Business zakat compliance behavioral intention in a developing country

Ram Al Jaffri Saad

Tunku Puteri Intan Safinaz School of Accountancy, Universiti Utara Malaysia, Changlun, Malaysia

Abubakar Umar Farouk

Accounting Department, Kano State Polytechnic, Kano, Nigeria and Tunku Intan Safinaz School of Accountancy, Universiti Utara Malaysia, Changlun, Malaysia, and

Dzarfan Abdul Kadir

Tunku Puteri Intan Safinaz School of Accountancy, Universiti Utara Malaysia, Changlun, Malaysia

Abstract

Purpose – This study aims to examine the factors influencing the intention to comply with business zakat in a developing country.

Design/methodology/approach – A sample of 700 small and medium scale businessmen was drawn using the random sampling method. A total of 524 responses was analyzed using the partial least square structural equation modeling (PLS-SEM) technique.

Findings – Results indicate attitudes toward zakat evasion, attitudes toward moral reasoning, peer influence, zakat knowledge, zakat distribution and perceived zakat board capital positively and significantly influence intention to pay zakat. Interestingly, the enforcement of zakat law was found to significantly influence intention but in a negative direction.

Practical implications – Accordingly, it was recommended for policymakers to pay more attention to policy formulation to the identified factors in line with the results so that zakat collection could be increased.

Originality/value – The study contributes generally to zakat compliance knowledge and specifically to zakat on business wealth in Muslim majority states in developing countries that are fighting against poverty. The PLS-SEM method and its application in the Islamic field study, especially on zakat payment has a limited discussion in previous studies, which is a unique contribution of this study.

Keywords PLS-SEM, Intention, Developing country, Decomposed TPB, Zakat compliance

Paper type Research paper

1. Introduction

Zakat is an important mechanism for the development of a country as it contributes to a better social security and harmony. Further, zakat also aims to bridge the gap between rich and poor. According to Ibrahim and Ghazali (2014), zakat is an important instrument for diluting economic inequality and addressing the challenge of unemployment among Muslims, especially in Muslim majority states. Tlemsani and Matthews (2013) claimed that zakat may effectively tackle poverty among Muslims if zakat fund is well used. Thus, it may enhance the economy of the country resulted from the shifting of poor (asnaf) to a better

quality of life. In general, zakat fund may strengthen the economic independence of the Muslim society (Hossain, 2012). Given the importance of zakat, a zakat commission was set up in Kano, the largest Muslim majority state in Nigeria, to primarily govern all affairs relating to zakat and hubsi (Farouk *et al.*, 2018).

In Kano, there are over 10 million Muslims, which constitute 99 per cent of the population and as an estimation of 1 million of them are eligible to pay zakat (Farouk *et al.*, 2018). However, despite a lot of efforts made in Kano, zakat collection remained very low (Saad and Farouk, 2019). Available statistics showed that there are still many zakat payers who are not paying zakat to the established zakat commission in Kano (Farouk *et al.*, 2018; Saad and Farouk, 2019; Muhammad *et al.*, 2018). It was clear that over the years, the percentage of zakat collection there was less than 1 per cent. This means that 99 per cent of zakat payers were not complying with payment to zakat commission (Farouk *et al.*, 2018). For instance, available records indicated that only 72 and 43 persons paid zakat to the established zakat commission in 2012 and 2013, respectively (Kano State Zakat and Hubsi Commission, 2015). Imagine that all eligible persons pay their zakat dues, then certainly the life of many poor Muslims in Kano will change positively. This assertion is in line with the observations of Mustafa *et al.* (2013), who revealed that there are significant differences between actual zakat performance and the potentials of zakat collection in Kano. Thus, Wali (2013) and Alaro and Alalubosa (2018) concluded that as zakat compliance decreases, poverty level increases and in contrary, therefore, if zakat collection increases, many asnafs will be out of poverty.

The litmus question is how could this unpleasant trend be reversed? What are the key factors that could trigger the behavioral intention of the zakat payers to comply? Intention is acknowledged by many scholars to be the key determining factor of actual behavior (Ajzen, 1985; Ajzen and Fishbein, 1975; Qardawi, 2009). According to Ajzen (1985) and Ajzen and Fishbein (1975), actual compliance is determined by behavioral intention. The stronger the intention, the higher compliance is expected and vice versa. In Islam generally, and in zakat specifically, Qardawi (2009) observed the importance of intention as a key factor for zakat compliance. Besides that several empirical studies conducted have proved the significance of intention in zakat compliance contexts (Johari *et al.*, 2014; Ummulkhayr *et al.*, 2017).

To address this lacuna, this study intends to use the extended version of the theory of planned behavior (TPB), which has been given limited attention by previous studies in zakat environment. The main objective of this study is to empirically examine the factors that are significantly related to business zakat compliance behavioral intention in Kano, Nigeria. Thus, this study hopes to add to the scanty literature in the area of zakat and also proffer constructive suggestions to stakeholders, mainly the government in formulating a policy that shall cause a boost in zakat compliance. Accordingly, apart from adding to the limited literature the novelty of this research has other dimensions as well. Economic wise, poverty has been a hard nut to crack even with all the strategies adopted, it is envisaged that this study shall contribute in sourcing and providing for an alternative strategy to the government in addressing the problem.

The paper is organized into seven sections. Section 2 discusses the underpinning theory of the study, as well as the variables of the study. Section 3 discusses the intention. Section 4 discusses the attitude and intention. Section 5 discusses the Subjective norms and intention. Section 6 is on the research methodology. Section 7 explains data analysis and discussion of results, and finally, Section 8 concludes the paper.

2. Literature review
The underpinning theory of this study is the TPB, which was developed by Ajzen (1985), 10 years after the development of the theory of reason action (Ajzen and Fishbein, 1975). The

theory stipulates that behavioral intention is determined by attitude, subjective norms and perceived behavioral control (Ajzen, 1985). Thus, in the subsequent paragraphs, each of these identified constructs is discussed and hypotheses are also developed on each construct as they relate to zakat compliance intention.

In the context of zakat, the TPB has been used by many zakat researchers (Ram Al Jaffri *et al.*, 2010), Heikal *et al.*, 2014; Saad and Haniffa, 2014) and found that the TPB can explain zakat compliance intention behavior on business income. Heikal *et al.* (2014) found that subjective norm and perceived behavioral control have a strong and positive relationship with the intention to pay commercial zakat. Heikal *et al.* (2014) revealed that the relationship between attitude and intention is positive. Saad and Haniffa (2014) also tested attitudes and subjective norms to understand business zakat compliance behavior. They concluded that those variables can predict the behavior of business compliance to zakat payment.

3. Intention

First and foremost, the intention is an important element for accepting or rejecting one's behavior. Previous research studies are of the view that the predictor of behavior is the intention to behave (Saad and Haniffa, 2014). The behavioral intention of an individual is the cognitive representation of a person's willingness to implement a given behavior (Ajzen and Fishbein, 1975). Qardawi (2009) asserted that in Islam any worship without intention will not be rewarded.

In the field of zakat, several studies have been conducted on an intention to pay zakat (Saad and Haniffa, 2014; Farouk *et al.*, 2018) and zakat compliance behavior (Suprayitno *et al.*, 2013; Halizah *et al.*, 2011). For example, Saad and Haniffa (2014), in their study on 227 active businessmen in one of the districts in Malaysia, found that compliance behavior is significantly influenced by intention to pay zakat.

4. Attitude and intention

In this study, attitude is defined as the evaluation of businessmen and businesswomen either it is positive or negative toward zakat payment. The attitude construct could be decomposed to offer greater understanding and predictive power of the construct (Idris and Ayob, 2001). In line with this argument, this study decomposes attitude into three dimensions. The attitude toward zakat evasion, the attitude toward moral reasoning and the attitude toward ethnic diversity.

According to Ajzen and Fishbein (1980), behavioral intentions are influenced significantly by attitude. Ajzen (1991) concluded that attitude toward a behavior is a major factor that influences intention apart from the subjective norm and perceived behavioral control. Furthermore, Ramayah *et al.* (2009) also asserted that attitude toward a behavior is the main contributing factor of behavioral intention. In the context of zakat, Saad and Haniffa (2014) and Farouk *et al.* (2018) confirmed that attitude significantly influences intention to pay zakat.

Despite several researchers who believe attitude is a predictor of intention to pay zakat, there are some scholars in the zakat field who are of the view that attitude may not be a sufficient factor that can influence the decision of an individual to pay zakat. For instance, Heikal *et al.* (2014) argued that attitude does not influence an individual's intention to pay zakat.

Accordingly, zakat evasion is operationally defined as any actions of zakat payer that will discourage him or her from paying zakat through zakat institutions. The relationship between attitude toward zakat evasion and intention to pay zakat is not known in the literature. Although attitude has been studied in many fields (such as Islamic banking, tax

and zakat), attitude toward zakat evasion is yet to be studied. It is an important variable that needs to be studied because when an individual perceives zakat evasion as wrong, it is likely that he or she will have a positive attitude toward intention to pay zakat. Similarly, an individual who perceives zakat evasion as good is likely to have a negative attitude toward the intention to pay zakat. The current study includes attitude toward zakat evasion into the framework to examine its impact on the intention to pay zakat. In the context of the zakat environment, the present study expects attitude toward zakat evasion to influence the intention of zakat payer to pay zakat:

H1. Positive attitudes toward zakat evasion positively and significantly affect intention to pay zakat.

Similarly, an individual with negative moral reasoning on zakat payment is expected to have low intention on zakat payment. Although all moral choices can be seen as personal choices, some choices as regarded as an economic choice or an ethical choice described by some ethical code or regulated by an ethical relationship with others. Hence, it is important for this study to include attitude toward moral reasoning in the framework to test the relationship between moral reasoning and intention to pay zakat in Kano. It is vital to study the attitude toward moral reasoning as a factor that can enhance zakat payment. Zakat payment is a religious obligation; understanding the factors that can increase zakat payment is a great contribution. Thus, the present study expects that attitude toward moral reasoning influences intention to pay zakat among eligible Muslims in Kano:

H2. Attitudes toward moral reasoning positively and significantly affect intention to pay zakat.

Similarly, Alabede (2012) revealed that the level of trust in a society depends on the degree of ethnic polarization and the diversity of society. This suggests that ethnic diversity may explain the variation in the level of compliance behavior of taxpayers in a multi-ethnic society (Al-Mamun *et al.*, 2014). However, discussion on the relationship between attitude toward ethnic diversity and intention to pay zakat in zakat environment has not yet been found in the literature. In Kano, the society is ethnically a heterogeneous society. Thus, the inclusion of attitude toward ethnic diversity in the framework of this study is important to get an insight into the relevance of the construct to the zakat commission for policy formulation. Hence, the study envisages that attitude toward ethnic diversity will play an important role in zakat payer's intention to pay zakat:

H3. Attitudes toward ethnic diversity positively and significantly affect intention to pay zakat.

5. Subjective norms and intention
Subjective norm is regarded as one's views of another person's feelings as to perform or not to perform a given behavior (Ajzen, 1991). In the context of zakat compliance behavior, Saad and Haniffa (2014) and Farouk *et al.* (2018) found that subjective norm significantly influences intention to comply. Othman (2008) confirmed that the relationship between subjective norm and intention is negative. Similarly, Huda *et al.* (2012) mentioned that subjective norm does not influence zakat compliance behavior.

Despite several studies indicated a significant relationship between subjective norm and intention, there are some studies that came up with mixed findings. According to Taylor and Todd (1995), the decomposition of the subjective norm is necessary. Thus, in the context of

this study, the subjective norm has been decomposed into the influence of religious leaders and the influence of peers.

Religious leaders influence is seen as the ability of an Islamic scholar in convincing Muslims to pay zakat to the zakat authority. The variable was tested in other environments like Malaysia (Saad and Haniffa, 2014), however, religious leaders and practice of amil in Malaysia are different from that of Nigeria (Kano State Zakat and Hubsi Commission, 2015). Consequently, the relationship between the influence of religious leaders and intention to pay zakat in Kano is uncertain. Thus, it is important to understand whether the religious leaders have any impact on zakat payers in Kano or not:

H4. Influence of religious leaders positively and significantly affect intention to pay zakat.

Peer in the context of this paper is defined as friends that may influence the decision of the zakat payer to comply or not to comply with zakat payment. Peer in Kano context plays an important role in shaping individual thinking on either to accept or reject a given task. In the case of zakat, it is likely a zakat payer that associates with good peers who advise him or her to perform religious acts will have a positive intention to pay zakat. Thus, this study presumes that peer influence will significantly affect zakat payers' intention to pay zakat:

H5. Peer influence positively and significantly affects intention to pay zakat.

5.1 Perceived behavioral control and intention

Perceived behavioral control is defined as the belief a person has on factors that can influence his or her performance, internally or externally (Ajzen, 1991). Perceived behavioral control in this study refers to zakat payers' perception of the degree to which they have control or are capable of payment of zakat to the institution. It was decomposed into five dimensions as follows: zakat knowledge, zakat system structure, enforcement of zakat law, quality of zakat distribution and perception toward zakat board capital.

In the context of zakat, Huda *et al.* (2012) confirmed that perceived behavioral control significantly influences the intention to pay zakat. Additionally, Heikal *et al.* (2014) found that perceived behavioral control is a strong predictor of intention to pay zakat. On the other hand, several results support a negative correlation between perceived behavioral control and intention. Khalifa and Shen (2008) found that perceived behavioral control has a negative relationship with behavioral intention.

Accordingly, zakat knowledge refers to zakat payers' understanding of the necessary Islamic principles that will influence him or her to comply with zakat payment. Many researchers used the level of knowledge as an important variable toward predicting the behavior of an individual's compliance with zakat payment (Hasan and Mohd-Shahnaz, 2005; Khamis *et al.*, 2011).

In the context of Kano, the relationship between zakat knowledge and intention to pay zakat, however, is not known in the literature. Hence, the introduction of zakat knowledge in the study framework will be an important contribution to zakat environment in Kano. The study expects that zakat knowledge will influence the intention to pay zakat among Muslim in Kano:

H6. Zakat knowledge positively and significantly affects intention to pay zakat.

The zakat system structure is operationalized as a composition of zakat institution, which includes the chairman, secretary and heads of three departments in the zakat office

(Kano State Zakat and Hubsi Commission, 2015). The system structure of zakat institution in Kano is an important factor that will either attract or discourage potential zakat payers to pay zakat to the legitimate zakat authority. Unlike a tax, zakat payment to the zakat authority is not compulsory; zakat payers have a choice to pay or not to pay their zakat to the zakat authority. Hence, introducing zakat system structure into the model can assist in finding the solution for a low payment of zakat. In Kano, examining this variable in the context of zakat institutions would offer a significant contribution to fill the existing gap. In this study context, the same variables that influence taxpayers will equally serve the same purpose for zakat payers:

H7. Zakat system structure positively and significantly affects intention to pay zakat.

Several researchers define enforcement in different ways. In zakat field, Khamis and Yahya (2015) defined enforcement as imposing given instructions to encourage the required behavior of the people. Further, Khamis and Yahya (2015) argued that individual compliance would be improved if enforcement has severe penalties and action power. However, in the context of Kano, zakat is still voluntary; testing enforcement of zakat law on individual zakat payers will provide additional contributions to knowledge. The present study expects enforcement of zakat law will influence the intention to pay zakat:

H8. Enforcement of zakat law positively and significantly affects intention to pay zakat.

Mohamed Dahan (1998) argued that poor management of zakat distribution is a major factor that leads to a bad image of zakat institutions, and this, in turn, affects the zakat collection level. Zainal *et al.* (2016) and Ghazali *et al.* (2016) posited that a lack of transparency and inefficiency of zakat distribution lead to low confidence in zakat institutions. They found that the lack of efficiency in zakat distribution causes dissatisfaction with the zakat institutions.

Discussion about the relationship between quality of zakat distribution and intention to pay zakat in the zakat environment, however, has not yet been found in the literature. Quality of zakat distribution can be regarded by Muslims as the main factor that encourages zakat payers to pay through the zakat institution. Kano, with a large Muslim population in Nigeria and the large number of asnaf will gain benefit if the zakat system supports to the Muslim society. Zakat payers will see the quality of zakat distribution as a factor that encourages them to pay zakat to the zakat institution. Thus, examining this variable in the context of zakat institutions would offer a significant contribution to fill the existing gap.

The inclusion of quality of zakat distribution can assist zakat collection in two ways. Firstly, the proper distribution of zakat to asnaf will boost zakat collection. Secondly, the poor distribution of zakat to asnaf will retard the process of zakat collection in Kano. Thus, the current study expects that the inefficiency of zakat institutions leads to dissatisfaction with zakat payers in the future, which will eventually affect the zakat collection in Kano:

H9. Quality of zakat distribution positively and significantly affects intention to pay zakat.

Similarly, Wahab and Rahim Abdul Rahman (2011) argued that the principal factor determining the efficiency of zakat institution is board capital or board composition. Again, Abioye *et al.* (2011) revealed that the perception on board capital has a direct positive relationship with zakat payers' trust. Furthermore, discussion about the relationship between perception on board capital and intention to pay zakat has very limited literature. Thus, examining this variable in the context of zakat institutions would offer a significant

contribution to fill the existing gap. Thus, the current study expects that perception toward board capital will influence zakat payers' intention to pay zakat:

H10. Perception toward zakat board capital positively and significantly affects intention to pay zakat.

6. Research methodology

This section provides details on the conceptual framework, the population and the determination of sample size, data collection and other research design aspects.

Figure 1 depicts the conceptual framework of the study. There are 10 independent variables postulated to have a significant relationship with the intention to pay zakat, which is the dependent variable of the study. In accordance with the reviewed literature and relying on the underpinning theory, the attitude has been decomposed into three dimensions (attitude toward zakat evasion, attitude toward moral reasoning and attitude toward ethnic diversity), the subjective norm has been decomposed into two dimensions (influence of religious leaders and peer influence). Finally, perceived behavioral control has been decomposed into five dimensions (zakat knowledge, zakat system structure, enforcement of zakat law, quality of zakat distribution and zakat board capital).
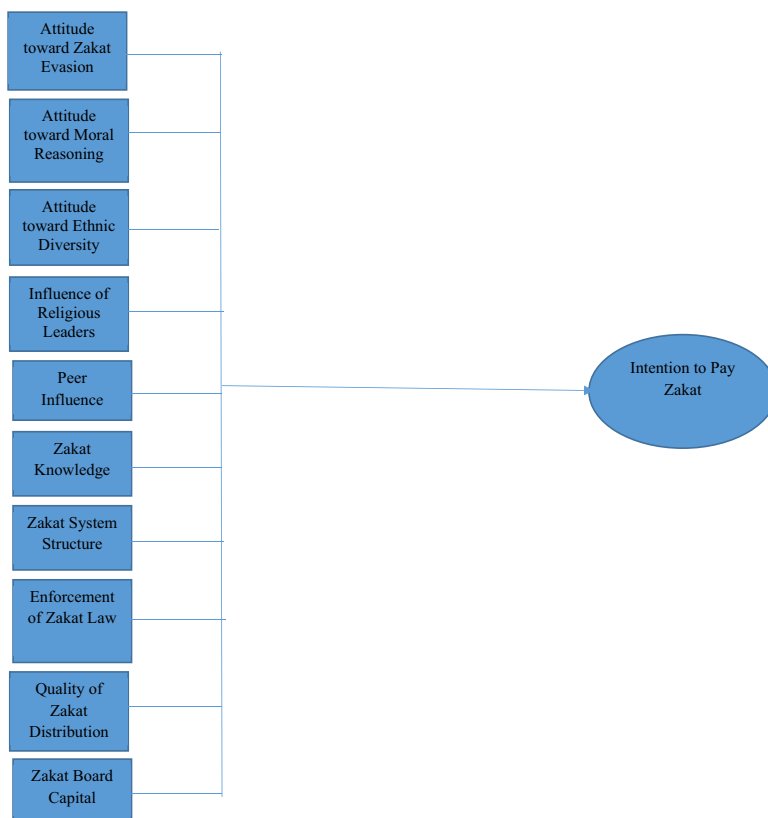
Figure 1.
Conceptual
framework

Based on the recommendations of Sekaran and Bougie (2016) on the determination of sample size, the Krejcie and Morgan (1970) were used to arrive at the sample of the study. A sample of 700 respondents cutting across the small and medium scale businessmen in Kano was drawn. Hence, the questionnaires were distributed to the following group of respondents in the areas stipulated: industrial estates Sharada, Dakata, Tudun Murtala and Dawaki; and market areas such as Kwari, Kofar Ruwa, Kofar Wambai and Sabon Gari. Respondents were chosen using a systematic random sampling method. A total of 524 responses were retained for the purpose of data analysis, signifying 67 per cent response rate, which is considered adequate (Sekaran, 2003). The study used partial least square structural equation modeling (PLS-SEM) to analyze the transformed data. Many scholars have recommended the use of PLS-SEM as a good path modeling statistical tool for solving complex multivariate models (Hair *et al.*, 2014). It was also confirmed by many researchers that the PLS-SEM approach is a flexible, stronger and superior statistical tool for theory prediction and testing (Henseler *et al.*, 2014).

7. Data analysis and discussion of results

The study consists of 11 variables, including the dependent variable. All items and each of the variables have an average variance extracted (AVE) of 0.5 and above; and factor loadings of 0.40 and above. Overall, attitudes toward zakat evasion has five items, attitudes toward moral reasoning four items, attitudes toward ethnic diversity has three items, influence of religious leaders has five items, peer influence consists of five items, zakat knowledge has six items, zakat systems structure has five items, enforcement of zakat law has five items, quality of zakat distribution has five items, perceived board capital has six items and intention to pay zakat has five items as shown in Figure 2. The tolerance value and variance inflation factor (VIF), which are the most reliable statistical methods were used. Results from the test revealed that the tolerance values range from 0.313 to 0.610, which is considerably greater than 0.1 while VIF ranges from 1.640 to 3.196 substantially less than 10. Therefore, it is concluded that all the exogenous variables are free from
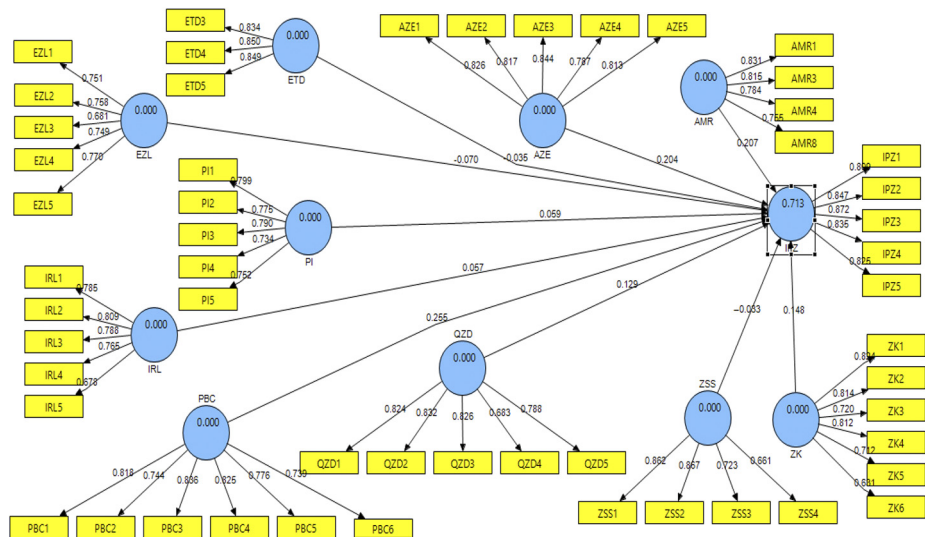

Figure 2.
Measurement model

multicollinearity as it meets up with the acceptable thresholds for tolerance value of above 0.1 and VIF of less than 10 (Hair *et al.*, 2010; Memon *et al.*, 2017).

According to Sekaran and Bougie (2013), the composite reliability (CR) acceptable threshold is 0.7. For this study, all the constructs under investigation were found to have achieved the yardstick, hence, confirming the reliability of the constructs. The CR results for each construct showed: attitude toward zakat evasion 0.910, attitude toward moral reasoning 0.874, attitude toward ethnic diversity 0.882, attitude toward enforcement of zakat law 0.860, influence of religious leaders 0.876, influence of peer 0.880, perceived board capital 0.909, quality of zakat distribution 0.894, zakat knowledge 0.888, zakat system structure 0.863 and intention to pay zakat 0.922.

The AVE was used for assessing the convergent validity of each latent construct as recommended by Hair *et al.* (2014). The acceptable score of AVE as recommended by Chin (1998) is 0.50 or more. The AVE for the constructs under study were: attitude toward zakat evasion 0.669, attitude toward moral reasoning 0.635, attitude toward ethnic diversity 0.713, attitude toward enforcement of zakat law, 0.551, influence of religious leaders 0.587, influence of peer influence 0.594, perceived board capital 0.625, quality of zakat distribution 0.628, zakat knowledge 0.614, zakat system structure 0.614 and intention to pay zakat 0.702. This signifies a good convergent validity.

Discriminant validity is concerned with the extent to which one construct is different from another construct (Hair *et al.*, 2012). According to Hair *et al.* (2014), conventionally the most efficient way of assessing the discriminant validity is Fornell–Lacker criterion. Another method is the examination of the cross-loadings. This research uses the two methods for the purpose of assessing discriminant validity to know whether a given latent construct is different from other constructs as suggested by Fornell *et al.* (1981). Thus, the discriminant validity was assessed by comparing the square root of AVE for each construct with the correlation matrix. The results signify that the measures of all the 11 variables to be appropriate measures of their distinct variables (Byrne, 2010). In Table I, the square root of each AVE (construct) in bold is higher than all other figures downward and to its opposite (Figure 3).

Next, the path coefficients were examined. *H1* predicted that attitudes toward zakat evasion positively and significantly affect intention to pay zakat. The result shows a

Compliance behavioral intention

519

Construct	AMR	AZE	ETD	EZL	IPZ	IRL	PBC	PI	QZD	ZK	ZSS
AMR	*0.80*										
AZE	0.78	*0.82*									
ETD	0.51	0.50	*0.69*								
EZL	0.45	0.46	0.57	*0.74*							
IPZ	0.75	0.76	0.46	0.43	*0.84*						
IRL	0.71	0.72	0.66	0.62	0.69	*0.77*					
PBC	0.70	0.73	0.50	0.49	0.75	0.71	*0.79*				
PI	0.64	0.64	0.52	0.57	0.64	0.71	0.66	*0.77*			
QZD	0.69	0.72	0.52	0.62	0.72	0.74	0.75	0.69	*0.79*		
ZK	0.75	0.76	0.55	0.53	0.73	0.73	0.68	0.65	0.75	*0.76*	
ZSS	0.68	0.67	0.54	0.59	0.63	0.70	0.67	0.65	0.70	0.71	*0.72*

Notes: AZE = Attitude toward zakat evasion; AMR = Attitude toward moral reasoning; ETD = Ethnic diversity; IRL = Influence of religious leaders; PI = Peer influence; ZK = Zakat knowledge; ZSS = Zakat service quality; EZL = Enforcement of zakat law; QZD = Quality of zakat distribution; and PBC = Perceived board capital; Italic data represent the square root of Average Variance Extracted (AVE) for each construct

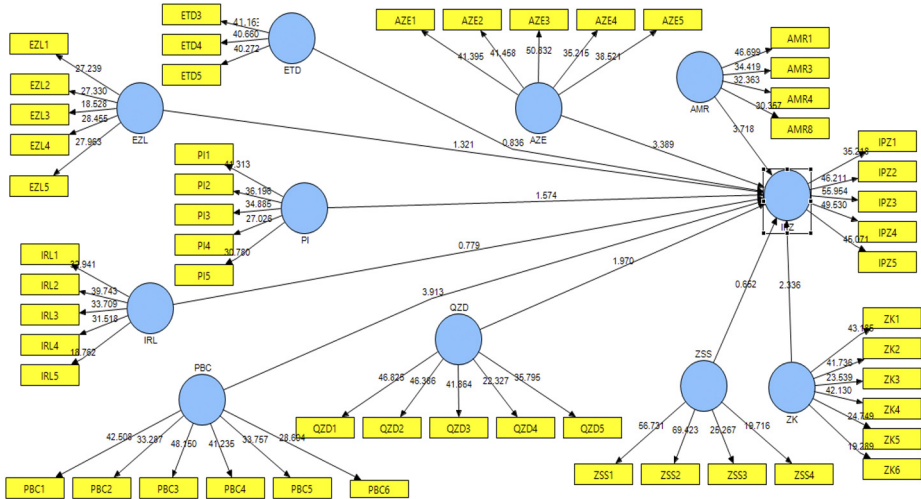Table I.
Discriminant validity

Figure 3.
Structural model

significant positive relationship between intention to pay zakat and attitude toward zakat evasion ($\beta = 0.204$, $t = 3.389$, $p < 0.01$), supporting *H1*. This empirical result is consistent with the outcomes of previous researchers that attitude influences intention (Koutromanos *et al.*, 2015; Al-Ajam and Md Nor, 2015; Saad and Haniffa, 2014; Farouk *et al.*, 2018). The relationship between attitude toward zakat evasion and intention to pay zakat has not been tested in the zakat environment. By making the first attempt, this study finds that individual zakat payer, who perceives that non-payment of zakat as a sin, is more highly tend to pay zakat to the authority than those who do not perceive of non-payment of zakat as a sin. The establishment of a positive relationship between attitude toward zakat evasion and intention to pay zakat among businessmen lends credence to the findings of much previous research as mentioned above. The significantly positive result signifies that the intention to pay zakat could be improved by stimulating a favorable attitude toward zakat payment. The more the attitude is favorable, the better the behavioral intention toward zakat payment.

H2 anticipated that attitude toward moral reasoning positively and significantly affects intention to pay zakat. The result indicated that attitude toward moral reasoning had a significant positive relationship with the intention to pay zakat ($\beta = 0.207$, $t = 3.718$, $p < 0.01$), and thus, supports *H2*. It is important to remember that moral reasoning refers to how zakat payers consider payment of zakat as one of their religious obligatory. The concept of moral reasoning is seen as a method of determining right or wrong in a particular situation. The empirical result coincides with the findings of Hanno and Violette (1996) and Donna and Bobek (2003) in the tax environment. The study concludes that zakat payers who view that zakat payment is a religious obligation, have a positive intention toward zakat payment. In a nutshell, this result suggests that zakat institutions need to embark on rigorous campaigns on zakat payment so that people will see zakat compliance behavior as one of their religious obligatory. Zakat institutions can use this factor to promote and build a positive attitude toward zakat payment among zakat payers. To form this kind of attitude, zakat institutions should pay more attention to this variable. A greater understanding of this factor might increase zakat collection in the future. From a practical point of view, the positive relationship between attitude toward moral reasoning and intention to pay zakat reveals

that the ability of an individual to understand what is good is important. Therefore, awareness of potential zakat payers about the benefit of zakat payment in Islam is vital. This can be done by using various channels, such as discussions, talks, advertisements and promotions.

In observing the relationship between attitude toward ethnic diversity (*H3*) and intention to pay zakat, the study found that the relationship between the two variables is negative and not significant ($\beta = -0.035$, $t = 0.836$). Contrary to expectations, the empirical result does not support the study's hypothesis. The result contradicts previous researchers (La Porta *et al.*, 1999; Alesina *et al.*, 2002). One of the reasons is that nowadays there are many interracial marriages between ethnic in this country. This has reduced the importance of ethnic diversity in terms of payment of zakat. It is hard to differentiate between ethnic in Kano, Nigeria because most people do not see any differences between the two ethnic groups nowadays. In line with this assertion, although the findings of this study contradict the previous studies, looking at the issues of cultural differences, interracial marriage between ethnic groups and indigenization by birth, one will agree that ethnic diversity might not be a barrier to zakat payment.

H4 predicted the influence of religious leaders toward the intention to pay zakat. The result revealed a positive but non-significant relationship between the influence of religious leaders and intention to pay zakat with $\beta = 0.057$ and $t = 0.779$. Hence, *H4* was not supported. The result is not consistent with Saad and Haniffa (2014), who found that the influence of religious leaders (amil) toward intention to pay zakat is significant and positive in Malaysia. Taylor and Todd (1995) confirmed the relationship between superior's influence and intention to use information systems as positive and significant. The outcomes of the study are believed to be because of people's lack of trust in religious leaders. Some zakat payers view that religious leaders discourage people from giving zakat to the authority; instead, religious leaders prefer the zakat to be given to them. This is because they claim that all zakat money received will be distributed directly to asnaf; not like the zakat institutions where they just keep the money for a long time before it is distributed.

In the same vein, *H5* predicted that peer influence positively and significantly affects intention to pay zakat. The result found that peer influence positively and significantly influences the intention to pay zakat with $\beta = 0.059$ and $t = 1.557$. The result revealed that *H5* was supported. The result is consistent with previous researchers who reported that peers significantly influence intention (Taylor and Todd, 1995; Saad and Haniffa, 2014). The study confirms that positive opinion or remark from people closest to zakat payers plays a significant role in influencing them to pay zakat. Therefore, zakat institutions should be aware of the importance of reference groups, as peers play an important role in stimulating zakat payer's intention toward zakat payment. In other words, it can be said that when zakat payers find that people closest support them to pay zakat, their intention to pay zakat is likely higher. The result of this study proposes that the greater the influence of social pressure, the stronger the behavioral intention of zakat payers.

Furthermore, *H6* stated that zakat knowledge positively and significantly affects intention to pay zakat. The result shows that the relationship between zakat knowledge and intention to pay zakat is positive and significant ($\beta = 0.148$, $t = 2.336$, $p < 0.01$). Hence, *H6* was supported. The result is in line with the outcomes of previous researchers who have revealed that knowledge is an important variable in predicting the behavior of an individual to comply with zakat payment (Khamis *et al.*, 2011). Similarly, the outcome of this study is consistent with the result of Idris *et al.* (2012), who emphasized that knowledge and volunteers are an important element of zakat compliance. One explanation for this significant result is that individuals with zakat knowledge are likely to engage in zakat

payment more than those without zakat knowledge. Hence, zakat knowledge plays an important role in convincing zakat payers to follow Islamic rules and regulations. With respect to the intention to pay zakat, the higher the levels of zakat knowledge of an individual and the higher the levels of their intention to pay zakat. In other words, lack of zakat knowledge is a barrier to zakat payment.

H7 expected that the zakat system structure positively and significantly affects intention to pay zakat. The results indicated that the prediction of *H7* was not supported because the relationship between zakat system structure and intention to pay zakat was negative and not significant ($\beta = -0.033$, $t = 0.652$). The hypothesis was not supported. This situation might be because of the complexity of the zakat system structure where many Muslims are not aware of the existence of zakat institutions. In tax-related issues, the complexity of the tax system is another factor that determines tax payment (Alabede, 2012). When the tax system is too complex, neither the tax authority nor taxpayers could accurately determine the correct amount of tax to be paid by the taxpayer. In the zakat environment, unlike tax, zakat system structure does not allow the zakat institution to impose any penalty on an individual who does not pay zakat, as the decision to pay zakat is the responsibility of zakat payers. Even though the zakat rate is fixed in Islam, complexity exists because of the lack of information and ignorance among zakat payers. Thus, the outcomes of this research signify that it is not the efficiency of the zakat system structure that influences zakat payers to pay zakat, but other factors such as a good method of zakat distribution.

Similarly, *H8* predicted that the enforcement of zakat law positively and significantly affects intention to pay zakat. However, the result signifies that the relationship between intention to pay zakat and enforcement of zakat law was significant ($\beta = -0.070$, $t = 1.321$, $p < 0.10$) but in a negative direction. Therefore, the hypothesis was not supported. This might be because of the fact that zakat payers assert that once there is law enforcement, the likelihood of non-payment of zakat to zakat institutions will be high. This is because the payment of zakat in Nigeria is not compulsory, so any law enforcement on zakat payment may lead to a decrease in zakat collection. Another possibility is that, as zakat payment is a religious obligatory to all Muslims, any enforcement of civil law is not necessary. If zakat institutions enforce the law, Muslim people will protest and boycott the law. That is, why in other Muslim countries, such as Malaysia, even though there is zakat law, it has not been enforced because of the same reason (Saad and Haniffa, 2014).

H9 established that the quality of zakat distribution positively and significantly affects intention to pay zakat. From the result, the study concluded that the hypothesis was supported ($\beta = 0.129$, $t = 1.970$, $p < 0.05$). This result is consistent with previous researchers who have posited that the quality of distribution is an important element in zakat compliance behavior (Mohamed Sanep *et al.*, 2006; Hairunnizam *et al.*, 2005). Similarly, most of the zakat payers opined that the distribution of zakat funds to asnaf without bias will attract more people to pay their zakat through zakat institutions. The quality of distribution may increase the level of trust among Muslim people toward zakat institutions.

Finally, *H10* predicted that perception toward zakat board capital positively and significantly affects intention to pay zakat. The result confirmed a positive and significant relationship between perception on board capital and intention to pay zakat ($\beta = 0.255$, $t = 3.973$, $p < 0.01$). Thus, zakat institutions need to pay more attention to the selection of board members. Board members play an important role in the development of zakat institutions because they function as resource catalysts for organizations by providing linkages to necessary resources, legitimacy, links to other organizations and assistance in acquiring resources. Therefore, it is important for zakat institutions to be very careful when it comes to the selection of zakat board members. The selection must be based on the integrity of an

individual. In other words, only people with good character and honest are eligible to be a board member of zakat institutions. The result is consistent with Murtala *et al.* (2011), who found a positive relationship between perception on board capital and trust. Also, Certo *et al.* (2001) in the tax environment, argued that the reputation of individuals on the board of a new company significantly affects investors' willingness to pay a premium for initial public offering.

One of the widely accepted criteria for structural model assessment is the coefficient of determination (R^2) of dependent (endogenous) latent variables (Hair *et al.*, 2017). According to Hair *et al.* (2010) and Elliott and Woodward (2007), the R^2 value symbolizes the percentage of variation in the endogenous variable(s) that can be explained by one or more exogenous variables. Chin (1998) classified R^2 into three categories; 0.67 is substantial, 0.33 is moderate and 0.19 is weak, though a minimum acceptable level of R^2 as proposed by Hair *et al.* (2010) was 0.10. Results revealed that R^2 value of intention to pay zakat (0.71) is substantial. The R^2 value reported indicates that all the 10 exogenous variables in the model explained 71 per cent variance of the intention to pay zakat. Thus, it is concluded that the R^2 is substantially based on Chin's (1998) criteria.

The study also assessed the effect size (f^2) of the exogenous variables as suggested by Hair *et al.* (2014). The effect size assessment is done to know whether the omitted variable has any impact on the model. Ferguson (2009) classified effect size (f^2) into three categories as follows: small (0.02), moderate (0.15) and large (0.35). However, Chin (2003) argued that even the tiniest value of f^2 should be considered because it can influence the endogenous variable. In Table II, the effect sizes of attitude toward zakat evasion, attitude toward moral reasoning, quality of zakat distribution, perceived board capital, zakat knowledge and enforcement of zakat law were found to be small where the value is below 0.05.

The predictive capacity of the model of this study was measured using Stone and Geisser's Q^2 (Sleuwaegen, 2009). Stone and Geisser's criterion assumed that the inner model should be able to predict successfully each endogenous latent variable (Hair *et al.*, 2011). According to Chin (1998) and Hair *et al.* (2014), the predictive relevance is said to be acceptable if the endogenous latent variable is above 0. In line with this, using blindfolding procedures, a cross-validated redundancy for intention to pay zakat was examined. The result indicated a Q^2 of 0.4893, which is above 0, signifying a strong predictive relevance of the model of the study.

8. Conclusion and future study
The primary objective of the study is to examine the relationship between intention to pay zakat as dependent variable and attitude toward zakat evasion, attitude toward moral

Variables	Effect size	Decision
Attitude toward zakat evasion	0.04	Small
Attitude toward moral reasoning	0.06	Small
Attitude toward ethnic diversity	0.00	None
Enforcement of zakat law	0.01	Small
Influence of religious leaders	0.00	None
Perceived board capital	0.06	Small
Peer influence	0.00	None
Zakat knowledge	0.02	Small
Quality of zakat distribution	0.02	Small
Zakat system structure	0.00	None

Table II.
Effect size (f^2)

reasoning, attitude toward ethnic diversity, influence of religious leaders, peer influence, zakat knowledge, enforcement of zakat law, quality of zakat distribution and perceived board capital as independent variables. All the independent variables were hypothesized to have a significant and positive relationship with the dependent variable. The framework was underpinned by the TPB, which postulates that intention is influenced by attitude, subjective norms and perceived behavioral control. Thus, the theory was decomposed and 10 hypotheses were formulated and tested statistically using PLS-SEM. Empirical results supported six hypotheses and one hypothesis, which is the relationship between enforcement of zakat law and intention to pay zakat, was found significant but with a negative direction.

The implication of the findings, from the theoretical point of view, reveals the suitability of the decomposed TPB in the study of zakat (Ajzen, 1985). From a philosophical view, the present study contributes immensely to the existing body of knowledge. As far as this study is concerned, most of the variables used in this study have been neglected in previous zakat compliance behavior studies. For example, variables, such as attitude toward zakat evasion, attitude toward moral reasoning, attitude toward ethnic diversity and perceived board capital are new variables introduced in this study. The relationship between intention to pay zakat as the dependent variable and peer influence, zakat knowledge, zakat service quality and enforcement of zakat law is also limited in the previous studies, especially in the context of Kano, Nigeria. The result reveals that these variables contribute toward a better understanding of intention to pay zakat.

The study suggests that careful examination of the above variables and their usage in zakat environment may increase the variance explained in the intention to pay zakat. For example, previous studies have concentrated on attitude as a unidimensional construct that influences intention to pay zakat, intention to pay tax, intention to adopt Islamic banking, intention to adopt mobile services and intention to use internet banking services (Mustafa, 2016; Saad and Haniffa, 2014; Wali, 2013). This study introduces new dimensions of attitude, i.e. attitude toward zakat evasion, attitude toward moral reasoning and attitude toward ethnic diversity and tests its relationship with the intention to pay zakat. Therefore, the study suggests the need for zakat institutions to concern more on the direct link between these variables and intention to pay zakat.

Similarly, the relationship between the influence of religious leaders and peer influence and intention to pay zakat is important. The study finds that Muslim in Kano, Nigeria perceive that religious leaders are not an important factor to determine their intention to pay zakat. Finally, attention must also be paid to other study variables, i.e. quality of zakat distribution, zakat knowledge, enforcement of zakat law and perception on board capital.

The outcomes of this research also show that attitude toward zakat evasion, attitude toward moral reasoning, peer influence, quality of zakat distribution, zakat knowledge and perception of board capital significantly affect intention to pay zakat. The findings disclosed propose that zakat institutions should pay more attention to these variables so that the zakat collection can be increased in the future. Zakat institutions in Muslim majority states like Kano must come up with other possible ways to increase the collection, and not just rely too much on law enforcement, as any increment in law enforcement may lead to non-compliance.

Furthermore, the empirical findings of this study support both the decomposed theory of planned behavior (Taylor and Todd, 1995) and the TPB (Ajzen, 1985). In line with this, the study stresses the importance of adopting a well-grounded theory, which has been used in other studies such as in the areas of taxation, Islamic finance, social psychology and internet

banking. This is the first attempt to understand behavioral intention toward zakat payment in Kano, Nigeria. Therefore, it is expected that this study will add to the existing body of knowledge in the zakat environment.

The findings of this research also note that for individuals to have the intention to pay zakat, a positive attitude should take place prior to zakat payment. The finding also suggests that the two dimensions of attitude, namely, attitude toward zakat evasion and attitude toward moral reasoning, play a significant role in building a positive attitude toward intention to pay zakat. To achieve that zakat institutions need to emphasize the benefits of zakat payment to Muslims, especially to their hereafter and keep educating and reminding Muslims about zakat as their religious obligations. Additionally, zakat institutions need to stress the benefit of zakat from moral aspects as well. For example, zakat institutions need to persuade and convince zakat payers that their money can reduce poverty among Muslims, which may eventually reduce unemployment and crime among the poor. This will help to enhance Muslims image and bring harmony to the society too. Apparently, the result gives an insight to the zakat institutions to inculcate a positive attitude toward zakat payment.

Zakat institutions have been recognized by many scholars as an instrument for poverty reduction among the Muslim Ummah not only in Nigeria but also in many other Muslims nations (Wali, 2013; Fidiana and Triyuwono, 2013; Mohsin, 2013). Therefore, policymakers and government functionaries should recognize that any factor that will lead to an increment in zakat collection in Kano must be given due attention.

The outcomes of this study also assert that an individual's intention to pay zakat is influenced by the closest people surrounding him or her. The study decomposed subjective norm into two dimensions, namely, the influence of religious leaders and peer influence. The zakat institutions may consider factors, such as positive remarks and good word of mouth from referent groups. As encouragement from referent groups' affects an individual's decision-making, using peers as the spokespersons are deemed appropriate because zakat payers tend to follow peers closest to them.

Prior to this work, many Muslims in Kano thought that religious leaders can influence zakat payment. However, the reality according to the findings and interviews conducted by the researcher, shows that religious leaders do not influence the intention to pay zakat. Policymakers should come up with a new strategy to solve the problem. Many zakat payers are not happy with the way religious leaders discourage people from paying zakat to zakat institutions. In fact, some religious leaders prefer collecting zakat from individual zakat payers for distribution, instead of paying the money to zakat institutions. The insignificant effect of the influence of religious leaders suggests that zakat institutions should focus on peer influence as a factor that will help them to increase zakat collection.

The intention to pay zakat is influenced by both internal and external factors. The study decomposed perceived behavioral control into seven variables. The study found that zakat knowledge significantly influences zakat payment in Kano. Many zakat recipients in Kano, when they were asked whether they know about where to collect their zakat did not know the existence of zakat institutions in Kano. In line with this, there is a need for zakat organizations to embark on a rigorous awareness campaign through capacity building programs, workshops and advertisements to let people know of their existence.

Additionally, looking at the difficulties in getting zakat funds by the asnaf from zakat institutions, many zakat payers do not have confidence in the institution. Therefore, solving this problem will encourage Muslims in Kano to have positive intentions toward zakat payment. This study recommends that policymakers should find people with integrity as

board members of the zakat commission in Kano. This study finds that perception on board capital significantly influences zakat payment in Kano. People with integrity should not only be restricted to Islamic scholars; they should but also be selected among Muslims from various backgrounds such as accountants and economists. Zakat payers should also have their representatives on the zakat board. As advised by some zakat payers, during the distribution, zakat institutions should invite some officials from business organizations to be part of the distribution process.

Poor treatment and less friendly of the zakat institution's staff and unconducive zakat office may discourage people to make payment to the zakat institutions. Thus, the policymakers need to monitor the relationship between zakat payers and the zakat commission's staff. Fostering an enabling environment will enhance zakat payment in Kano.

Moreover, while this research targeted the only zakat on business income, future researchers should focus on zakat on employment income and other types of zakat in Nigeria. Besides, a longitudinal study is suggested in the future, as this study only captured the opinion of respondents at one particular point in time, which may invariably not allow for a fuller understanding of the long-term behavior of the respondents.

References

Abioye, M.M.O., Muhammad, M.H.S. and Adnan, M.A. (2011), "Antecedents of Zakat payers' trust: the case of Nigeria", *International Journal of Economics, Management and Accounting*, No. 19, pp. 133-164, available at: http://journals.iium.edu.my/enmjournal/index.php/enmj/article/view/204/161

Ajzen, I. (1985), "From intentions to actions: a theory of planned behavior", *Action Control*, Springer, Berlin, pp. 11-39.

Ajzen, I. (1991), "The theory of planned behavior", *Organizational Behavior and Human Decision Processes*, Vol. 50 No. 2, pp. 179-211, doi: 10.1016/0749-5978(91)90020-T.

Ajzen, I. and Fishbein, M. (1975), *Belief, Attitude, Intention and Behavior: An Introduction to Theory and Research*, Addison-Wesley, Reading, MA.

Ajzen, I. and Fishbein, M. (1980), *Understanding Attitudes and Predicting Social Behavior*, Prentice-Hall, Englewood-Cliffs, NJ.

Al-Ajam, A.S. and Md Nor, K. (2015), "Challenges of adoption of internet banking service in Yemen", *International Journal of Bank Marketing*, Vol. 33 No. 2, pp. 178-194.

Al-Mamun, A., Entebang, H., Mansor, S.A., Yasser, Q.R., Nathan, T.M. and Rahman, M.A. (2014), "The impact of demographic factors on tax compliance attitude and behavior in Malaysia", *Journal of Finance and Accounting and Management*, Vol. 5 No. 1, pp. 109-124.

Alabede, J.O. (2012), *An Investigation of Factors Influencing Taxpayers' Compliance Behaviour: Evidence from Nigeria*, Utara Universiti Malaysia, Utara.

Alaro, A.A. and Alalubosa, A.H. (2018), "Potential of Shari'ah compliant micro-finance in alleviating poverty in Nigeria: a lesson from Bangladesh", *International Journal of Islamic and Middle Eastern Finance and Management*, Vol. 12 No. 1, pp. 115-129, doi: 10.1108/IMEFM-01-2017-0021.

Alesina, A., Devleeschauwer, W., Easterly, S.K. and Wacziarg, R. (2002), "Fractionalization", NBER Working Paper No. 9411.

Byrne, B.M. (2010), "Structural equation modeling with AMOS: basic concepts", *Applications, and Programming*, Routledge, London, doi: 10.4324/9781410600219.

Certo, S.T., Daily, C.M. and Dalton, D.R. (2001), "Signaling firm value through board structure: an investigation of initial public offerings", *Entrepreneurship Theory and Practice*, Vol. 26 No. 2, pp. 33-50.

Chin, W.W. (1998), "The partial least squares approach to structural equation modeling", *Modern Methods for Business Research*, Vol. 295 No. 2, pp. 295-336.

Chin, W.W. (2003), "The Partial least squares approach to structural equation modeling", *Modern Methods for Business Research*, Vol. 295 No. 2, pp. 295-336.

Donna, D. and Bobek, R.H. (2003), "An investigation of the theory of planned behavior and the role of moral obligation in tax compliance", *Behavioral Research in Accounting*, Vol. 15 No. 1, pp. 13-38.

Elliott, A.C. and Woodward, W.A. (2007), *Statistical Analysis Quick Reference Guidebook: With SPSS Examples*, Sage, Thousand Oaks, CA.

Farouk, A.U., Idris, K. and Saad, R.A.J. (2018), "Moderating role of religiosity on Zakat compliance behavior in Nigeria", *International Journal of Islamic and Middle Eastern Finance and Management*, Vol. 11 No. 3, pp. 357-373.

Ferguson, C.J. (2009), "An effect size primer: a guide for clinicians and researchers", *Professional Psychology: Research and Practice*, Vol. 5 No. 40, p. 532.

Fidiana, D. and Triyuwono, I. (2013), "Non-compliance behavior in the frame of IBN Khaldun", *Seventh Asia Pacific Interdisciplinary Research in Accounting Conference*, Kobe, pp. 1-18.

Fornell, C., Larcker, D.F.D. and Bagozzi, R. (1981), "Evaluating structural equation models with unobservable variables and measurement error", *Journal of Marketing Research*, Vol. 18 No. 1, p. 39, doi: 10.2307/3151312.

Ghazali, M.Z., Saad, R.A.J. and Abd Wahab, M.S. (2016), "A conceptual framework for examining trust towards zakat institution", *International Journal of Economics and Financial Issues*, Vol. 6 No. 7, pp. 98-102.

Hair, J.F., Black, W.C. and Babin, B.J. (2010), *RE Anderson Multivariate Data Analysis: A Global Perspective*, Pearson Prentice Hall, Upper Saddle River, NJ.

Hair, J.F., Ringle, C.M. and Sarstedt, M. (2011), "PLS-SEM: indeed a silver bullet", *Journal of Marketing Theory and Practice*, Vol. 19 No. 2, pp. 139-152, doi: 10.2753/MTP1069-6679190202.

Hair, J., Hollingsworth, C.L., Randolph, A.B. and Chong, A.Y.L. (2017), "An updated and expanded assessment of PLS-SEM in information systems research", *Industrial Management and Data Systems*, Vol. 117 No. 3, pp. 442-458, doi: 10.1108/IMDS-04-2016-0130.

Hair, J.F., Hult, G.T.M., Ringle, C.M. and Sarstedt, M. (2014), *A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)*, in Hutchinson, A. and Knight, V. (Eds), 1st ed., Sage Publications, Washington DC.

Hair, J.F., Sarstedt, M., Ringle, C.M. and Mena, J.A. (2012), "An assessment of the use of partial least squares structural equation modeling in marketing research", *Journal of the Academy of Marketing Science*, Vol. 40 No. 3, pp. 414-433.

Hairunnizam, W., Sanep, A. and Mohd. Ali, M.N. (2005), "Kesedaran membayar Zakat Pendapatan di Malaysia", *Islamic Economic and Finance Seminar*, Universiti Utara Malaysia, Utara, 29-30 August, pp. 265-274.

Halizah, M.D., Alwi, K. and Tahir, A.M. (2011), "Factors influence company towards zakat payment: an explanatory studies", *2nd International Conference on Bussiness Economic*.

Hanno, D.M. and Violette, G.R. (1996), "An analysis of moral and social influences in tax compliance", *Behavioral Research in Accounting*, Vol. 8, pp. 57-75.

Hasan, B. and Mohd-Shahnaz, S. (2005), "Kajian terhadap faktor yang mempengaruhi pembayaran zakat perniagaan di kalangan usahawan: Kes kajian Terengganu", Paper presented at the Seminar Ekonomi dan Kewangan Islam, ESSET, Bangi, Selangor.

Heikal, M., Khaddafi, M. and Lhokseumawe, U.M. (2014), "The intention to pay Zakat commercial: an application of revised theory of planned behavior", *Journal of Economics and Behavioral Studies*, Vol. 6 No. 9, pp. 727-734, doi: 10.1108/JAOC-07-2012-0059.

Henseler, J., Ringle, C.M. and Sarstedt, M. (2014), "A new criterion for assessing discriminant validity in variance-based structural equation modeling", *Journal of the Academy of Marketing Science*, Vol. 43 No. 1, pp. 115-135, doi: 10.1007/s11747-014-0403-8.

Hossain, M.Z. (2012), "Zakat in Islam: a powerful poverty alleviating instrument for Islamic countries", *International Journal of Economic Development Research and Investment*, Vol. 3 No. 1, pp. 1-11.

Huda, N., Rini, N. and Mardoni, Y.O.P. (2012), "The analysis of attitudes, subjective norms, and behavioral control on Muzakki's intention to pay Zakah", *International Journal of Business and Social Science*, Vol. 3 No. 22, pp. 271-279.

Ibrahim, P. and Ghazali, R. (2014), "Zakah as an Islamic micro-financing mechanism to productive Zakah recipients", *Asian Economic and Financial Review*, Vol. 4 No. 1, pp. 117-125, available at: www.pakinsight.com/pdf-files/aefr4(1),117-125.pdf

Idris, K.M. and Ayob, A.M. (2001), "Attitude towards Zakah on employment income: comparing outcomes between single score and multidimensional scores", *Malaysian Management Journal*, Vol. 5 Nos 1/2, pp. 47-63.

Idris, K.M., Bidin, Z. and Saad, R.A.J. (2012), "Islamic religiosity measurement and its relationship with business income Zakat compliance behavior", *Jurnal Pengurusan*, Vol. 34, pp. 3-10.

Johari, F., Muhammad Ridhwan, A.A. and Mohd Ali, A.F. (2014), "A review on literature of Zakat between 2003-2013", *Library Philosophy and Practice (E-Journal)*, p. 1175, available at: http://digitalcommons.unl.edu/libphilprac/1175 (accessed 19 December 2019).

Kano State Zakat and Hubsi Commission (2015), "Record of Zakat Payers", Kano.

Khalifa, M. and Shen, K.N. (2008), "Drivers for transactional B2C m-commerce adoption: extended theory of planned behavior", *Journal of Computer Information Systems*, Vol. 48 No. 3, pp. 111-117.

Khamis, M.R. and Yahya, N.C. (2015), "Does law enforcement influence compliance behaviour of business Zakat among SMEs? An evidence via Rasch measurement model", *Global Journal Al Thaqafah*, Vol. 5 No. 1, pp. 19-32.

Khamis, M.R., Md Salleh, A. and Nawi, A.S. (2011), "Compliance behavior of business Zakat payment in Malaysia: a theoretical economic exposition", *8th International Conference on Islamic Economics and Finance*, pp. 1-17.

Koutromanos, G., Styliaras, G. and Christodoulou, S. (2015), "Student and in-service teachers' acceptance of spatial hypermedia in their teaching: the case of HyperSea", *Education and Information Technologies*, Vol. 20 No. 3, pp. 559-578.

Krejcie, R.V. and Morgan, D.W. (1970), "Determining sample size for research activities", *Educ Psychol Meas*, Vol. 30 No. 3, pp. 607-610.

La Porta, R., Lopex, S.F., Shliefer, A. and Vishny, R. (1999), "The quality of government", *Journal of Law, Economics and Organization*, Vol. 15 No. 1, pp. 222-279.

Memon, M.A., Ting, H., Ramayah, T., Chuah, F., Cheah, J.-H. and Kamla, R. (2017), "A review of the methodological misconceptions and guidelines to the application of structural equation modeling: a Malaysian scenario", *Critical Perspectives on Accounting*, Vol. 1 No. 1, pp. 1-13, doi: 10.1016/j.cpa.2009.01.002.

Mohamed Dahan, A.L. (1998), "Zakat management and administration in Malaysia", Paper presented at the Zakat and Taxation Conference, Universiti Islam Antarabangsa Malaysia, Selangor.

Mohamed Sanep, A., Hairunnizam, W. and Adnan, M. (2006), "Penswastaan institusi zakat dan kesannya terhadap pembayaran secara formal di Malaysia", *International Journal of Management Studies*, Vol. 13 No. 2, pp. 175-196.

Mohsin, M.I. (2013), "Potential of Zakat in n eliminating Riba and eradicating poverty in Muslim countries", *Islamic Management and Business*, Vol. 5 No. 11, pp. 2222-2863.

Muhammad, A., Maidoki, M. and Sani, U. (2018), "The role of Islamic finance in empowering youth and women in Sokoto state of Nigeria", *Journal of Islamic Monetary Economics and Finance*, Vol. 3, pp. 141-152.

Murtala, M., Abioye, O., Har, M. and Mohamad, S. (2011), "Antecedents of Zakat payers' trust: the case of Nigeria", *International Journal of Economics, Management and Accounting*, Vol. 19, pp. 133-164.

Mustafa, M.H. (2016), *Tax System, Taxpayer Compliance and Specific Tax Issues*, Universiti Utara Malaysia Press, Sintok, Kedah.

Mustafa, M.O.A., Mohamad, M.H.S. and Adnan, M.A. (2013), "Antecedents of zakat payers' trust in an emerging zakat sector: an exploratory study", *Journal of Islamic Accounting and Business Research*, Vol. 4 No. 1, pp. 4-25.

Othman, M.Z. (2008), "Determinant of zakat compliance intention among self-employed income earners in Kubang Pasu and Kota Star", Unpublished Masters thesis, Universiti Utara Malaysia.

Qardawi, Y. (2009), *Fiqh al Zakat: A Comparative Study of Zakah, Regulation and Philosophy in the Light of Qur'an and Sunnah*, Dr Al Qardawi, Y. (Ed.), 1st ed., pp. 1-346, Scientific Publishing Centre King Abdulaziz University, Jeddah.

Ram Al Jaffri, S., Zainol, B., Kamil, M.I. and Md Hairi, M.H. (2010), "Factors that influenced the business Zakah compliance behaviour [faktor-faktor yang Mempengaruhi Gelagat Kepatuhan Zakat Perniagaan]", *Jurnal Pengurusan*, Vol. 30, pp. 49-61.

Ramayah, T., Rouibah, K., Gopi, M. and Rangel, G.J. (2009), "A decomposed theory of reasoned action to explain intention to use internet stock trading among Malaysian investors", *Computers in Human Behavior*, Vol. 25 No. 6, pp. 1222-1230, doi: 10.1016/j.chb.2009.06.007.

Saad, R.A.J. and Farouk, A.U. (2019), "A comprehensive review of barriers to a functional Zakat system in Nigeria: what needs to be done?", *International Journal of Ethics and Systems*, Vol. 35 No. 1, pp. 24-42.

Saad, R.A.J. and Haniffa, R. (2014), "Determinants of Zakah (Islamic tax) compliance behavior", *Journal of Islamic Accounting and Business Research*, Vol. 5 No. 2, pp. 182-193.

Sekaran, U. (2003), *Research Methods for Business*, Marshall, J. (Ed.), 4th ed., John Wiley and Sons, New York, NY, doi: 10.1017/CBO9781107415324.004.

Sekaran, U. and Bougie, R. (2013), *Research Methods for Business*, 6th ed., John Wiley and Sons, Atrium, Southern Gate, Chichester, West Sussex.

Sekaran, U. and Bougie, R. (2016), *Research Methods for Business: A Skill Building Approach*, John Wiley and Sons, Atrium, Southern Gate, Chichester, West Sussex.

Sleuwaegen, L. (2009), "Advances in international marketing", *International Journal of Research in Marketing*, Vol. 9 No. 4, pp. 319-323, doi: 10.1016/0167-8116(92)90003-4.

Suprayitno, E., Kader, R.A. and Harun, A. (2013), "The impact of Zakat on aggregate consumption in Malaysia", *Journal of Islamic Economics, Banking and Finance*, Vol. 9 No. 1, pp. 1-24.

Taylor, S. and 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*, Vol. 12, pp. 137-155.

Tlemsani, I. and Matthews, R. (2013), "Zakat and the elimination of poverty: new perspectives", *International Journal of Information Technology and Business Management*, Vol. 9 No. 1, pp. 54-69.

Ummulkhayr, A., Owoyemi, M.Y., Binti, R. and Cusairi, M. (2017), "Determinants of Zakat compliance behavior among Muslims living under non-Islamic governments", *International Journal of Zakat*, Vol. 2 No. 1, pp. 95-108.

Wahab, N.A. and Rahim Abdul Rahman, A. (2011), "A framework to analyse the efficiency and governance of zakat institutions", *Journal of Islamic Accounting and Business Research*, Vol. 2 No. 1, pp. 43-62.

Wali, H.N. (2013), "Utilization of Zakat and Islamic endowment funds for poverty reduction: a case study of Zakat and Hubsi commission, Kano", *Journal of Economic and Sustainable Development*, Vol. 4 No. 18, pp. 141-148.

Zainal, H., Abu Bakar, A. and Saad, R.A.J. (2016), "Reputation, satisfaction of Zakat distribution, and service quality as determinant of stakeholder trust in Zakat institutions", *International Journal of Economics and Financial Issues*, Vol. 6 No. 7, pp. 72-76.

Further reading

Ahmad, I.H.J. and Ma'in, M. (2014), "The efficiency of zakat collection and distribution: evidence from two stage analysis", *Journal of Economic Cooperation and Development*, Vol. 35 No. 3, pp. 133-170.

Sutinen, J.G. and Kuperan, K. (1999), "A socio-economic theory of regulatory compliance", *International Journal of Social Economics*, Vol. 26 Nos 1/2/3, pp. 174-193, doi: 10.1108/03068299910229569.

Corresponding author
Ram Al Jaffri Saad can be contacted at: ram@uum.edu.my