



**A STUDY ON THE FACTORS INFLUENCING GOVERNMENT WORKERS
PREFERENCE TOWARDS SELECTING TAKAFUL IN PEJABAT
SETIAUSAHA KERAJAAN NEGERI SEMBILAN**

**NUR SHAHIRA BINTI ABD RAZAK
2014139289**

**Submitted in Partial Fulfillment
of the Requirement for the
Bachelor of Business Administration (Hons) Islamic Banking**

**FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
JOHOR**

DECEMBER 2016

ABSTRACT

Takaful was fast growing industry in Islamic world and it has attained 20% growth in its very beginning phase. The aim of this study was to identify the factors that influence the preference of government workers towards Takaful in Pejabat Setiausaha Kerajaan Negeri Sembilan (PSUKNS). Demand on Takaful was used as the dependent variable in this study, while the three independent variables which have been used were customer perception, customer acceptance and service quality. According to PSUKNS, the workers preferred conventional insurance if compared with Takaful. Hence, this study will revealed on the factors that will influence the workers in selecting Takaful instead of conventional insurance. This study was based on primary data where data collected through questionnaires. Statistical Package for Social Science (SPSS) Interactive software package was used for tested and analysed the data collected. Data gathered have been analysed through frequency analysis, reliability test, descriptive analysis, Pearson correlation coefficient analysis and multiple regression analysis. Through this study it revealed that all the independent variables significantly associated in demand on Takaful. However, demand on Takaful was significantly explained through customer perception compared to other factors like service quality and customer acceptance.

ACKNOWLEDGEMENT

Alhamdulillah, all praise to Allah S.W.T, the most merciful and the most benevolent for the opportunities to complete this research paper on time in. Without His blessing, I would not be able to submit the report completely.

First of all, with the guidance from the lecturer, help from friends and support from my family I have completed this research successfully. I want to express my deepest appreciation and thank my research advisor Madam Rabiatal Alawiyah binti Zainal Abidin for all her guidance and advice that she gave endlessly. Without her encouragement, suggestions, ideas and comment from time to time, my research paper cannot be completed. Not to be forgotten, my second advisor Dr Faridah Najuna Misman.

Last but not least, big thank to all my friends that involved directly and while im completing this research paper. Without the helps from this particular people mention above, there will be many difficulties arise while completing this research.

TABLE OF CONTENTS

	Page
AUTHORS DECLARATION	ii
LETTER OF SUBMISSION	iii
ABSTRACT	iv
ACKNOWLEDGEMENT	v
TABLE OF CONTENTS	vi
LIST OF TABLES	viii
LIST OF FIGURES	ix
LIST OF ABBREVIATIONS	x
CHAPTER 1: INTRODUCTION	
1.1 Introduction	1
1.2 Background of Study	2
1.3 Problem Statement	3
1.4 Research Questions	6
1.5 Research Objective	6
1.6 Significance of Study	6
1.7 Scope of Study	7
1.8 Limitations of Study	8
1.9 Summary	8
CHAPTER 2: LITERATURE REVIEW	
2.1 Introduction	9
2.2 Takaful	9
2.3 Demand on Takaful	14
2.4 Determinants of Takaful Demand	16

CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION

Takaful imitative from the Arabic verb kafala which referring to take care of one's need Ahmad Mazlan (2012). It involving at least two parties agreed to jointly guarantee one another in an event which will resulting in causes a loss, as a subsequent of being suffering by a catastrophe defines the term of Takaful. In Malaysia, there were many institution offering insurance and Takaful for protection from risks. People choose based on their own preferences whether insurance or Takaful. Takaful rules and guidelines were aligned with shariah or Islamic rules, which free from the elements of Riba (interest), Gharar (uncertainty), and Maysir (gambling). The first Takaful company in Malaysia was established a year after the setting up of the first Islamic Bank in 1983, named Syarikat Takaful Malaysia Berhad (STMB). In addition, Takaful companies offering two types of product which known as General Takaful and Family Takaful.

1.2 BACKGROUND OF STUDY

Peoples today were exposed to a challenge from inside and outside which led to the various risk management and disease control which make them need to spend much money on paying their medical bills. One of the methods that have been specified in the risk transfer was by taking an insurance policy before any work carried out. There were many companies provides insurance without prejudice on its liability to indemnify by following