

# THE RELATIONSHIP BETWEEN REPUTATION AND INFAQ COLLECTION AMONG ISLAMIC PRIVATE SCHOOLS AND THE ROLE OF GOVERNANCE PRACTICE AS MODERATOR

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## ABSTRACT

**Purpose** - Islamic private schools are becoming recognised as playing an important role in providing alternative to national education system and furthering government's objectives especially after the introduction of the Malaysian Syariah Index in 2015. As these schools mushrooming in number from year to year, it becomes increasingly tough for corporation and public to determine which schools to support financially. The contributions from various stakeholders are crucial since most of these schools rely on the funding to execute their missions and run their organisations. As reputation becoming the most critical, strategic, and enduring asset that an organisation possesses, study on reputation among private school and its affect to donation activities is still scarce. Therefore, this study proposed a conceptual framework of private school reputation and the *infaq* collection that applies resources based theory and stakeholder theory to the specifics of Islamic private school setting. This study aims to see the effect of school reputation and the moderating effect of governance practice to the *infaq* collection among Islamic private schools in Kelantan, Kedah and Perak. The central issue highlighted in this study is the insufficiency and unsustainability of *infaq* collection by these schools to finance their operations and development.

Fombrun (1996) argue that a good reputation is considered by academics and business professionals alike to be one of the most valuable intangible assets an organization can possess, reducing stakeholder uncertainty about future organizational performance, strengthening competitive advantage, contributing to public confidence and creating value by maximizing an organization's ability to receive a premium for product or services. Therefore, reputation is critical as it has influence on stakeholders' attitudes towards the school and the non-profit organisation. Islamic private schools as the non-profit organisations, which run school in order to fulfil market demand in providing Islamic education as an alternative to national education system, should pay attention on reputation since most of the schools rely on public funding in assisting their operation. To develop the conceptual framework of this study, several past studies on reputation has been reviewed including studies from Badri & Mohaidat, 2014; Cravens, Oliver, & Ramamoorti, 2003; Järvinen & Suomi, 2011; Plewa, Ho, Conduit, & Karpen, 2016; Skallerud, 2011; Vidaver-Cohen, 2007.

**Methodology** - This census study will employ quantitative approach to answer the research questions. Since the population is relatively small, this study will include the entire population

where a total number of 162 management personnel of Islamic private schools in Kelantan, Kedah and Perak will be approached to participate in the study. Then the gathered data will be analysed by using Partial Least Square (PLS) software.

**Findings** - From the study, it is expected that reputation will has a significant positive relationship with the infaq collection. In addition, the relationship between reputation and infaq collection is moderated positively by governance practice. Based on previous empirical research and theories, this study proposed two early hypthothesis.

- H1 There is a ppositively significant relationship between reputation and infaq collection  
 H2 The relationship between reputation and infaq collection is moderated positively by the governance practice.

**Keywords:** Reputation, governance practice, infaq collection, private schools, conceptual model

## CONCLUSIONS

In conclusion, the study of the reputation among Islamic private schools and its relationship to the *infaq* collection is very important as most of these schools rely on public and corporate donations in developing and operating the schools. Reputation can be valuable assets to the schools where a good reputation will enhance public trust thus help the school to attract more students and increase the amount of donation received from the public. In addition, this model may also be used by other private school authorities as references.

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