



DETERMINANT INFLUENCE THE ACCEPTANCE OF TAKAFUL
AMONG JOHOR TIN FACTORY STAFF

MUHAMAD HADRI BIN NOORDIN
2014152147

Submitted in Fulfilment of the
Requirement for the
Bachelor of Business Administration with Honours (Finance)

FACULTY OF BUSINESS MANAGEMENT
MARA UNIVERSITY OF TECHNOLOGY
PASIR GUDANG
JOHOR

JULY 2020

ACKNOWLEDGEMENT



All praises to the Allah S.W.T the most merciful and the most benevolent, for giving me the strength and patient in completing this research paper, Blessing and peace be upon Prophet Muhammad S.A.W. Special gratitude is dedicated to the people who were involved in the preparation of this research paper and for their comments, remarks and view.

My greatest appreciation goes to my advisor Madam Nurul Aein Binti Abd Aziz, Lecturer of Finance, for guidance and support throughout the whole research. Her patient and advices ensured this thesis to be on the right track and proceed smoothly. I sincerely appreciate what he had done to guide me.

Secondly, I would like to thank Johor tin factory for giving me this opportunity to involve in the research. Throughout this research, I gain a lot of experience, knowledge and expose to situation which cannot be learnt in syllabus and definitely going to be helpful in future.

Last but not least, I would like to thank the respondents of the questionnaire who made it possible for me to finish this research paper. All your help is appreciated and valued. Thank you.

TABLE OF CONTENTS

	Page
TITLE PAGE	i
DECLARATION OF ORIGINAL WORK	ii
LETTER OF TRANSMITTAL	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENTS	v
LIST OF FIGURES	vi
LIST OF TABLES	x
ABSTRACT	xi

LIST OF TABLES

TABLE	TITLE	PAGE
	LIST OF ABBREVIATIONS	
Table 1.1	Takaful Operators Registered under the Takaful Act 1984	6
Table 1.2	Features comparison between Takaful and Conventional Insurance	10
Table 3.1	Dimension of Question	36
Table 3.2	Measurement Items	38
Table 4.1	Demographic Profile	49
Table 4.2	Reliability Test	52
Table 4.3	KMO and Bartlett's test	53
Table 4.4	Rotated component matrix	55
Table 4.5	summary of factor analysis	56
Table 4.6	Descriptive Statistics For Knowledge	57
Table 4.7	Descriptive Statistics For Awareness	58
Table 4.8	Descriptive Statistics For Religion	59
Table 4.9	Descriptive Statistics For Attitudes	60
Table 4.10	Descriptive Statistics For Acceptance	61
Table 4.11	Correlation Analysis	62
Table 4.12	Analysis on Coefficient of Determination (R^2)	63
Table 4.13	Regression Analysis of Coefficient Test	65
Table 4.14	Hypothesis Constructed for Knowledge	66
Table 4.15	Hypothesis Constructed for Awareness	66
Table 4.16	Hypothesis Constructed for Religion	67
Table 4.17	Hypothesis Constructed for Attitudes	67
Table 5.1	Hypothesis Constructed for Demographic Variable	68
Table 5.2	Hypothesis Constructed for Knowledge	70
Table 5.3	Hypothesis Constructed for Awareness	70
Table 5.4	Hypothesis Constructed for Religion	71
Table 5.4	Hypothesis Constructed for Attitudes	71

ABSTRACT

Muslims are prohibited from taking conventional insurance due to some forbidden elements in the conventional insurance. The word Takaful is derived from Arabic verb "Kafala", which means to guarantee, looking after, to help and to take care of one's needs. Takaful is a system of Islamic insurance based on the principles of "ta'awun" (mutual assistance) and "tabarru" (voluntary contribution). The Takaful industry has developed rapidly in Malaysia since 1984.

The objective of this study is aimed to determine the influence of the acceptance of Takaful among Johor Tin Factory staff. The study employed convenience sampling methodology whereby a survey was conducted among 200 Johor Tin Factory staff. It is found that only three variables which are knowledge, awareness and religion have significant correlation with the influence of the acceptance of Takaful among Johor Tin Factory staff.

Keywords: Takaful, Islam, Shariah Compliance, Malaysia