



A Conceptual Model of Hibah Giving Behavior

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ABSTRACT

The frozen estate in Malaysia is increasing year to year. Many researchers suggest that giving hibah as one of the solution to reduce the number of frozen estate in Malaysia. Nevertheless, the previous researches indicate that the hibah giving behavior among Muslim in Malaysia is still low. It raises the question of what are the factors that will influence someone to give hibah. Therefore, the purpose of this paper is to propose model of hibah giving behavior. The proposed model was introduced to examine whether attitude, religious value and service quality are the determinants of hibah giving behavior. The review of past literatures conceptualized that attitude and religious value as the internal factors while service quality as the external factor that can influence the hibah giving behavior. Three hypotheses were proposed to see the relationship between variables and hibah giving behavior. Lastly, both theoretical and practical implications were also discussed in this study.

Keywords: Hibah Giving Behavior, Attitude, Service Quality, Religious Value

JEL Classifications: D1, D31, M49, Z12

1. INTRODUCTION

The importance of hibah as Islamic estate planning to economic development and the living standards of the Muslim community cannot be denied. When estate planning is done regularly and systematically, the circulation of wealth and property can continue to be enjoyed by society without left frozen and outstanding. This will boost the economy when the circulation of wealth is going well. Hibah also has played an important role in reducing the frozen estate problems among Muslim in Malaysia. Statistics of frozen estate in Malaysia is increasing year to year and researchers have suggested hibah as one of the solution to reduce the problems. The frozen estate problems should be solved because it can give negative impacts on the economy and social of Muslim in Malaysia.

Even though the society already knew about the importance of estate planning for themselves, but the hibah giving behavior among Muslim in Malaysia is still low. According to Rashid et al. (2013); Rasyid and Yaakub (2010), Muslim community in Malaysia are still be less interested in planning their properties during their lifetime. Besides, Buang (2009) stated that people

are still being indifferent to make estate planning during life to their relatives. As an addition, statistics from Syariah Judiciary Department Malaysia in 2013 showed that 66 Billion inheritance claims are still frozen. The failure to manage the inheritance claims showed us that this is the indication of weakness of estate planning behavior among society. Muda (2008) stressed that hibah is important tool and should be implemented in order to avoid disputation over inheritance that can lead to the frozen estate problems. The donors among Muslim in Malaysia should be encouraged to give hibah even during their lifetime to reduce and solve this problems (Kamarudin and Alma'mum, 2013; Mujani et al., 2012; Rasyid and Ahmad, 2013; Rasyid et al., 2013). Thus, the low level of hibah giving behavior among Muslim has raised a question of what factors contribute to the hibah giving behavior in Malaysia. Therefore, this study will explore the factors influencing hibah giving behavior.

While there are many researches on Islamic surrounding behavior such as zakat, purchasing halal product, choosing Islamic bank and waqaf, the study on hibah giving behavior as an estate planning is still lacking (Kamarudin and Alma'mum, 2013). In recent years, the research on hibah as Islamic estate planning had been

focusing area but the scope are limited to the ruling and operational mechanism of hibah only. There are very limited empirical study in hibah area especially on hibah giving behavior. Thus this study is attempt to propose a research model for examining the factors that will influence hibah giving behavior among Muslim in Malaysia.

The paper is structured as follows; Section 2 presents the literature review and development of research hypotheses. Then, the research conceptual framework is discussed in Section 3. The paper ends with the discussions and implications in Section 4.

2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

2.1. Hibah Giving Behavior

Hibah comes from an Arabic term “wahaba” which means giving without consideration. In the context of Islamic wealth management planning, hibah is a giving to someone else during the lifetime of donor. The advantage of hibah is the division of hibah is not limited to any distribution such a will (Muda, 2008). In Islam, will is also encouraged with a limit of a third of the inheritance intended for the non-beneficiaries (Muda, 2008).

Hibah, gift and sadaqah are different even their definitions are almost same. The difference is in terms of the objective of giving. When someone give something to someone else because of appreciation and affection, it is a gift while if he give something to get reward from Allah, it's called sadaqah (Zuhaili, 1999). As a conclusion, every gift and sadaqah is a hibah but not all hibah are gifts and sadaqah (Muda, 2008).

Hibah giving has been executed since the days of Prophet Muhammad and he himself gave and received hibah (Zuhaili, 1999). In Malaysia, in the context of hibah as estate planning, the Muslims have long practiced hibah but mostly verbally without any document (Hisyam and Muhamad, 2010). Hibah given to a family member such as parents to their children, husbands to wives and grandparents to grandchildren.

Nowadays, with the establishment of many estate planning institutions such as Amanah Raya Berhad, the Selangor Islamic Religious Council, Wasiyyah Shoppe Sdn Bhd and As-Solihien Trusties Berhad, people can choose either to do it alone or with institutions involved in ensuring that they meet all hibah principles and conditions in Islam.

Religious value factor is expected to influence hibah giving behavior significantly. Religious value is an individual practice on Islamic matters. It includes obligatory ibadah (act of worship) such as obligatory prayers, paying zakat, fasting on the month of Ramadhan and going to hajj if capable. Other than that is performing matters that is encouraged in Islam, for example, reading al-Quran and religious book. According to Idris et al. (2012), one would tend to do religious obedience if he always involved in various religious activities. In addition, high religious values will affect intentions and behavior related to observance claimed in religion (Idris et al., 2012). Even though religious value

is not an easy thing to measure (Ghazali, 1989), but the religious factor should be tested as it is believed to play an important role in influencing the Muslim behavior (Idris et al., 2012). Weaver and Agle (2002) also stressed that the religion influenced various behavior including ethical behavior.

Religious factor has been reported as one of the important factors in influencing various behavior especially in Islamic environment behavior. In zakat compliance behavior environment, Bakar and Rasyid (2010) reported that religious value influence compliance behavior significantly. Besides, Osman et al. (2015); Osman (2014) also proved significant relationship between religious factors and waqf giving behavior. In another studies, Tang and Tang (2010) recognised that the religious value significantly influence unethical behavior. Consistent with all the above arguments, this study expect that Muslims who have a high degree of religious value will have high tendency to do hibah. Thus, this hypothesis is develop:

H₁: Religious value has a positive influence on hibah giving behavior.

2.2. Attitude

Besides religious value, attitude is one factor that influence a person's behavior. According to Mueller (1986), the process of decision-making by individuals is influenced by his attitude toward objects, events or organizations. In the theory of planned behavior, attitude is the most important factor or key variables in predicting behavioral intention (Ajzen, 1991). Ajzen (1991) defines attitude toward behavior as one appraisal towards behavior. The appraisal is separated into two. The first one is the good evaluation as it will give positive evaluation towards behavior, and the second is the bad evaluation which will give negative perception towards behavior. In this study, attitude towards hibah means how a Muslim evaluate hibah as a good or bad and it will impact their decision to do hibah.

Previous studies in various environments have confirmed that attitude affects behavioral intention significantly. Amin et al. (2011) found that attitude lead to greater behavioral intention to use Islamic personal financing in Malaysia. In other Islamic surroundings behavior such as halal food and halal product (Alam and Sayuti, 2011; Lada et al., 2009) and zakat context (Saad et al., 2010) also recognized that positive attitude significantly influence the behavioral intention. Other studies by Kautonen et al. (2013); Malebana, 2014) also found attitude significantly influence entrepreneurial behavioral intention. In information technology background, Mishra (2014); Teo and Lee (2010) also found same phenomena. Consistent with the discussion, it is expected that Muslim who have positive attitude towards hibah will be more likely to give hibah and vice versa. Thus, this hypothesis was developed:

H₂: Attitude has positive influence on hibah giving behavior.

2.3. Service Quality

Service quality of an organization is an external factor which will influence behavior in a variety of environments. Service quality provided by organizations play an important role in ensuring customer satisfaction and encourage Muslim to do hibah. Based on disconfirmation theory, (Bitner, 1990) stressed that customer will

satisfied with the quality if its meet the expectation or more, towards the service. This is consistent with the definition by (Parasuraman et al., 1985), service quality is the comparison between customer consideration and their perception of the organization service. Thus in this study, service quality is defined as the Muslim perceptions toward service provided by hibah institutions including facility, communication and the accuracy of the information. Customers will feel satisfied with the services of the hibah institution if the services are exceeding their expectations.

Mittal and Gera (2013) reported that the service quality is an important factor in influencing customer behavioral intention in public sector banking in India. Chou et al. (2014) also found significant influence of service quality towards customer behavior in the chain store restaurants. Based on the above arguments, this study expect that the service quality of hibah institutions will contribute to a better hibah giving behavior. Therefore, the following hypothesis is formulated.

H₃: Service quality has a positive influence on hibah giving behavior.

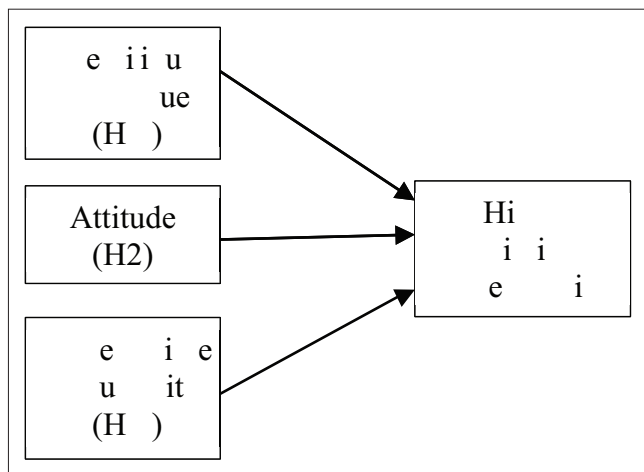
3. RESEARCH CONCEPTUAL FRAMEWORK

The research conceptual framework below are proposed based on literature review and development of hypothesis discussed in section 2. The model is illustrated in Figure 1. In this model, independent variables are expected to have direct positive relationship with dependent variable which is hibah giving behavior. The independent variables include both internal factors which are attitude and religious value and external factor which is service quality in influencing hibah giving behavior. It is expected that hibah giving behavior will be significant if all internal and external factors also have positive factors.

4. CONCLUSION AND IMPLICATION

In general, the objective of the research is to bring up a research model on hibah giving behavior. Based on the previous literatures

Figure 1: Research conceptual framework for hibah giving behavior



on behavioral studies in various environment, three factors are taken into considerations, which are religious value, attitude and service quality. All variables are expected to influence hibah giving behavior. The theoretical implication for this study is the proposed research model on hibah giving behavior. Researchers can applied this model for further research on hibah issues or any Islamic environment behavior. Besides, the author integrates past literatures especially in Islamic surroundings behavior to clarify hibah giving behavior among Muslims.

This study also gives practical contributions to the hibah institutions by identifying the factors that can influence the Muslim community to do hibah. As the research on hibah giving behavior are still lacking, hibah institutions had failed to understand the factors that lead to the frozen estate problem. This study is trying to solve the problem by determining the factors influencing hibah giving behavior. Hibah institutions should take considerations for all factors above in order to increase the numbers of customers to do hibah. This study also contributes to the awareness of the Muslim community itself in planning property during life. This will boost the economy of the Muslim community itself when the circulation of wealth between generations continue to enjoy. There is no empirical evidence provided as the paper is only a conceptual paper. As part of ongoing research, authors will continue to measure the items from the literature and validate the proposed model empirically. In addition, further research should include other factors such as knowledge on hibah, self-efficacy and financial satisfaction, as it may also influence hibah giving behavior significantly.

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