition to the provision of mere inevitabilities. Again, zakat acts as a medium to create equality and alleviate poverty in the society (Patmawati, 2005). Mohsin (2013) said at macro level the first effect of zakat is to increase poor and needy purchasing power. The life of poor among Muslim can improve which can gradually bridge the differences between the affluent and pitiable in terms of their income level (Mujaini, 2005).

*Corresponding author.
E-mail: sani@gmail.com

Similarly, Kahf (1999) reveal that zakat aims at poverty reduction among Muslim. He further stated that zakat fund must be well utilized in order to enhance the economy of the state. Kahf (1999) see zakat funds as a productive asset that can improve wellbeing of eight asnaf. i.e. poor, destitute, fund administrator, sympathizers, those in bondage, those in debt, those in the cause of God in the warfare, as stated in the Quran (Surat Taubah, Verses 60). Zakat intends to alter the lives of the poverty-stricken by making them comfortable (Kahf, 1999). Zakat fund can strengthen the economic independence of Muslim community.

Given the significant of zakat to the development of Muslim Ummah Kano state government set up zakat and Hubsu commission to collect and distribute zakat to asnaf. The aims of the commission are to reduce the poverty level in the state. The commission established 44 units at each of the 44 local government councils for the purpose of increase in collection. All the collections made by the local councils is distributed centrally by Kano state zakat commission. The distribution procedure is each asnaf will fill the form and submit to the committee for screening. After the screening, all successful asnaf will be given MYR200 (N10,000). Zakat commission engages in disbursement of money, medical assistants, bags of grains and assistance to widows (Kano State Zakat and Hubsu Commission [KSZHC], 2014).

However, the zakat collection according to several researches is low in Kano. For example, Aminu (2002) in his study conducted in Kano reveals that there is exist a wider gap between the actual zakat performance and zakat payment potentials of Muslims residents in Kano. Aminu (2002) identified the problems of zakat collection unable to investigate the causes of the poor zakat collection by zakat commission in Kano.

A review over the past nine years on the trend of zakat collection and distribution in Kano from 2004 to 2013 Justify low performance. The trend shows that the zakat collection is not excellent (Kano State Zakat and Hubsu Commission [KSZHC] 2014). In 2006, the amount of zakat collection was MYR 175,281.26 thousand, but the total distribution is MYR 4,677,922.56. The Kano state government needs to add up another MYR 4,502,641.30 million to the commission to distribute the fund to asnaf. In 2008, the amount of zakat collection was MYR 189,152.38 thousand, but the total distribution is MY 5, 562,827.95. The Kano state government needs to add up another MYR 5,373,675.57 million to the commission to distribute the fund to the Muslim poor.

2. LITERATURE REVIEW

2.1 Intention to Pay Zakat

Many researchers use theory of reason action to predict the intention of an individual. The theory posits that attitude and subjective norms are determinants of individual behavioral action. Attitude toward, behavior is a person's positive or negative assessment regarding performing a given behavior (Fishbein & Ajzen, 1975). Whereas, subjective norms are the perceived pressure from subordinate that will influence an individual to perform a given task (Fishbein & Ajzen, 1975). Both the attitude and subjective norms are found to be predictors of intention.

Ajzen (1985) introduced Theory of planned behavior was by to correct the problems of theory of reason action that only concentrated on attitude and subjective norms as the principal determinate of intention. Theory of planned behavior introduced perceived behavioral control as another antecedent factor that can predict intention and actual compliance (Ajzen, 1985; 1991). PBC encompasses two beliefs (Kraft, Sutton, Rise, & Roysamb, 2005). Firstly, PBC is about internal control the degree to which people consider themselves sufficiently well-informed, capable of execution of some acts, disciplined. Secondly, PBC relies external influence, the level at which people perceive that other friendly factors, for example, assistance from other individuals close to them and accessibility of needed resources, could facilitate performance or inhibit their behavior. In the field of zakat, Saad and Haniffa (2014) reveals that attitude toward behavior positively affects intention to pay zakat. Taylor and Todd (1995) suggest that suggest that decomposing belief will help strengthen the relationship between the variable.

2.2 Enforcement of Zakat Law

Several researchers define enforcement in different ways. In zakat field, Md. Idris (2002) see enforcement as imposing of given instructions to encourage required behavior from the people. Md. Idris (2002) suggest that enforcement of the law would prompt individuals to execute their responsibilities. According to Ali (1989) enforcement, can boost compliance. In addition, the use of punishment would reinforce the implementation as it may stop individuals from committing an offense (Sutinen, 1999). This show that the penalty will make people follows the law that being enforced. However, the relationship between enforcement of zakat law and intention

to pay zakat is found to be negative. It is evidence in the in the study conducted by Saad, Md Idris and Bidin (2009) who state that no relationship between enforcement of zakat law and intention to pay zakat. They argue that no law enacted on the side of zakat collectors.

Similarly, Saad (2010) argues that individual compliance would improve if enforcement has a severe action power and severe penalties. Enforcement of zakat law is compulsory for zakat commission to achieve some of its objectives. During the Caliphate of Abu Bakar, war was declared on those disagreeing the zakah obligation. Similarly, those who desists from paying it without denying its obligation, are guilty of committing a sin (Barizah, Bakar, Rahim, & Rahman, 2007). In Islam, it is the ruler's responsibility to collect zakah from the nonpayer by force and rebuke him, on condition that he does not collect more than the specified amount. But according to Qardawi (1999) Imam Abu Hanifah and Imam Ahmad Ibn Hanbal are of the opinion that a ruler could take half of the nonpayer's money, in addition to the actual amount calculated of zakah, as a penalty. Based on the reviewed literature zakat law enforcement will influence an intention to pay zakat. Thus, the study proposed the below proposition.

Proposition 1: Enforcement of zakat law significantly influences intention to pay zakat.

2.3 Perceived Behavioral Control

Ajzen (1991) argue that perceived behavioral control (PBC) is generally similar to Bandura's model of 'self-efficacy' that represents an individual's assessment of their ability to perform the anticipated behavior (Ajzen, 2005). The only difference between the self -efficacy and PBC are that the PBC is positioned within a bigger context of attitudes and beliefs that predict intentions (Ajzen, 1991). Perceived behavioral control signify how people feel comfort or difficulty in executing a desired behavior (Ajzen, 2005; Trafimow, et al., 2002). Similarly, PBC is a measure of people's perceptions of their capability to implement the desired behavior (Mattison & Norris, 2007).

The correlation between perceived behavioral control and intention is found to be positive for a lot of researchers. For instances (Chau and Hu, 2001; Lau, 2002; Lee, 2010; Ajzen, 1991) found that perceived behavioral control significantly and positively influence intention. They further assert that perceived behavioral intention is a predictor of intention. However, Khalifa and Shen (2008) found a negative relationship between the two variables (perceived behavioral control and intention).

In the context of zakat, a lot of studies have been conducted on the relationship between perceived behavioral control and intention to pay zakat. Few among them are (Heikal, Khaddafi & Falahuddin, 2014; Saad, 2010; Nurul et al., 2012) Based on the above literatures the study proposed the next proposition.

Proposition 2: Perceived behavioral control significantly influence intention to pay zakat.

2.4 Enforcement of Zakat Law, Perceived Behavioral Control and Intention to Pay Zakat

The above reviews of the literature signify the mix findings between perceived behavioral control and intention to pay zakat. Thus, a lot of researchers found a strong relationship between perceived behavioral control and intention to pay zakat (Heikal, Khaddafi & Falahuddin 2014; Nurul et al. 2012; Lee 2010; Saad 2010; Chau & Hu 2001; Lau 2002; Ajzen 1991;).

Conversely, Khalifa and Shen (2008) found the negative result in his work on the relationship between perceived behavioral control and intention to pay zakat. Again, there is limited literature on the mediating effect of perceived behavioral control on the relationship between enforcement of zakat law and intention to pay zakat. The present study intends to propose the next proposition on the above relationship.

Proposition 3: PBC mediate the relationship between enforcement of zakat law and intention to pay zakat

3. PROPOSED FRAMEWORK

In line with several literatures enforcement to zakat, law is an important variable that many scholars see in different ways. Thus, several studies stated that proper law enforcement on zakat can lead to comply, Saad (2010) reveals that since there is no law enforcement on site of zakat collector and nobody taken to any court of law for, not complying in zakat payment it is difficult for zakat collection to improve. The present study argues

that zakat collectors should be given power to take zakat evaders to court. Thus, the study proposed the following.

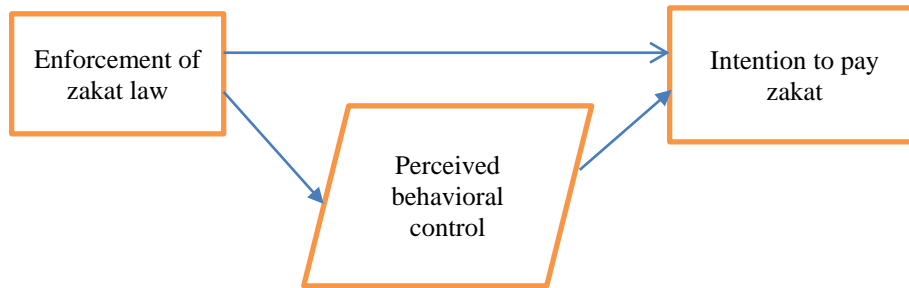


Figure 1. Enforcement of zakat law, perceived behavioral control and intention to pay zakat.

4. CONCLUSION

The present study that is based on an on-going work provides insight into the intention to pay zakat. The study considers perceived behavioral control as a moderator of enforcement of zakat law and intention to pay zakat as depicted in Figure 1. If the proposed framework is validated, the output of this research will help zakat commission to strategize and increase its collection.

REFERENCES

- Ajzen, I. (1991). The theory of planned behavior. *Organizational Behavior and Human Decision Processes*, 50(2), 179–211.
- Ajzen, I. & Fishbein, M. (2005). The influence of attitudes on behavior (Vol. 173).
- Barizah, N., Bakar, A., Rahim, A., & Rahman, A. (2007). A Comparative Study of Zakah and Modern Taxation Lecturer - Department of Accounting, Kulliyah of Economics and Management Sciences of Kulliyah of Economics and Management Sciences. *J.KAU: Islamic Econ.*, 20(1), 25–40.
- Chau, Y. K., & Hu, J.-H. (2001). Information Technology Acceptance by Individual Professionals: A Model Comparison Approach. *Decision Sciences*, 32 (4), 699-719.
- Fidiana, Triyuwono, D. (2013). Non-Compliance Behavior in the Frame of Ibn Khaldun. *Seventh Asia Pacific Interdisciplinary Research in Accounting Conference, Kobe*, 26-28, 1–18.
- Fishbein, M., & Ajzen, I. (1975). Belief, attitude, intention and behaviour: An introduction to theory and research. Reading, MA: Addison-Wesley.
- Md. Idris, K. (2002). Kesan Persepsi Undang-Undang dan Penguat kuasa Zakat Terhadap Gelagat Kepatuhan Zakat Pendapatan Gaji. Universiti Utara Malaysia, Sintok, Kedah.
- Khalifa, M., & Shen, K. N. (2008). Drivers for Transactional B2C M-Commerce Adoption: Extended Theory of Planned Behavior. *Journal of Computer Information Systems*, 111- 117.
- Kahf, M. (1999). The performance of the institution of zakah in theory and practice.
- Lau, A. S. (2002). Strategies to Motivate Brokers Adopting On-line Trading in Hong Kong Financial Market. *Review of Pacific Basin Financial Markets and Policies*, 5 (4), 471- 489.
- Lee, H.-H., & Lee, S.-E. (2010). Internet vs mobile services: comparisons of gender and ethnicity. *Journal of Research in Interactive Marketing*, 4 (4), 346-375.
- Mattison, E. H. A., & Norris, K. (2007). Intentions of UK farmers toward biofuel crop production: implications for policy targets and land use change. *Environmental science & technology*, 41(16), 5589-5594.
- Mujaini Tarimin. 2005. Zakat Menuju Pengurusan Profesional. Kuala Lumpur: Utusan Publications and Distributors.
- Mohsin, M. I. A. (2013). Potential of Zakat in n Eliminating Riba and nd Eradicating Poverty in Muslim Countries. *EJBM-Special Issue: Islamic Management and Business*, 5(11), 114–126.
- Patmawati Ibrahim, (2005). “Potential Role of Zakat Distribution in Reducing Inequality among the Muslim Society”. In Abdullah Alwi Hj Hassan et al. *Teori dan Aplikasi Kontemporari Sistem Ekonomi Islam di Malaysia*. Kuala Lumpur: Utusan Publications & Distributors Sdn. Bhd.
- Saad, R. A. J., & Haniffa, R.(2014). Determinants of zakah (Islamic tax) compliance behavior. *Journal of Islamic Accounting and Business Research*, 5, 2pp 182–193.
- Sutinen, J. G. (1999). A socio-economic theory of regulatory compliance. *International Journal of Social Economics*, Vol 26, 174 – 193. Retrieved from ISSN: 0306-8293 The, P., Of, I., & Managers, T. O. P. (n.d.). No Title.
- Taylor, S., & Todd, P. (1995). Decomposition and crossover effects in the theory of planned behavior: A study of consumer adoption intentions, *International Journal of Research in Marketing*, 12, 137-55.