

## A Preliminary Study of QAFSCALE Measuring Waqf-Based Qardhul Hassan Financing Receptiveness

**Hanudin Amin**

Universiti Malaysia Sabah

[hanudin@ums.edu.my](mailto:hanudin@ums.edu.my)

### ABSTRACT

Understanding the elements favoured by *waqif* (donor) in engaging in *waqf*-based *qardhul hassan* financing has been a major topic of Islamic social finance, should and if it is implemented to better assist ummah amid financial and health crises, primarily in Malaysia. Previous studies, on the other hand, represented a narrow theoretical viewpoint and disregarded the significance of *maqasid al-Shariah* and its relationship to customers. Thus, using an Attia's *maqasid* method (Attia, 2010), this research constructs QAFSCALE to quantify *waqif* preference of *waqf*-based *qardhul hassan* financing in Malaysia. A total of 292 prospective donors responded in Kota Kinabalu, Sabah, Malaysia analysed using Statistical Package of Social Science (SPSS) 21. The results show that the family factor, consumer factor and the *ummah* factor were found important as constructs representing the QAFSCALE. Interestingly, this study introduces new QAFSCALE that measures *waqif* preference to donate in *waqf*-based *qardhul hassan* financing. According to the results, managers might promote *maqasid al-Shariah* when it is in place and implement incentive programmes to breed product engagement.

*Keywords: Donors; Islamic Social Finance; Waqf; Qardhul Hassan Financing; Malaysia*

## INTRODUCTION

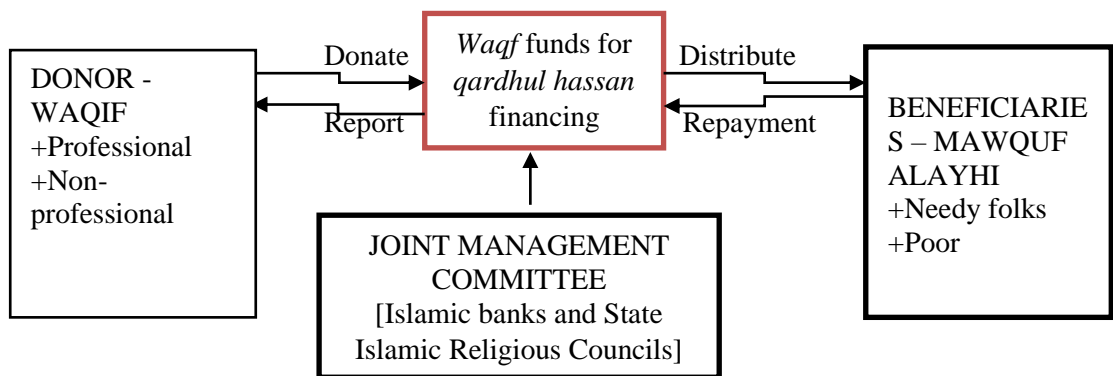
As a consequence of the anticipated present development, in which a growing number of new COVID-19 occurrences have been documented since October 2020, the labour market has been negatively impacted and faces future uncertainty. The Department of Statistics Malaysia (DOSM) confirmed this, revealing that Malaysia's unemployment rate climbed by 0.1 percentage point to 4.8 percent in November 2020 (DOSM, 2021). It's worth noting that Malaysia has the greatest rate of jobless persons. According to Bernama (2020), the data reported for MCO since April 2020 showed 5.9 million jobless persons. People with low financial resources will realise that the MCO has made it impossible for them to satisfy their families' basic needs, such as food, healthcare, and online learning equipment.

*Qardhul hassan* financing is one of solution to this problem, safeguarding individuals' well-being and developing peace of mind by leveraging social responsibility and ethical potentials to assist those impacted by the crisis through the provision of *riba*-free loans supported by *waqf* funds. The current Islamic bank financing is not recommended since it requires collateral (*ar-rahnu* finance) and entails multiple loan processes that are difficult for individuals to complete, particularly during the COVID-19 period. *Waqf*-based *qardhul hassan* financing is permissible to some extent to address the welfare of those affected by the disease since its value is closer to *maqasid al-Shariah* than Islamic bank financing. As a result, obtaining *waqf*-based *qardhul hassan* financing provides one with a sense of peace and security.

*Waqf*-based *qardhul hassan* financing helps improve the quality of life among poor and needy to protect their privacy and family development in the time of COVID-19. It also helps to transform an interplay social-industry where the emphasis is given on a true and real financing facility as needed by society at large in the time of COVID-19 that brings *ummatic* transformation to those in need without depending too much on the government economic stimulus package to make a living. The government has multiple roles and duties to perform, and our proposed *waqf*-based *qardhul hassan* financing is of value to extend a helping hand to reduce the financial difficulty among those affected as well as to light the burden of the government to extend financial aids. Restated, this study defines *qardhul hassan* financing as an interest-free loan offered by the religious entities/social entities in which the principal is returned as is without addition. Any addition will tarnish its public and *Shariah* images (Machfudz and Kamila, 2019).

According to Obidullah and Shirazi (2015), based on their work on Islamic Social Finance Report (2015), Islamic social finance comprising institutions rooted in Islamic philanthropy such as *zakat*, *awqaf* and *sadaqah*, among others. This suggests that the proper sources of funds from the mortgage are derived mainly from *zakat* and *awqaf*. The present study, however, only considers *waqf*-based *qardhul hassan* financing as a viable solution to improve financial access among low and middle-income households in the time of COVID-19. *Zakat* is excluded since it has fix list of recipients (*asnaf*) and it is obligatory to pay *zakat* to these recipients without any delay to maintain the consistency of basic need support (e.g. foods) for continued well-being (Anwar, 2003). No liabilities are directly incurred. Figure 1 shows the practical model of the *waqf*-based *qardhul hassan* financing.

**Figure 1. *Waqf*-based *Qardhul Hassan* Financing Model (Author's)**



Existing *maqasid* literature reports on restricted dimensions evaluating consumer behaviour and its impact on the choosing of *waqf-qardhul hassan* financing. Clearly, Mohammed *et al.* (2008) have done an exceptional job of launching an endeavour to find parameters assessing the performance of Islamic banking from the standpoints of *maqasid al-Shariah*. The authors, on the other hand, devise an Islamic yardstick to assess the performance of Islamic banks in certain Muslim majority countries. Khan and Ghifari (1992) conducted a previous study to explain the relationship between *maqasid al-Shariah* and consumer behaviour. Similarly, while Mohammed *et al.* (2008) and Khan and Ghifari (1992) explore *maqasid al-Shariah* in their research, their investigations into constructing methods to comprehend *waqf*-based *qardhul hassan* financing fall short. In contrast, the current study proposes measurements that can better reflect *waqf*-based *qardhul hassan* financing in

order to increase our understanding of how it can improve societal well-being during COVID-19.

The formation of new QAFSCALE (i.e. *qardhul hassan* financing scale) would provide guidance to improve our understanding of its contribution to learning better *waqf*-based *qardhul hassan* financing in the area of Islamic social finance. Even if Islamic banking has improved in recent decades, it is accepted that the available finance options have made only a small contribution to assisting the poor and needy throughout the COVID-19 period. The QAFSCALE will address this issue in order to extend the base of consumer participation, which will include *waqf*-based *qardhul hassan* financing.

## LITERATURE REVIEW

*Waqf*, according to Kahf (1999), is the behaviour of keeping a property such as land and cash in which the advantages derived from the assets/properties for the benefit of the many are generated from the transfer of ownership from donors to the Almighty. *Waqf* has evolved from land to property, but it now appears in the form of currency. When *waqf* is performed, ownership is transferred from the giver to Almighty Allah (SWT). In our example, the usage of *waqf* money for *qardhul hassan* financing is unique and serves as a realistic approach to increase well-being and quality of life among poor and middle-income households and this can be expected during the times of the COVID-19 period (Abubakar Zauro *et al.*, 2016; Amin *et al.* 2010).

Similarly, *waqf*-based *qardhul hassan* finance allows consumers to repay monthly instalments based on their ability to pay without jeopardising the blessing provided by the facility. Profit comes second to social responsibility. This can benefit social programmes that enable the implementation of maqasid al-Shariah, in which five aspects (life, religion, property, lineage, and intellect) are brought into action. According to Abdul-Rahman (2010), this can assist to increase Islamic banks' shareholders' vows to enhancing their relationship with the Almighty (*Habluminallah*), and as a result of this blessing, their relationship with consumers is assured (*Habluminannas*). Islamic banks also assist state governments in enhancing Islamic wealth redeployment, levelling the scales for both haves and have-nots.

There exists a limited study on the *maqasid* -based factors of *waqf*-based *qardhul hassan* financing that has resulted into misrepresentation about the primary objective for the offered facility should it offer widely due to the conflicting view by Islamic banks, which are ranked profit first before social obligations follow. Without a proper measure, this has led to a perception in that *waqf*-based *qardhul hassan* financing products are less attractive for profit and for that, it is stopped in the offering in 2005 (Zainal Abidin *et al.*, 2011; Ismail and Possumah, 2010). Since 2020, there is a clear justified deliberation in that Islamic social finance is becoming important due to the pandemic that eats up savings of households sourced from unemployment as well as reduced paychecks earned have demonstrated the new financial resource to maintain the sustainability. The introduced *waqf*-based *qardhul hassan* financing will offer cogent and continuous financial assistance to those poor and needy without compromising the institutions' interest in managing the *waqf* funds.

Earlier studies related have documented little results pertinent to the specific context of *waqf*-based *qardhul hassan* financing, although it plays a significant contribution in assisting individual facing financial difficulty in the time of COVID-19. Various studies in this area have argued that Islamic banks have been selfish when offering the products and somehow the products benefit the banks but at the expense of customers' welfare Prijadi *et al.*, (2020), Muneer and Khan (2019) and Wulandari and Kassim (2016), to mention some. In this study, we touch about one issue that is "affordability", viewed to be important when one intends to patronise *waqf*-based *qardhul hassan* financing and it is found in *waqf*-based *qardhul hassan* financing. Even limited research has been conducted about its validity, *waqf*-based *qardhul hassan* financing can still support and uphold *maqasid al-Shariah*. The reasons are two-fold. Firstly, *waqf*-based *qardhul hassan* financing has an element of benevolence and transparency in both practices and theories, and if these are taken properly, this facility will be at its best for the underserved market in the time of COVID-19. Secondly, *waqf*-based *qardhul hassan* financing is based on *maqasid al-Shariah*, where the five elements are protected and more importantly the sources of knowledge, are the *Quran* and the *Hadith*. However, whether these factors are sufficient to ensure the success of the donors' receptiveness of *waqf*-based *qardhul hassan* financing requires further empirical test for validation and confirmation. Given all these deficiencies, to our knowledge, the examination of QAFSCALE that gauges donors' *waqf*-based *qardhul hassan* financing has been inconclusive

which warrants further empirical investigations to void the research gap existed.

The current study considers the theory of *maqasid* in understanding *maqasid* consumer index of consumer preference of *waqf*-based *qardhul hassan* financing. Auda (2010) defines *maqasid al-Shariah* as a principle that provides an answer to human rights and Islamic law. In more detail, the term can be simplified as enhancing the proliferated contribution of social welfare, where the benefits created are earned by *ummah* at large rather than private characters. The considered topic of *maqasid al-Shariah* as elaborated by Auda (2010) has a clear priority in ensuring human dignity can be shaped to a high rank, where the justice and welfare are developed properly to all layers of individuals in society at large. In short, the true spirit of brotherhood and cooperation can be enhanced in our society like in the case of *waqf*-based *qardhul hassan* financing where the spark of altruistic behaviours by qualified characters can be jacked up mainly affluent folks in ensuring the cake of wealth can be shared with those less fortunate to improve the quality of life mainly when facing the current pandemic.

Likewise, Ibn ‘Ashur (2006) provides a clear definition of the term *maqasid al-Shariah*. In more detail, *maqasid al-Shariah* is of utmost importance to maintain stability and harmony among individuals in society through the prevention of any negative lists whilst promoting the shaped formation of improved human welfare. Unlike Ibn ‘Ashur (2006), Auda (2010) believes that *maqasid al-Shariah* related to three specific hierarchies. The first relates to the human body, where necessities and needs are brought into play to promote justice and facilitation. The second relates to the welfare of family that includes the welfare of family members, children and including the avoidance of monopoly in financial transactions. When considering the last point, Islamic banks have been prioritising profit objective and for that all financing products are profit-oriented at reduced welfare earned by needy and poor folks. The third considers the truth discovery, difficulty alleviation and the promotion of good intentions. Jointly, Ibn ‘Ashur (2006) and Auda (2010) share the same objectives in promoting the well-being of individuals in the difficult times. Promoting *waqf*-based *qardhul hassan* financing in the hard times may meet the intents promoted by Ibn ‘Ashur (2006) and Auda (2010), and therefore extends new generalisations and extensions, where *waqf*-based *qardhul hassan* financing comes into play.

Likewise, a work by Khan and Ghifari (1992) has confirmed the appropriateness of *maqasid al-Shariah* when examining consumer preference or user selection of certain behaviour. Unlike Auda (2010), Khan and Ghifari (1992) explain *maqasid al-Shariah* based on the hierarchy of needs extending the ideal dimensions captured by the former. It is worth noting that one's consumption and spending are broken down into three echelons of needs. These include the essential or *daruriyyat*, complementary or *hajiyyat* and embellishment or *tahsiniyyat*. Equally, Khan and Ghifari (1992), Ibn Ashur (2006) and Auda (2010) have examined *maqasid al-Shariah* and its link to human behaviour or consumer behaviour specifically and discovered the latter and the former are in tandem to promote well-being in folks' consumption and spending. Though useful, these works have paid little attention on the understanding of *waqif* preference on *waqf*-based *qardhul hassan* financing and in fact the construction of scales representing such preference have been marginal and fallen short. This relatively warrants further empirical tests to reveal its contribution – be it theory or practice.

Even the earlier works have examined *qardhul hassan* financing but the emphasis is confined to Islamic banking as well as theoretical extensions sourced from conventional theories. For instance, an attempt by Amin *et al.* (2010) discovers noteworthy effects of subjective norm, pricing and attitude on preference of *qardhul hassan financing*. A study by Abubakar Zauro *et al.* (2016) extends Amin *et al.*'s (2010) work where the considered new geography is defined. Jointly, limited efforts are documented from these works pertinent to the interplay *waqf*-based *qardhul hassan* financing, and subsequently, the empirical evidence is limited. In fact, the construction of scale representing the QAFSCALE has been a missing dimension in their framework sourced from their confined research scopes and paradigm of inquiry, and there is a need for empirical testing to divulge its generalisations and extensions in the context of Malaysia, subsequently impacting other researchers in other countries to extent the QAFSCALE's applicability.

The results for the QAFSCALE capturing *waqf*-based *qardhul hassan* financing are missing in the literature because of poor conceptualisation and operationalisation of the measurement items or battery items. Developing items measuring Islamic banking performance using a *maqasid* approach has been initiated by Mohammed *et al.* (2008) through the construction of indexes that can gauge the performance of Islamic banks. Evidently, three dimensions developed covering education, justice and welfare are

instrumental in determining Islamic banks' performance, and therefore lengthens the generalisation of the *maqasid* to comprise Islamic banks' performance, which has been received poor attention by previous researchers when examining Islamic banks' performance (CITE). However, developing items measuring consumer preference from the context of *maqasid* has been marginal and to our knowledge a study by Amin *et al.* (2014) reveal a beautiful finding pertinent to *maqasid's* element extended from Abu Zahrah (1997) and learned from Mohammed *et al.* (2008) in that education, justice and welfare are instrumental factors. However, the examinations have been limited to the said factors, whilst the consideration of the current COVID-19 and consumer well-being are limited.

The factors examined should be profound and holistic to reflect the effects of COVID-19 that affects the majority of individuals in Malaysia. Given this assertion of clarified justification, we select the Attia's (2010) *maqasid* theory. Attia (2010) considers *maqasid al-Shariah* into four realms which also constitute all the five *dharuriyat* elements listed out by Al-Ghazali. These include: Realm of individual, Realm of the family, Realm of the *ummah* and Realm of humanity. The perspectives of these realms are to their best are generalisable to the context of *waqf*- based *qardhul hassan* financing, because their abilities to meet the *dharuriyat* elements (i.e. life, religion, property, lineage and intellect) to meet the basic need (i.e. shelter, affordable houses) mainly in the current pandemic, which requires more works on welfare rather than profit. At the preliminary stage, this study only considers the three realms sourced from Attia's (2010) *maqasid* theory. These include consumer, family and *ummah*. Humanity needs further operationalisation for its inclusion, as a result, it is excluded in the present study.

Hitherto, modifications needed to ensure compatibility and context is maintained. Such a modification has been directed by scholars of *qardhul hassan* financing (Machfudz and Kamila, 2019; Shahwan *et al.*, 2013). Machfudz and Kamila (2019) propose *qardhul hassan* financing in improving micro-businesses' welfare and well-being in the city of Malang, Indonesia. Shahwan *et al.* (2013) who have extended Attia's (2010) theory examine the pricing model of Islamic home financing products and found they are feasible and extendable. Both of them have paid minimal attention on the *waqf*-based *qardhul hassan* financing sourced from different research design and paradigm. Of course, it is considered research drawback for these departures. To the best of our knowledge, the notion of Scholars in Islamic

economics have asserted the importance of being fair by Islamic banks when transacting with their customers to actualise *maqasid al-Shariah* (e.g. Chapra, 2000; Dusuki 2008). Chapra (2000) considers Islamic banks to be more social-oriented to meet the objectives of *Shariah* and for that, the betterment for the society is achieved. On the same note, Dusuki (2008) who is influenced by Chapra (2000) also concurs with the significance of social welfare objective to uphold the significant character of Islamic banks in improving the well-being of society. In his study, Dusuki (2008) discovers that social welfare objective is influential in determining the existence and survival of Islamic banking. In turn, the relevant parties that include banks' staff, customers and society will extend their support towards Islamic banking products and services that ensure the continuity of Islamic banks operation is preserved without compromising the interest of shareholders of the banks. Having said that, the quality of public perception can be improved once these stakeholders' welfare is prioritised, which in turn, can improve donors' receptiveness of *waqf*-based *qardhul hassan* financing and the welfare of the low and middle-income households can be jacked up.

According to Choudhury (2019a), one's preference of good things is stemmed from *maqasid al-Shariah* due to the fact that it is termed as functional rules that guide human behaviour to attain *tawhid* as a guiding law for improved well-being. Conventional theories have been embraced by the non-*tawhidic* science of rationalism, which may difficult to explain their aptness when explaining behaviours in the realm of Islamic society and *halal* consumption, jointly determine the well-being of mankind to live better now and always. Considering Choudhury's (2019a) work, the present study develops a QAFSCALE to measure donors' receptiveness of *waqf*-based *qardhul hassan* financing. Vitaly, Choudhury (2019b) develops an integrative methodology pertinent to *maqasid al-Shariah* and *tawhidic* paradigm, by giving birth to the term *maqasid al-Shariah al-tawhid*, which describes the *maqasid* concept from the context of the reality of *tawhid* as governing law that benefits human interpretations and activities. This theory provides a departure to the current work by optimising the functional rules on choice of good things, which are referred to as *waqf*-based *qardhul hassan* financing in our present work. It is an effort in compliance with *tawhid* as the law.

Two interesting works in this area by Zainal Abidin *et al.* (2011) and Ismail and Possumah (2010) have examined *qardhul hassan* financing but discussions on measurement items that can measure the donors' participation

in the facility are fallen short, perhaps they are driven by a different research paradigm of inquiry and also the gaps in the studies that they are examined in. Amin *et al.* (2010), on the other hand, although examined *qardhul hassan* financing by presenting some significant measurement scales but the items developed are not related to *waqf*-based *qardhul hassan* financing and merely a theory testing study. These studies suggest the items representing directly the QAFSCALE, to our best of knowledge, remain virgin and inconclusive. If we can establish the measures of donors' receptiveness properly, *waqf*-based *qardhul hassan* financing can be a new source of funding that promotes Islamic social science and therefore it is of utmost importance in helping the nation in terms of the provision of financial aids to those affected. Besides, it can become a source of funding in alleviating the poverty crisis via the provision of low-cost fund that improves access to financial resources among needy. This may occur before, during and post COVID-19 crisis.

This study, based on Attia (2010), investigates the influence of customer, family, and *ummah* factors on the success of *waqf*-based *qardhul hassan* financing. Here, success is defined as consumer receptiveness. Those variables, however, are stipulated in the *Quran*. "Help one another in righteousness and piety, but not in immorality and rancour," Allah says (*Quran*, 5:2). It is widely recognised that *waqf*-based *qardhul hassan* financing is an excellent platform for assisting low and middle-income people in navigating the challenging COVID-19 period.

## METHODOLOGY

### QAFSCALE

Following Simple Additive Weighting Method's (SAW) Hwang and Yoon (1981), this study, we proposed 3 dimensions that capture QAFSCALE that cover 9 elements and 9 *Waqif* Preference Measure (WPM). The decision maker (DM) or experts assigned weights to each attribute designed and intra-attribute. The proper weights are determined by *Shariah* scholars who validate the dimensions under contemplation. The *Shariah* scholars were the DM. Furthermore, the evaluation of the WPM is based on *waqif* response selected in this study. The following specifications and equations are established newly for this study.

$$\begin{aligned}
 V(01-03) &= W_1^1 \times E_1^1 \times R_1^1 + W_1^1 \times E_1^2 \times R_1^2 + W_1^1 \times E_1^3 \times R_1^3 \\
 \text{OR } W_1^1 &(E_1^1 \times R_1^1 + E_1^2 \times R_1^2 + E_1^3 \times R_1^3)
 \end{aligned}
 \tag{1}$$

Where,

01-03 denote the dimensions involved

$W_1^1$  is the weight assigned to the dimensions

$E_1^1$  is the weight assigned to the 1st element of the dimensions

$E_1^2$  is the weight assigned to the 2nd element of the dimensions

$E_1^3$  is the weight assigned to the 3rd element of the dimensions

$R_1^1$  is the weight assigned to the 1st WPM to the 1st element of the dimensions

$R_1^2$  is the weight assigned to the 2nd WPM to the 2nd element of the dimensions

$R_1^3$  is the weight assigned to the 3rd WPM to the 3rd element of the dimensions

Likewise, the three dimensions identified are also best presented in the following mathematical equations for simplicity. The details are provided:

$$CF_i = WER \sum_{j=1}^3 BCF_{ij}
 \tag{2}$$

Where:

CF = Consumer factor

WER= Weight assigned

MCF= Measurement items for CF

i=The respondents

j=The number of questions involved

$$FF_i = WER \sum_{j=4}^6 BFF_{ij}
 \tag{3}$$

Where:

FF = Family factor  
 WER= Weight assigned  
 MFF= Measurement items for FF  
 i=The respondents  
 j=The number of questions involved

$$UF_i = WER \sum_{j=7}^9 BUF_{ij} \quad (4)$$

Where:

UF = *Ummah* factor  
 WER= Weight assigned  
 MUF= Measurement items for UF  
 i=The respondents  
 j=The number of questions involved

The total of the WPM for *waqif* preference of *waqf*-based *qardhul hassan* financing will form the QAFSCALE, implying that the QAFSCALE for the product is the sum of its WPM concerning CF, FF and UF, therefore:

$$QAFSCALE_i = CF (01) + FF (02) + UF (03) \quad (5)$$

The maximum point for the QAFSCALE<sub>i</sub> is 5 whilst the minimum point is 1, measured on the 5-Likert scale. Following Jamil (2008), we consider these interpretation:

- Low if the mean score is 1.00 – 2.33
- Medium if the mean score is 2.34 – 3.66
- High if the mean score is 3.67 – 5.00

### **The Development of the QAFSCALE**

According to Auda (2008), *maqasid al-Shariah* is a *Shariah* goal, objective, or concept that benefits mankind. Mohammed *et al.* (2015)'s great work also refines this term. The term *maqasid al-Shariah* refers to the aims, goals, or objectives of *Shariah* (Mohammed *et al.*, 2015). The current study utilises empirical research with a questionnaire survey. The QAFSCALE is developed in two stages:

### Step 1: Literature review evaluations

Given Shahwan *et al.*'s (2013) work, which extended Attia (2010), has been thoroughly evaluated. After careful consideration, Attia (2010) was chosen because to expanding empirical support, as demonstrated initially by Mohammed *et al.* (2008). In more detail, the author took an innovative approach when introducing new measurement items to measure the pricing issue of *waqf*-based *qardhul hassan* financing products using the *maqasid* approach, which was discovered to be valid and reliable despite the fact that there is limited work in supporting their work. Extending this effort to include *waqf*-based *qardhul hassan* financing in its scope can increase its visibility in the body of knowledge and serve as a model for making *waqf*-based *qardhul hassan* financing a success.

### Step #2 – Operationalisation

Three *Shariah* scholars have been invited to evaluate the study frameworks' items as expert judges. They are chosen using an SPSS tool, which allows the scholars to be chosen at random without regard for personal prejudice. A formal invitation through e-mail is issued for this reason. The goal of this activity is to solicit their opinions on the research instrument, which may then be used to validate the measurement items under consideration. We expect to hear their thoughts on any other items that may be added in the study instrument to increase operationalisation and conceptualisation. To validate, we opted three *Shariah* scholars from a list provided by Bank Negara Malaysia (2021), which can be found at <http://www.bnm.gov.my/>. This work selects *Shariah* scholars to validate the research instrument based on their well-balanced experience in theory and practise of the issue at hand, as well as their research activities in the field of Islamic social finance. The QAFSCALE measures Consumer Factor, Family Factor and *Ummah* Factor.

### Sampling

The unit of analysis in this study is potential donors (*waqif*) for *waqf*-based *qardhul hassan* financing. The study sample was recruited in Kota Kinabalu, Sabah, Malaysia, which was chosen because to its high degree of urbanisation and poverty. Clearly, Sabah has one of the lowest mean monthly household incomes in the country, with a score of RM5,745 compared with the national average of RM7,901, advising financial difficulties among its population throughout the pandemic (Department of Statistics Malaysia, 2020). Needless to mention, traditional banking financing solutions are unable to address the affordability of low and middle-income households due to their reliance on market rates when charging

clients and the banks' profit orientation. Despite its novelty, *waqf*-based *qardhul hassan* financing is a feasible option for increasing household financial access during COVID-19.

In this study, we employ three judgemental sampling criteria to pick our respondents: Criterion #1: We select a respondent with one-year experience in charitable giving, not only to family members but also to the general public for various good purposes; Criterion #2: We select a respondent willing to donate waqf funds used to make *qardhul hassan* financing in the future; and Criterion #3: We select a respondent aged 25 years, indicating sufficient maturity sourced from rationality and attained legal statutory.

Freedman *et al.*'s (2002) formula for sample size was used, which is depicted as follows:

$$\sqrt{\mu} = tx \frac{s}{e}$$

In more detail, the standard deviation refers to  $\mu$ , the margin of error in this formula is best captured by the term  $e$  and the value of t-statistic is captured by  $tx$ . Having said that, the  $tx$  is formulated at 95 per cent. Consequently, the consideration of 1.96 is prioritised, where the following calculation is evaluated:

$$\begin{aligned}\sigma &= 0.5 \\ e &= 0.06\end{aligned}$$

Besides, we retain also 6 per cent the error margin in the abovementioned and for that the final calculation is presented as follows:

$$\begin{aligned}\sqrt{\mu} &= \frac{1.96 * 0.5}{0.06} \\ \mu &= 266\end{aligned}$$

This method in determining sample size has been proven appropriate in the case where non-probability sampling is brought into play. As far as our sample size is concerned, the collected 292 respondents of *waqif* exceed the threshold value and therefore our sample deems appropriate.

Table 1 presents the outcomes of respondents' profiles participating in this work, in which they were the potential donors of *waqf*-based *qardhul hassan* financing should the facility is presently available for use.

**Table 1: Respondents' Profiles**

Demographic item	Description	Result	Percentile
<b>Gender</b>	Male	164	56.16
	Female	128	43.84
<b>Education</b>	SPM/Certificate	0	0.0
	STPM/Diploma	41	14.04
	Bachelor	99	33.90
	Master and higher	152	52.05
<b>Marital status</b>	Single	132	45.21
	Married	160	54.79

### Data Analysis

The current study used the Statistical Package of Social Science (SPSS) 21 to appraise the data obtained. SPSS is chosen because of its flexibility to handle multiple sources of data derived from excel and online questionnaires and also data adjustments are easily made via SPSS for conversion and analyses (e.g. Pallant, 2005; Sekaran and Bougie, 2010). Data obtained were keyed in to produce manageable and systematic responses under the application of the SPSS.

## FINDINGS AND DISCUSSIONS

### Validation

Based on three series of interviews, the *Shariah* scholars are asked to assign weights to the components and to determine whether the WPM measures are acceptable. The result for the verification of the WPM was presented and formatted as follows:

**Table 2: Results for Average Weights for the Three and 9 Elements Given By *Shariah* Scholars**

Concepts	Dimensions	Elements	Weight (100%)
<b>Consumer factor</b>	35%	E1. <i>Muslim's</i> life	40
		E2. <i>Muslim's</i> honour	30
		E3. <i>Muslim's</i> material wealth	30

<b>Family factor</b>	35%	E1.Happiness in family	30
		E2.Family peace of mind	30
		E3.Family's basic needs acquisition	40
<b>Ummah factor</b>	30%	E1.Justice in society	40
		E2.Preservation of moral	30
		E3.Shared responsibility	30

When Table 2 is examined, it was reported that the scholars on consensus at best provided weights for both 'dimensions' and 'weight'. In more detail, we found out that 'Consumer factor' was given 35 per cent, 'Family factor' was given 35 per cent and 'Ummah factor' was given 30 per cent. In terms of the weightage for the elements under contemplation, we found out that there were differences reported in terms of the importance of the battery items used to reflect the said for concepts, denoted as consumer factor, family factor and *ummah* factor. These differences indicate the priority in which the *waqf*-based *qardhul hassan* financing can play during the times of the pandemic or even in the difficult times of financial hardships occurred without certain expectations.

### Factor and Correlation Analyses

Generally, proper conceptualisation and operationalisation established and sourced from the literature analyses and approval by the Scholars involved have been the contributing factor to the validated battery items as reported in Table 3. All constructs' items were found to be belonged to the factor that they supposed to gauge, implying the items were appropriate to support their factors under contemplation. For instance, CF2, CF1 and CF3 were allocated to the 'Consumer factor' resulting in a conclusion that they were valid and appropriate. The rest were in the same outcomes of pattern at best.

**Table 3: Factor Analysis**

	Factor loadings		
	Consumer factor	Family factor	Ummah factor
CF2	.904		
CF1	.881		
CF3	.846		
FF2		.890	
FF1		.887	
FF3		.833	
UF3			.879

UF2			.862
UF1			.840
Kaiser-Meyer-Olkin Measure of Sampling Adequacy	.790		
Bartlett's test of sphericity	$X^2=2920.027$ df=36 Sig.=.000		
Eigenvalues	5.428	2.664	1.876
Variance explained	42.225	18.365	11.337
Cronbach alpha	0.960	0.847	0.920

Note: UF=Ummah factor, CF=Consumer factor, FF=Family factor

We also conducted correlation analysis to observe the presence of multicollinearity between constructs under contemplation. This analysis is not used to meet the research objective but however it is done to avoid multicollinearity issue, which occurs if one factor has a significant correlation of 0.80 with other factors. In our case, however, as examined in Table 4, no serious multicollinearity issue was reported since all analysed correlation values between variables were less than 0.80. Thus, all variables were retained for further analyses of data.

**Table 4: Correlation**

Variable	FF	CF	UF
FF	1	.687**	.401**
CF	.687**	1	.445**
UF	.401**	.445**	1

Note: UF=Ummah factor, CF=Consumer factor, FF=Family factor, \*\* Significant at the 1 per cent level

When Table 5 is examined, it is seen that the mean value of 'Family factor' was 4.215, followed by 'Consumer factor' with 3.980, and 'Ummah factor' with 3.973. These outcomes indicate that family factor was ranked first, second by consumer factor, whilst the third was *ummah* factors, respectively. For the final construction, the QAFSCALE was written as follows:

QAFSCALE<sub>i</sub> = 1.194 (35 per cent) + 1.475 (35 per cent) + 1.192 (30 per cent)

As reported in Table 6, QAFSCALE<sub>i</sub> had a score of 3.861, implying high effect of *waqf* preference in donating funds for *qardhul hassan* financing.

**Table 5. QAFSCALE index**

No. Factors	Statistical results					
	Element 1	Element 2	Element 3	Mean	Rank	Dimension weight
1. Consumer factor score	1.608	1.199	1.174	3.980	2	1.194 (35%)
2. Family factor score	1.677	1.273	1.266	4.215	1	1.475 (35%)
3. Ummah factor score	1.604	1.197	1.172	3.973	4	1.192 (30%)
<b>Total</b>						<b>3.861</b>

## DISCUSSION

Our findings are also consistent with previous research, such as Shahwan *et al.* (2013) and Attia (2010), to name a few. According to our analysis, the family component was placed first. Looking at the results, we can see that the attributes of the family factor, such as happiness, peace of mind, and the acquisition of basic needs, were instrumental in shaping the 'family factor,' and thus contributed better to the new formation of new knowledge related to the context and setting under consideration. One of the intriguing findings reported here is that *waqf*-based *qardhul hassan* financing can enable breadwinners access alternative funds to produce mutual well-being between themselves and their dependents.

If we look attentively, we can see that consumer factor was placed second. This conclusion is similar with previous studies by Choudhury (2019a) and Chapra (2010), who discovered the significance of consumer factor based on muslims' life, honour, and financial prosperity. This study implies that the individual need is critically significant for satisfying fundamental demands for peace of mind during pandemics. In other words, this discovery reveals three critical insights gained from three battery products developed. To begin, the newly adopted *waqf*-based *qardhul hassan* financing can raise and sustain the quality of life of Muslims in the face of the pandemic's negative

impacts, such as severe financial troubles that lead to famine and criminal activity. Second, if correctly presented, we are confident that this facility will assist raise and sustain honour, and it is always necessary to keep honour (Attia, 2010). Third, this study indicates the significance of new alternatives for getting financial support that can recognise the role of *waqif* in assisting the disadvantaged when the negative impact of the pandemic is stronger.

The statistical testing was determined to be important in the case of the *ummah* component, ranking third in significance, although its function is relevant for theoretical contributions. This conclusion is also similar with findings in *maqasid* research by Attia (2010) and Auda (2008), who highlighted the importance of *ummah* when presenting a system that may transform people's ways of life for the better and the long term. Of course, these works do not exactly reflect the operationalisations of the *ummah* factor, but the overall concept that the factor is crucial to contemplate is found profoundly in their literature (Attia, 2010; Auda, 2008). In particular, we expand Shahwan *et al.* (2013)'s perspective on *ummah* element and arrive at a novel inclusion of *waqf*-based *qardhul hassan* financing in the context of *maqasid al-Shariah*.

## RESEARCH IMPLICATIONS

### Theoretical Contributions

Our study is considered a first of its kind that provides new conceptualisations and operationalisation of the consumer factor, family factor and *ummah* factor developed in this study. Adding to that, we consider all items as “cognitive” to meet research paradigm and objective. In more detail, the construct is equipped with 3 items each for improved consistency and validity. Through correlation, we have discovered no multicollinearity and therefore concluding their applicability for added literature review in this area of concern. We finally found new factors that could provide fresh explanatory factors pertinent to consumer and *maqasid al-Shariah*. Family factor is ranked first, followed by consumer, and *ummah* factor.

### Methodological Contributions

To date, there is no standard measurement for the variables sourced from the *maqasid al-Shariah* if we look closely from studies related to the area like Abu Zaharah (1997) on the consumer factor, family factor and *ummah*

factor. We firstly developed three battery items for the factors considered in this study proven through face validity by *Shariah* scholars appointed to evaluate the appropriateness of the measures developed in this work sourced from Attia (2010) *maqasid al-Shariah* theory. Of course, we examined 12 scales developed successfully that could benefit future generalisation and application, where consumer, family, and *ummah* factors are brought into play. The battery items developed have formulated properly by considering earlier literature and expert judges for final outcomes.

### **Practical Contributions**

The research requires policymakers and Islamic bank managers to guarantee that Islamic bank products are designed in accordance with the principles of *maqasid al Shariah* via *waqf-qardhul hassan* financing, which means that well-being takes precedence above profit. This is because banks' primary goal nowadays is to advertise their profit-driven product. Islamic bank policymakers will always attempt to prioritise profit, and as a result, their products are perceived as being identical to regular banks. This raises the question of how Islamic bank customers view the halal alternative products and services it provides.

### **CONCLUSION AND FUTURE RESEARCH**

Through the findings obtained from the interviews, the QAFSCALE was developed as a strategy to introduce *waqf*-based *qardhul hassan* financing. Successively, the scale developed used to measure potential *waqif* preference of the facility to examine its feasibility for practical use. The findings obtained are also aimed at increasing the practitioners' interest and commitment to invest in this facility in line with the research cluster of "Social and economic wellbeing", the "Key Economic Growth Activities (KEGA 1 – Islamic Finance Hub 2.0)" and the SDG (Societal Harmony and Happiness).

This study is limited in terms of a series of three interviews with *Shariah* scholars to validate the scale. Subsequently, a quantitative research involving the potential *waqif* will also be conducted to gauge their preference on the facility in Sabah, Malaysia. Future works should examine the relevancy of the items developed here to other examinations like in Indonesia and Brunei owing to their proximity, done for *ummah* benefit instead of personal win. Besides, this work has only operationalised 9 battery items in meeting

research objective and could be better if further inclusion is expected to add more research inventory to the literature, at least.

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