

## Determinants of Hibah Giving Behavior

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### Abstract

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The frozen estate in Malaysia is increasing year to year and hibah has been seen 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. Therefore, the purpose of this paper is to determine factors influencing 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.

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**Keywords:** Religious value; Attitude; Service Quality; Hibah Giving Behavior.

### 1. Introduction

Hibah is a gift from one person to another person without consideration. The practice of hibah is encouraged in Islam. In the context of Islamic wealth management, hibah is one of the instrument instead of faraid, wasiat, waqf, zakat and others. Hibah is giving during the lifetime of donor to whoever he want even for the person that have no family relations with him. Hibah 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. 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 & Alma'mum, 2013; Mujani, Rashid, Wan Hussain, & Yaakub, 2012; Rasyid & Ahmad, 2013; Yaakub, 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 & 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 behaviour*

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 scope of property given in hibah in this study including vehicles and buildings such as land and house.

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, its 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 (Muhammad, 2011). 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.

## 2.2 Religious Value

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. 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, Bidin, & Saad, 2012). Weaver & 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. Bakar & Rasyid (2010) found a significant relationship between religious value and zakat compliance behavior. In the case of waqf giving environment, Osman, Mohammed, & Fadzil (2015); Osman (2014) also reported that the religious factors positively influence this giving behavior. In another case, Tang & Tang (2010) found 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.*

## 2.3 Attitude

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.

Amin, Rahman, Jr, & Hwa (2011) reported that attitude was significantly influence the behavioral intention to use Islamic personal financing in Malaysia. Other studies in entrepreneurship (Kautonen, van Gelderen, & Tornikoski, 2013; Malebana, 2014), information technology (Mishra, 2014; Teo & Lee, 2010), halal food and halal product (Alam & Sayuti, 2011; Lada, Tanakinjal, & Amin, 2009) and zakat context (Saad, Bidin, Idris, & Hussain, 2010) also recognized that positive attitude lead to greater behavioral intention. 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 behaviour.*

## 2.4 Service Quality

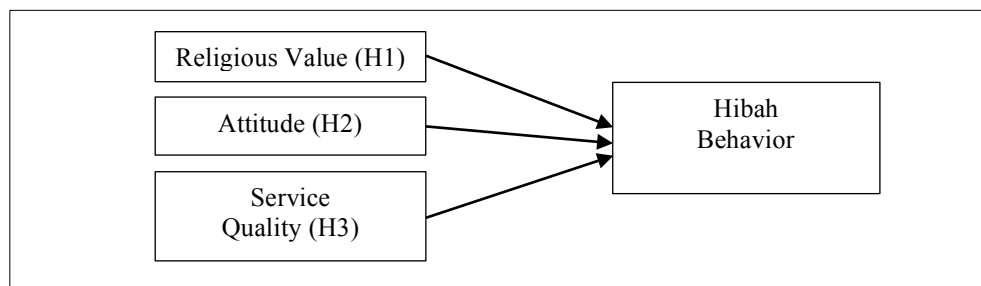
Service quality provided by organizations play an important role in ensuring customer satisfaction and encourage Muslim to do hibah. Based on disconfirmation theory, Bitner (1990) stressed that customer will satisfied with the quality if it's meet the expectation or more, towards the service. This is consistent with the definition by Parasuraman, Zeithaml, & Berry (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.

Mittal & Gera (2013) reported that the service quality is an important factor in influencing customer behavioral intention in public sector banking in India. Chou, Wu, & Huang (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.



**Fig. 1.** Research Conceptual Framework for Hibah Giving Behavior.

## 4. Research Conceptual Framework

The purpose of the study is to determine factors influencing hibah giving behavior. Based on the past literatures, religious value and attitudes as the internal factors and service quality as the external factor 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. 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. 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.

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