

IMPACT OF ATTITUDE TOWARD ZAKAT EVASION AND MORAL REASONING ON INTENTION TO PAY ZAKAT: A PILOT STUDY

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ABSTRACT

The main purpose of this paper are to investigate whether items of attitude toward zakat evasion, items of moral reasoning are reliable and valid to predict the intention of zakat payers in Kano Nigeria. It is important to know that attitude toward zakat evasion and moral reasoning are new in zakat environment. Therefore, testing capacity of these variable is vital in zakat environment, accounting, finance and taxation. The paper found that attitude toward zakat evasion and attitude toward moral reasoning's items are capable of predicting intention to pay zakat in Kano Nigeria. the study use Cronbach alpha and found that the variables are valid and reliable. The paper found that items used in this pilot study can effectively use in the main study.

KEYWORDS: Intention to Pay Zakat, Zakat Evasion, Moral Reasoning, Reliability and Validity

INTRODUCTION

Zakat also known as Islamic tax is one of the fundamental pillars of Islam as mentioned in Quran, which served as a one of the most important tool for poverty reduction among Muslim Ummah in many Muslim countries. Wali (2013) argued that Zakat is one of the vital instruments for the development of a nation as it's contribute toward bridging the gap between affluent and those in need of resource for survival. Again, a lot of studies confirmed that proper collection and distribution of Zakat fund to Asnaf will help in poverty reduction among people (Fidiana and Triyuwono, 2013; Mohsin 2013; Kahf, 1999). Fidiana et al (2013) reveals that it is possible for poverty to reduce to zero level if Muslim Ummah pays their Zakat in accordance with the teaching of Prophet Muhammad peace be upon him (PBUH). Accordingly, during the dynasty of Umar bin Abdul-Aziz the practice of Zakat collection and distribution was excellent, the poverty was reduce to zero level (Fidiana et al. 2013).

The challenges of our time are poverty in many countries worldwide is increasing each year as result of negligent of Allah (SWT) command of non-payment of Zakat. It is important to know that increase in poverty among people is the causative agent of unemployment, stealing, prostitution, school dropout.

Despite the instruction of Allah (SWT) in Holy Quran chapter nine verses thirty four to thirty five which categorically emphasized on Zakat payment and punishment on those who refuse the payment, yet the collection of Zakat in places like Kano is still at low level. Example in 2011 only N 6,350,000 equivalent to \$31,901.57, looking at the population of Asnaf in Kano almost nine million (National Population Commission [NPC] 2014) the amount collected for distribution to this huge number of people is insignificant.

LITERATURE

Intention to Pay Zakat

Intention in Islam is the vital component of religious activity. This is stated in Hadith of the Prophet Muhammad (PBUH) that any action is judged according to individual intention. Again, in Theory of Reason Action Fishbein and Ajzen (1975) confirmed that intention is the major predictor of individual behavior to perform or not a given action. Similarly, in a study conducted by Ajzen and Fishbein 1985 Ajzen & Madden 1986; Ajzen 1991; Ajzen 2002; Ajzen 2005) concludes that probability to accept or reject an action depend on person's intention. Intention as predictor of behavior had been tested in many areas of study. Example, in internet banking, Shih and Fang (2004); Lu et al (2009) reveals that intention is a predictor of accepting or rejecting behavior. In the field of Zakat a lot of researchers confirmed that intention is an important element of behavior performances Saad & Haniffa 2014; Zainol & Faridahwati 2013; Zainol, Muhammad & Farah 2013; Suprayitno, Abdulkadir & Harun 2013; Halizah, Kasumalinda & Agoss 2011; Saad, Zainol, Kamil & Md Hairi 2010)

Attitude toward Zakat Evasion

The concept of Zakat in Islam relates to purification of individual wealth as stated in Qur'an (9; 103), where Allah (SWT) said. take alms, so that you might purify and sanctify them. Abdus samad et al (2003) confirmed that zakat payment purified the dirt of the heart. Denial of Zakat payment is dangerous, Qardhwi (2000) is of the opinion that those who denial its obligation are considered as disbelievers except I that person is new in Islam. The relationship between attitude and intention to pay Zakat was found in many studies as positive and significant (Fishbein & Ajzen 1975; Ajzen & Fishbein 1980; Ajzen & Madden 1986; Ajzen 1991; Ajzen 2002; Ajzen 2005). However, the relationship between attitude toward Zakat evasion and intention to pay Zakat was not found in Zakat literature in prior studies. Thus, conducting a study that will establish this relationship is important. Hence, the study predicted that attitude toward Zakat evasion will influence intention to pay Zakat. Thus below hypothesis was formulated.

H₁: Attitude toward Zakat evasion significantly influences intention to pay Zakat.

Attitude toward Moral Reasoning

Moral reasoning is also another factor that allow individual to determine what is right or wrong in a particular situation. As stated early, Zakat payment is a compulsory duty for every Muslim who earned a minimum of Nisab for a minimum of one year and whose asset is for business purposes (Saad and Haniffa, 2014). In Taxation, Alabede (2012) uses attitude toward moral reasoning as one of the factor that lead to tax compliance. To the little knowledge of the researcher moral reasoning is important but has not been tested in Zakat environment. Thus, it is expected moral reasoning will influence intention to pay Zakat.

H₂: Attitude toward moral reasoning significantly influences intention to pay Zakat.

Research Framework

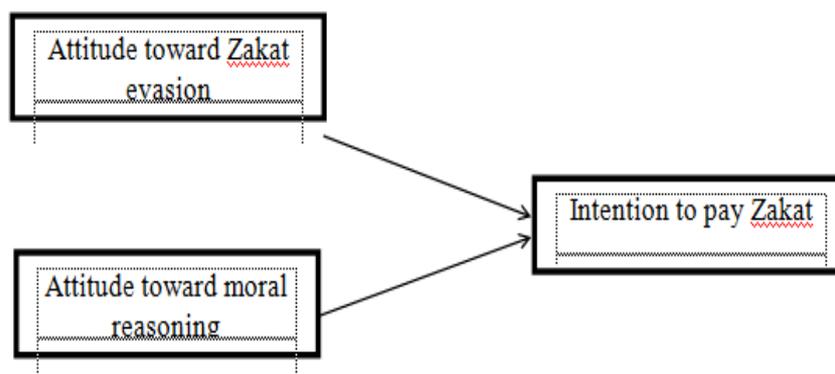


Figure 1: Attitude, Moral Reasoning and Intention to Pay Zakat

METHODOLOGY

Data Collection Process

The data for this pilot study was conducted in order to know whether the items are capable of measuring what it is supposed to measure. A total of 105 questionnaires was distributed to Zakat payers out of which 81 were collected back making the response rate at 77%. Six questionnaires were rejected due to missing value and unengaged responses problem. Finally the study retained 75 questionnaires for the purpose of analysis constituting 71% retention rate which exceeded 63 respondent used by Kamil (2002); 55 respondent used by Zainol (2008). Similarly, 75 responses exceeded 38 recommended by (Hertzog, 2008).

Validity of Instrument Measures

Validity refers to extend to which measuring tools measured exactly the items under consideration. Huck (2004) identifies two ways in validity measurement face validity and constructs validity. The study distributed ten questionnaires to expert in the field of Zakat, academicians, businessmen Islamic scholars for their input. After collecting all the suggestions and recommendations some of the items were removed some were replaced some were added. Hair et al (2007) argued that face validity allow expert to evaluate and judge the appropriateness of items under consideration. Finally, the study ascertained construct validity with the use of factor analysis using principal component analysis. Cavana et al (2001) asserts that factor analysis is important for items reduction to meaningful size. The result of validity analysis shows that all the three variables KMO are within acceptable range between (0.721 to 0.788). Hair et al (2010) recommended a minimum of 0.50 as acceptable value. Table 1 below shows the validity.

Table 1: Validity

Variables	Items Before Deletion	Items After Deletion	Number Of Factor	KMO After Deletion
IPZ	5	4	1	0.772
AZE	5	4	1	0.721
AMR	9	8	1	0.788

Note: IPZ = Intention to Pay Zakat, AZE = Attitude toward Zakat evasion AMR = Attitude toward Moral reasoning,

Reliability Test

Sekaran and Bourgie (2010) see reliability instrument as the measuring scale which are employed in order to know whether items are free from error, stable and consistent over time. Cronbach alpha coefficient is the most widely used in measuring reliability of the items. Hair et al (2010) recommended 0.60 as minimum Cronbach alpha acceptable value. In line with this the present study's Cronbach alpha for all the three constructs ranges from 0.727 to 0.806. We can conclude that all the variables are reliable. Table 2 below shows the construct reliability.

Table 2: Instrument Reliability (N = 75)

Variables	Number Of Items Before Deletion	Number Of Items After Deletion	Cronbach Alpha After Deletion
IPZ	5	4	0.806
AZE	5	4	0.782
AMR	9	8	0.727

Note: IPZ = Intention to Pay Zakat, AZE = Attitude toward Zakat evasion AMR = Attitude toward Moral reasoning.

DISCUSSIONS

This study was carried out to assess the reliability and validity of three constructs namely intention to pay Zakat, attitude toward Zakat evasion and attitude toward moral reasoning. The study uses Cronbach alpha for reliability assessment and factor analysis for validity assessment. Cronbach alpha based on five items of intention to pay Zakat was 0.793, as a result of dropping one item the Cronbach alpha shift to 0.806, one item was dropped because variance explained was 55.56 but increased to 64.06. The Cronbach alpha of attitude toward Zakat evasion based on five items was 0.791, KMO value 0.723 while variance explained is 55.60, to increase the variance explained to acceptable level, one item was dropped. The Cronbach alpha of attitude toward Zakat evasion based on four items was 0.782, KMO 0.721 and variance explained 0.61.03. Finally, attitude toward moral reasoning Cronbach alpha increase from 0.699 to 0.727 KMO also increase from 0.783 to 0.788, whereas variance explained moved from 63.69 to 70.35 based on eight items.

CONCLUSIONS

Attitude toward Zakat evasion and attitude toward moral reasoning is expected to guide individual toward accepting Allah (SWT) commandment of paying Zakat so as to fulfill one of the pillars of Islam. This study which is based on the ongoing work found that all the items of intention to pay Zakat, attitude toward Zakat evasion and attitude toward moral reasoning are reliable and are valid since all the values are within acceptable range.

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