

## e-Proceedings

2024  
**icob**

**INTERNATIONAL  
CONFERENCE  
ON ACCOUNTING  
& BUSINESS**

**Ethics and Integrity in Accounting and Business: Building Trust in an Intricate World**

**ORGANISED BY:**

**FACULTY OF ACCOUNTANCY, UiTM PERAK BRANCH  
TAPAH CAMPUS**

**In Collaboration With**

PROCEEDINGS OF THE 2ND INTERNATIONAL  
CONFERENCE ON ACCOUNTING AND BUSINESS

(ICAB2024)

Ethics and Integrity in Accounting and Business: Building Trust in an Intricate World

e ISBN 978-967-2776-35-2

FACULTY OF ACCOUNTANCY  
UNIVERSITI TEKNOLOGI MARA, PERAK BRANCH, TAPAH CAMPUS, MALAYSIA

© Unit Penerbitan UiTM Perak, 2024

All rights reserved. No part of this publication may be reproduced, copied, stored in any retrieval system or transmitted in any form or by any means; electronic, mechanical, photocopying, recording or otherwise; without permission on writing from the director of Unit Penerbitan UiTM Perak, Universiti Teknologi MARA, Perak Branch, 32610 Seri Iskandar Perak, Malaysia.

Perpustakaan Negara Malaysia

Cataloguing in Publication Data

No e-ISBN: 978-967-2776-35-2

Cover Design: Graphic Design and Web Page Team  
Typesetting : ICAB 2024 Proceeding Team

## Trust and Zakat Literacy: Catalysts for Online Zakat Payment Adoption

Syed Redzwan Sayed Rohani\*, Rahayu Abdul Rahman, Haslinawati Che Hassan, Irda Shahira Khair Anwar, Yusnaliza Hamid, Nor Asyiqin Salleh

Faculty of Accountancy, Universiti Teknologi MARA, Perak Branch, Tapah Campus, 35400, Tapah Road, Perak, Malaysia

\*Corresponding email: [syedr787@uitm.edu.my](mailto:syed787@uitm.edu.my)

### Abstract

This study aims to examine how trust in zakat institutions and zakat literacy influence the intention of muzakki (zakat payers) to adopt online zakat payment methods. The findings, drawn from an online survey completed by 230 zakat payers in Malaysia, suggest that both trust in zakat institutions and zakat literacy positively and significantly correlate with the intention of zakat payers to use online zakat payment services. Given the scarcity of research on the adoption of online zakat services, this study makes a substantial contribution to understanding the factors shaping the utilization of such services. Moreover, these findings offer valuable insights for developing strategies to enhance the uptake of online zakat payment services in similar developing country contexts.

### Keywords

Trust in zakat institution, Zakat literacy, Online zakat payment adoption, Malaysia

---

### 1.0 Introduction

Zakat, one of the five pillars of Islam, represents a fundamental duty for Muslims worldwide. It serves as a mechanism for wealth redistribution, aimed at assisting those in need (Bilo & Machado, 2020) and fostering social equity within the Muslim community (Zauro et al., 2020). Traditionally, the collection and distribution of zakat have relied on manual processes, often administered through physical collection points or zakat organizations. However, in recent years, there has been a notable shift towards the integration of transformation technologies in zakat collection systems. The advent of transformation technologies, including digital platforms, mobile applications, and online payment gateways (Ahmad & Al Mamun, 2020; Ali et al., 2019; Salleh et al., 2022), has revolutionized the landscape of zakat collection. According to Zulfikri et al. (2021) these technologies offer unprecedented opportunities to streamline the collection process, enhance transparency, and increase accessibility for both zakat payers (muzakki) and beneficiaries. By leveraging digital solutions, zakat institutions can overcome geographical barriers, reach a broader audience, and ensure the efficient utilization of zakat funds.

This shift towards digitalization in zakat collection systems has been driven by several factors. Firstly, the proliferation of internet and mobile connectivity has facilitated greater connectivity and communication among Muslims worldwide (Chataut et al., 2024). This increased connectivity has paved the way for the development of online platforms and mobile applications tailored specifically for zakat collection and distribution. Moreover, the COVID-19 pandemic has further accelerated the adoption of transformation technologies in zakat collection systems (Bin-Nashwan, 2022). With social distancing measures and restrictions on physical gatherings, traditional methods of zakat collection, such as in-person donations at mosques or collection centers, have become less feasible. In response, zakat institutions have rapidly transitioned towards digital channels to ensure the continuity of zakat collection efforts while adhering to public health guidelines.

Despite the numerous benefits offered by transformation technologies in zakat collection systems, challenges and barriers persist. These include issues related to digital literacy, security concerns, and the digital divide, which may hinder the adoption of digital zakat platforms, particularly among underserved communities. In Malaysia, despite the potential benefits of adopting online zakat services—such as enhancing efficiency, adaptability, and user-friendliness, ultimately improving the zakat collection process—it has not yet reached its full potential. According to Paizin and Sarif (2021), there exists a gap between the potential advantages and the actual collection, suggesting significant room for enhancement and streamlining within Malaysia's zakat institutions by harnessing online platforms.

In this context, this paper aims to examine how socio-economic determinants; trust in zakat institution and zakat literacy influence zakat payers' intentions to adopt online zakat payment service. The paper is organized as follows: Section 2 offers an overview of the pertinent literature that informed the development of hypotheses. Section 3 elaborates on the research methodology utilized, while Section 4 presents the analysis results. Section 5 provides a discussion of the findings, and Section 6 draws conclusions for the paper.

## **2.0 Literature Review**

### **2.1 Trust in Zakat Institution and Online Zakat System Adoption Intention**

Trust stands as the cornerstone of the nonprofit sector, serving as the bedrock upon which credibility and legitimacy are built (Sargeant & Lee, 2004). In the realm of charitable organizations, trust is not merely a desirable attribute but a fundamental necessity. It is the assurance that donors and stakeholders seek to validate the integrity and efficacy of the organization's mission and activities. Nonprofit organizations with a robust reputation for trustworthiness are more likely to inspire confidence and loyalty among their supporters. This trust is cultivated through transparent communication, ethical governance, and demonstrated impact in fulfilling their social objectives. Moreover, trust acts as a catalyst for financial contributions, as donors are inclined to invest their resources in organizations they perceive as reliable and accountable stewards of their philanthropic endeavors (Melendez, 2001).

In the context of zakat, trust in zakat institutions plays a fundamental role in shaping zakat payers' intentions to fulfill their religious obligation and utilize online zakat payment services. Trust serves as a linchpin, influencing the perceptions of reliability, transparency, and efficacy of zakat institutions in administering and distributing zakat funds. Zakat payers are more likely to fulfill their obligation when they have confidence in the integrity and competence of the institutions responsible for collecting and disbursing zakat. Furthermore, trust in these institutions extends to the platforms they offer for online zakat payments. Payers are more inclined to adopt online zakat payment services when they trust that these platforms are secure, transparent, and effectively managed. Trust mitigates concerns about potential misuse or mismanagement of funds, providing reassurance to zakat payers regarding the safety and efficacy of online transactions. Ali et al. (2020) find that trust in zakat institutions significantly influences the intentions of zakat payers to make contributions through conventional channels. Hence, expanding on this discussion, the present study introduces the following hypothesis:

H1: Trust in zakat institution has a significant positive effect on online zakat system adoption intention.

### **2.2 Zakat Literacy and Online Zakat System Adoption Intention**

Literacy encompasses the capacity to acquire knowledge and understanding of a particular subject, which subsequently influences one's behaviors and decision-making related to it (Antara et al., 2016; Bin et al., 2019). Zakat literacy refers to the knowledge and understanding Muslim possess regarding

the Islamic practice of zakat, which involves giving a portion of one's wealth to those in need as a religious obligation. This literacy encompasses not only the basic principles of zakat but also its importance, calculation methods, eligibility criteria, and the impact it can have on society (Yusfiarto et al., 2020). When individuals are zakat literate, they are better equipped to comprehend the significance of zakat in Islam and its role in addressing social inequalities and poverty.

Enhancing zakat literacy can significantly influence zakat payers' intentions to use online services for zakat payments. Firstly, zakat literacy instills a deeper sense of religious duty and obligation, motivating individuals to fulfill their zakat obligations promptly and efficiently. Secondly, understanding the mechanics of zakat calculation and distribution builds trust and confidence in zakat institutions and online payment platforms, alleviating concerns about the legitimacy and efficacy of these services. Thirdly, zakat literacy enables individuals to appreciate the convenience and accessibility offered by online zakat payment services, making it easier for them to fulfill their religious duties in today's digital age. Prior research by Kasri and Yuniar (2021) as well as Kasri and Sosianti (2023) has established a significant association between zakat literacy and the inclination to embrace online zakat services in Indonesia. Consequently, this study seeks to reassess this correlation within an alternative research context, Malaysia, and proposes the subsequent hypothesis:

H2: Zakat literacy has a significant positive effect on online zakat system adoption intention.

### **3.0 Research Methodology**

#### **3.1 Research Design, Research Instrument and Data Collection**

This study utilized the survey method and questionnaires to gather data. The questionnaires were divided into three sections to ensure comprehensive information collection. Section A focused on gathering demographic information such as age, gender, education level, and occupation. Section B explored the factors influencing *muzakkis'* inclination to adopt the online zakat payment system, while Section C contained questions specifically addressing this intention. To assess the independent and dependent variables, a seven-point Likert scale ranging from 1 ("strongly disagree") to 7 ("strongly agree") was employed.

The independent variables, zakat literacy, and trust in zakat institutions, were evaluated using a four-item questionnaire adapted from previous studies by Kasri and Yuniar, and Bin-Nashwan et al. (2021) respectively. The dependent variable, intention to adopt online zakat payment services, was measured using three items adapted from Muflih (2023). This study aimed to investigate the intention of *muzakkis* in Malaysia to adopt online zakat payment services by assessing their likelihood of adopting the online zakat system to fulfill their zakat obligations. Respondents were assured of confidentiality, and the collected data were solely for research purposes. Out of 350 distributed questionnaires, 230 valid responses were analyzed, representing a response rate of 66%.

### **4.0 Data Analysis and Findings**

#### **4.1 Respondent Profile**

Table 1 provides the demographic profile of the 230 respondents. The sample consisted of 118 (51%) male and 112 (49%) female *muzakkis*. The majority of the respondents were aged 41–50 years old (42%). Most of the respondents possessed a bachelor's degree (36%) and worked as government officials (56%).

**Table 1: Demographic Characteristics of Respondents**

Characteristics	Items	Frequency	%
Gender	Male	118	51%
	Female	112	49%
Age	21 - 30 years old	35	15%
	31 - 40 years old	42	18%
	41 - 50 years old	96	42%
	More than 50 years old	57	25%
Academic background	PhD	54	23%
	Master degree	64	28%
	Bachelor degree	84	36%
	Diploma and below	28	13%
Occupation	Government	130	56%
	Private	100	44%

#### 4.2 Assessment of the Measurement Model

The questionnaire data underwent analysis using Smart PLS, a two-step approach involving the assessment of both measurement and structural models. The measurement model scrutinized the relationship between items and constructs, while the structural model delved into the connection between exogenous and endogenous constructs in the research model. Figure 2 illustrates the measurement and path model, which must fulfill criteria for internal consistency reliability, convergent validity, and discriminant validity. Internal consistency reliability ensures uniformity of results across items, while convergent validity verifies that multiple items measuring the same concept exhibit agreement. To evaluate the internal consistency reliability and convergent validity of the measurement model, loadings, composite reliability (CR), and average variance explained (AVE) were assessed. According to Hair et al. (2017), recommended values for loading, AVE, and CR are at least 0.6, 0.5, and 0.7, respectively, to establish convergent validity. Table 2 demonstrates that construct reliability and convergent validity were satisfactory, as the loading, AVE, and CR values exceeded the recommended thresholds. Loadings ranged from 0.847 to 0.955, AVE from 0.807 to 0.846, and CR from 0.9291 to 0.956, indicating the achievement of convergent validity.

In addition, discriminant validity was assessed using Fornell and Larcker's method, ensuring that all constructs were devoid of unidimensionality. Table 3 reveals that the square value of AVE surpassed the correlation between constructs, affirming that the model met the prescribed requirements, and discriminant validity was established for all constructs in the study.

**Table 2: The Measurement Model Assessment**

Constructs	Measurement items	Loadings	Cronbach's $\alpha$	CR	AVE
Online Zakat System Adoption Intention	OnlineZIntention1	0.9	0.885	0.929	0.813
	OnlineZIntention2	0.955			
	OnlineZIntention3	0.847			
Trust on Zakat Institution	TrustZInst_1	0.92	0.940	0.956	0.846
	TrustZInst_2	0.858			
	TrustZInst_3	0.949			

	TrustZInst_4	0.949			
Zakat Literacy	Zliteracy_1	0.927	0.923	0.943	0.807
	Zliteracy_2	0.933			
	Zliteracy_3	0.874			
	Zliteracy_4	0.856			

**Table 3: Discriminant Validity of Measurement Model using Fornell and Larcker**

Constructs	Online Zakat System Adoption Intention	Trust in Zakat Institution	Zakat Literacy
Online Zakat System Adoption Intention	0.9		
Trust in Zakat Institution	0.327	0.92	
Zakat Literacy	0.262	0.686	0.898

### 4.3 Assessment of the Structural Model

Once the measurement model had been validated, a structural model analysis was conducted to examine the two hypotheses. In assessing the structural model, the direction of the beta value, the significance level of the t-values, and p-values were scrutinized, as recommended by Hair et al. (2017). A bootstrapping procedure involving resampling of 5,000 was executed to test the direct effect. Figure 2 illustrates the path model utilized in this study, while Table 4 presents the results of hypothesis testing. Specifically, H1 postulated that trust in the zakat institution would positively impact a *muzakki's* intention to adopt the online zakat system to fulfill their obligation. The results indicated a positive and significant relationship ( $\beta = 0.707$ ,  $t = 3.997$ ,  $p < 0.00$ ), thereby supporting H1. Similarly, concerning H2, which suggested that zakat literacy would positively influence the intention to adopt the online zakat system, the findings revealed a significant positive influence of zakat literacy on the dependent variable ( $\beta = 0.851$ ,  $t = 2.881$ ,  $p < 0.05$ ), thus supporting H2 as well.

Table 5 displays the coefficient of determination ( $R^2$ ) and effect size ( $f^2$ ) values of the exogenous variables on the endogenous variable. The  $R^2$  value signifies the proportion of variance in the endogenous construct explained by all the exogenous constructs in the research model. As indicated in the table, the  $R^2$  value was 0.38, suggesting that the exogenous variables (trust in zakat institution and zakat literacy) accounted for 38% of the variance in the endogenous variable (online zakat system adoption intention).

Regarding effect size,  $f^2$  represents the change in the value of  $R^2$  when a specific construct is excluded from the model. Following Cohen (1988), the impact of the effect size was deemed small if  $f^2$  was 0.02, medium if it was 0.15, and large if it was 0.35. The results in Table 5 indicate that the supported exogenous variables (trust in zakat institution),  $f^2 = 0.17$ , and (zakat literacy),  $f^2 = 0.13$ , had medium and small effect sizes, respectively, on the endogenous variable.

**Table 4: Structural Model Assessment and Hypothesis Testing**

Hypothesis	Relationship	Beta	SD	t value	p value	Decision
H1	Trust in Zakat Institution -> Online Zakat System Adoption Intention	0.707	0.194	3.997	0.000	Supported
H2	Zakat Literacy -> Online Zakat System Adoption Intention	0.851	0.114	2.881	0.005	Supported

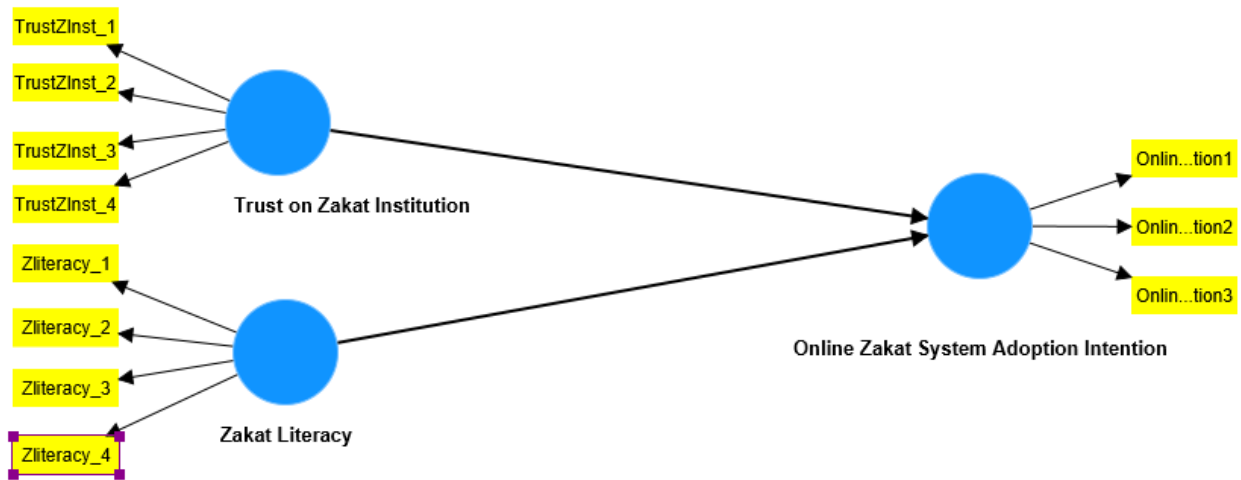


Figure 1: Path Model

Table 5: Result of  $R^2$  and  $f^2$

Construct	$R^2$	$f^2$	Decision
Online Zakat System Adoption Intention	0.38		
Trust in Zakat Institution		0.17	Medium
Zakat Literacy		0.13	Small

## 5.0 Discussion

First, the results indicate that trust in the zakat institution plays a pivotal role in influencing *muzakki* intention to utilize online systems for zakat payments. When *muzakkis* have confidence in the reliability, transparency, and integrity of the zakat institution, they are more likely to embrace online payment methods for fulfilling their zakat obligations. A trustworthy institution cultivates feelings of assurance and security among *muzakkis*, which in turn encourages *muzakkis* to engage with online systems and strengthens their commitment to fulfilling their religious duties, ultimately contributing to the overall welfare and sustainability of the zakat ecosystem.

In addition, the results of the study demonstrate a significant and positive correlation between the level of zakat literacy among *muzakkis* and their intention to utilize online platforms for zakat payments. As *muzakkis* become more knowledgeable about zakat principles, obligations, and procedures, they are better equipped to understand the benefits and convenience offered by online payment systems. Increased zakat literacy enhances *muzakkis'* awareness of the importance of timely and efficient zakat payments, as well as the potential impact of their contributions on societal welfare which ultimately serve as a catalyst for promoting the adoption of online zakat payment systems, facilitating more effective and widespread fulfillment of zakat duties within the community.

## 6.0 Conclusion

This research aimed to empirically investigate the impact of socio-economic factors on the intention of *muzakki* in Malaysia to utilize online zakat payment services. The results indicate that socio-economic variables, namely trust in zakat institutions and zakat literacy, significantly influence *muzakki's* willingness to adopt such services. However, the study has certain limitations, notably the small sample size. The respondents were exclusively drawn from *muzakkis* employed at public and private

universities in Malaysia, limiting the generalizability of the findings to the broader population. Future research endeavors should aim to address this limitation by incorporating more diverse samples to enhance the applicability of the findings.

## References

- Ahmad, S. M., & Al Mamun, A. (2020). Opportunities of Islamic fintech: The case of Bangladesh and Turkey. *CenRaPS Journal of Social Sciences*, 2(3), 412-426.
- Ali, H., Abdullah, R., & Zaini, M. Z. (2019). Fintech and its potential impact on Islamic banking and finance industry: A case study of Brunei Darussalam and Malaysia. *International Journal of Islamic Economics and Finance (IJIEF)*, 2(1), 73-108.
- Bilo, C., & Machado, A. C. (2020). The role of Zakat in the provision of social protection: A comparison between Jordan and Sudan. *International Journal of Sociology and Social Policy*, 40(3/4), 236-248.
- Bin-Nashwan, S. A. (2022). Toward diffusion of e-Zakat initiatives amid the COVID-19 crisis and beyond. *foresight*, 24(2), 141-158.
- Bin-Nashwan, S. A., Abdul-Jabbar, H., & Aziz, S. A. (2021). Does trust in zakat institution enhance entrepreneurs' zakat compliance? *Journal of Islamic Accounting and Business Research*, 12(5), 768-790.
- Chataut, R., Nankya, M., & Akl, R. (2024). 6G Networks and the AI Revolution—Exploring Technologies, Applications, and Emerging Challenges. *Sensors*, 24(6), 1888
- Hair Jr, J. F., Matthews, L. M., Matthews, R. L., & Sarstedt, M. (2017). PLS-SEM or CB-SEM: updated guidelines on which method to use. *International Journal of Multivariate Data Analysis*, 1(2), 107-123.
- Kasri, R. A., & Sosianti, M. W. (2023). Determinants of the intention to pay zakat online: The case of Indonesia. *Journal of Islamic Monetary Economics and Finance*, 9(2), 275-294.
- Kasri, R. A., & Yuniar, A. M. (2021). Determinants of digital zakat payments: lessons from Indonesian experience. *Journal of Islamic Accounting and Business Research*, 12(3), 362-379.
- Melendéz, S. E. (2001). The nonprofit sector and accountability. *New Directions for Philanthropic Fundraising*, 2001(31), 121-132.
- Muflih, M. (2023). Muzakki's adoption of mobile service: integrating the roles of technology acceptance model (TAM), perceived trust and religiosity. *Journal of Islamic Accounting and Business Research*, 14(1), 21-33.
- Paizin, M. N., & Sarif, S. (2021). Strategi Pengurusan Kutipan Zakat Semasa: Optimumkah Kutipan Zakat di Malaysia? The Current Zakat Collection Strategy: Does Zakat Collection in Malaysia Optimum? *Sains Insani*, 6(3).
- Salleh, W. N. A. W. M., Rasid, S. Z. A., & Basiruddin, R. (2022). Optimising Digital Technology in Managing Zakat. *International Journal of Academic Research in Business and Social Sciences*, 12(8), 726-733.
- Sargeant, A., & Lee, S. (2004). Trust and relationship commitment in the United Kingdom voluntary sector: Determinants of donor behavior. *Psychology & Marketing*, 21(8), 613-635.
- Yusfiarto, R., Setiawan, A., & Nugraha, S. S. (2020). Literacy and intention to pay zakat. *International Journal of Zakat*, 5(1), 15-27.
- Zauro, N. A., Zauro, N. A., Saad, R. A. J., & Sawandi, N. (2020). Enhancing socio-economic justice and financial inclusion in Nigeria: The role of zakat, Sadaqah and Qardhul Hassan. *Journal of Islamic Accounting and Business Research*, 11(3), 555-572.
- Zulfikri, Z., Kassim, S. H., & Hawariyuni, W. (2021). Proposing blockchain technology-based zakat management model to enhance muzakki's trust in zakat agencies: A conceptual study. *Journal of Accounting Research, Organization and Economics*, 4(2), 153-163.

Surat kami : 700-KPK (PRP.UP.1/20/1)

Tarikh : 20 Januari 2023

Prof. Madya Dr. Nur Hisham Ibrahim  
Rektor  
Universiti Teknologi MARA  
Cawangan Perak



Tuan,

**PERMOHONAN KELULUSAN MEMUAT NAIK PENERBITAN UiTM CAWANGAN PERAK MELALUI REPOSITORI INSTITUSI UiTM (IR)**

Perkara di atas adalah dirujuk.

2. Adalah dimaklumkan bahawa pihak kami ingin memohon kelulusan tuan untuk mengimbas (*digitize*) dan memuat naik semua jenis penerbitan di bawah UiTM Cawangan Perak melalui Repositori Institusi UiTM, PTAR.

3. Tujuan permohonan ini adalah bagi membolehkan akses yang lebih meluas oleh pengguna perpustakaan terhadap semua maklumat yang terkandung di dalam penerbitan melalui laman Web PTAR UiTM Cawangan Perak.

Kelulusan daripada pihak tuan dalam perkara ini amat dihargai.

Sekian, terima kasih.

“BERKHIDMAT UNTUK NEGARA”

Saya yang menjalankan amanah,

*Setuju.*

*27.1.2023*

**SITI BASRIYAH SHAIK BAHARUDIN**  
Timbalan Ketua Pustakawan

PROF. MADYA DR. NUR HISHAM IBRAHIM  
REKTOR  
UNIVERSITI TEKNOLOGI MARA  
CAWANGAN PERAK  
KAMPUS SERI ISKANDAR

*nar*