

UNIVERSITI TEKNOLOGI MARA

**FACTORS INFLUENCING
CHARITABLE GIVING BEHAVIOR
AMONG MALAYSIANS: AN
EXTENDED THEORY OF PLANNED
BEHAVIOR (ETPB) MODEL**

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ABSTRACT

Charitable giving is the act of giving money or physical items to the non-profit organizations (NPO) without expecting anything in return. Charitable giving give impacts towards NPO and society. Charitable giving is the main source of funding to NPO and this charitable giving can affect the contributions of NPO towards society. Charitable giving also gives impact towards society, which is charitable giving can support the needy people and can reduce level of poverty in the society. Based on the World Giving Index reports from the year 2010 to 2015, it shows that charitable giving in Malaysia is not consistent. Since the charitable giving index is not consistent, the charity organizations in Malaysia is struggling in fundraising fund as the charity organizations depend on more on donor's contribution for their survival and growth. Despite the significance of this issue, it was surprising to find that Theory of Planned Behavior (Ajzen, 1985) which is a broadly utilized intention-behavior model has not been actively applied to an area of charitable donation. Although Theory of Planned Behavior (TPB) has received substantial empirical support with strong predictive utility, many studies have already attempted to extend and enrich the model by including additional explanatory variables and formed an extended theory of planned behavior (ETPB). Hence, to fill in the gap, this study aim to have a better understanding of factors that influence individual charitable giving by using the well-established theory of planned behavior as a based theory with inclusion of another two variables which is religious beliefs and public trust, to developed an extended theory of planned behavior new framework in charitable giving context. Findings show that the respondents charitable giving behaviour do influence PBC and INTENT and between this two predictors, INTENT were the strongest magnitude ($\beta = 0.451$). INTENT are influence by attitudes (ATT), perceived behavioural control (PBC), religious beliefs (RB) and public trust (PT). As states earlier, the scope of charitable giving in Malaysia had been done by a few researchers (see table 1.1) and from this study it shows different results and factors that influence charitable giving behavior that can help the upper management of NPO to design an effective marketing framework to better manage relationships with donors.

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CHAPTER ONE

INTRODUCTION

1.1 INTRODUCTION

This chapter provides overview on research outline of the study. It begins with background of the study which is the charitable giving in overview in Section 1.2 , and charitable giving in Malaysia context (Section 1.3). Then followed by discussion on identified problem statement (Section 1.4) that leads to research objectives (Section 1.5) and research question (Section 1.6). Definitions of key terms (Section 1.7) are included to improve readability. This chapter wrapped up with sharing on significance of the study (Section 1.8) and also scope of the study (Section 1.9) and limitation of the study.

1.2 CHARITABLE GIVING

Non-profit charitable organizations play a crucial role in providing much needed services and support to individuals in need in a society, both at a local and international level (Knowles, Hyde, & White, 2012). Non-profits organizations, by definition, exist to fulfil a charitable mission (Dunford, 2016). Most of the non-profit organizations were built on a foundation of charitable giving (Powers & Yaros, 2013; Snipes & Oswald, 2010). Today, many societies around the world perceived donating to charitable organizations and giving to the poor as common practices. All religious beliefs and cultures considered giving as an admirable action that leads to prosperity (Linden, 2011).

Charitable giving is the act of giving money or other items of value to charitable organizations without expecting anything in return (Kashif & Run, 2016; Kashif, Sarifuddin, & Hassan, 2015). Meanwhile, Rudich (2009) defined charitable giving as the act of transferring goods without receiving material or monetary value in exchange. Furthermore, charitable giving also known as the simple act of giving to others in a short-terms basis that can be done anywhere and anytime (Lwin & Phau, 2010). Meanwhile, Li (2015) distinguished charitable giving as a gift by an individual