



NISFUL LAILA <nisful.laila@feb.unair.ac.id>

Fwd: International Journal of Islamic and Middle Eastern Finance and Management - Decision on Manuscript ID IMEFM-01-2022-0014.R1

2 pesan

shafinar ismail <shafinar138@gmail.com>

16 April 2023 pukul 18.58

Kepada: nisful.laila@feb.unair.ac.id

----- Forwarded message -----

From: **Putri Aliah** <putrialiah12@gmail.com>

Date: Sun, 16 Apr 2023 at 5:35 PM

Subject: Fwd: International Journal of Islamic and Middle Eastern Finance and Management - Decision on Manuscript ID IMEFM-01-2022-0014.R1

To: shafinar ismail <shafinar138@gmail.com>

----- Forwarded message -----

From: **shafinar ismail** <shafinar138@gmail.com>

Date: Fri, Jun 10, 2022 at 3:14 AM

Subject: Fwd: International Journal of Islamic and Middle Eastern Finance and Management - Decision on Manuscript ID IMEFM-01-2022-0014.R1

To: Putri Aliah <putrialiah12@gmail.com>

----- Forwarded message -----

From: **International Journal of Islamic and Middle Eastern Finance and Management** <onbehalf@manuscriptcentral.com>

Date: Fri, Jun 10, 2022 at 2:01 AM

Subject: International Journal of Islamic and Middle Eastern Finance and Management - Decision on Manuscript ID IMEFM-01-2022-0014.R1

To: <shafinar138@gmail.com>

09-Jun-2022

Dear Prof. Ismail:

Manuscript ID IMEFM-01-2022-0014.R1 entitled "The intention of small medium enterprises' owners to participate in Waqf: the case of Malaysia and Indonesia" which you submitted to the International Journal of Islamic and Middle Eastern Finance and Management, has been reviewed. The comments of the reviewer(s) are included at the bottom of this letter.

Your paper is converging toward acceptance with no more actionable comments from reviewers. Please use this round for a careful final review. Please also update references where needed, appropriate, or to enhance relevance with our readership. The following might be of interest depending on your closer scrutiny...

Rashedul Hasan, M. Kabir Hassan, Mamunur Rashid, "Mediating Role of Trust in Cash Waqf Donations," in Khalifa Mohamed Ali, M. Kabir Hassan, Abd Elrahman Elzahi Saaid Ali edited, Revitalization of Waqf for Socio-Economic Development, Volume II, Palgrave-MacMillan, August 22, 2019:

<https://www.palgrave.com/gp/book/9783030184483>; Pages 293-317

Foyasal Khan, M. Kabir Hassan, "Financing the Sustainable Development Goals (SDGs): The Socio-Economic Role of Awqaf (Endowments) in Bangladesh," in Khalifa Mohamed Ali, M. Kabir Hassan, Abd Elrahman Elzahi Saaid Ali edited, Revitalization of Waqf for Socio-Economic Development, Volume II, Palgrave-MacMillan, August 22, 2019:

<https://www.palgrave.com/gp/book/9783030184483>; Pages 35-65

M. Kabir Hassan, Mohd Fazlul Karim, M. Sydul Karim, "Experiences and Lessons of Cash Waqf in Bangladesh and

Other Countries," Khalifa Mohamed Ali, M. Kabir Hassan, Abd Elrahman Elzahi Saaid Ali "Introduction", Revitalization of Waqf for Socio-Economic Development, Volume I, Palgrave-MacMillan, August 22, 2019:

<https://www.palgrave.com/gp/book/9783030184483>; Pages 59-83

M. Kabir Hassan, Muneer M. AlShater, Mamunur Rashid and Rashedul Hasan, "A Bibliometric Review of Waqf Literature," Eurasian Economic Review, Online: August 5, 2021. <https://link.springer.com/article/10.1007/s40822-021-00183-4>

Rashedul Hasan, M. Kabir Hassan and Mamunur Rashid, (2019) "The Role of Waqf in Educational Development – Evidence from Malaysia," Journal of Islamic Finance, Volume 8, No 1 [SCOPUS] <https://journals.iium.edu.my/iibf-journal/index.php/jif/article/view/319>

Rashedul Hasan, M. Kabir Hassan and Mamunur Rashid (2019), "Cash Waqf Investment and Poverty Alleviation: The Case of Tabung Masjids in Malaysia," Journal of Islamic Monetary Economics and Finance, 4(2): pp. 333-346

M. Kabir Hassan, M. Fazlul Karim and M. Sydul Karim, "Experiences and Lessons of Cash Waqf in Bangladesh and Other Countries," Journal of Islamic Economics, Banking and Finance, Volume 14, No 1, 2017 [ABDC, ABS, SCOPUS]

To revise your manuscript, log into <https://mc.manuscriptcentral.com/imefm> and enter your Author Centre, where you will find your manuscript title listed under "Manuscripts with Decisions." Under "Actions," click on "Create a Revision." Your manuscript number has been appended to denote a revision.

You will be unable to make your revisions on the originally submitted version of the manuscript. Instead, revise your manuscript using a word processing program and save it on your computer. Please also highlight the changes to your manuscript within the document by using the track changes mode in MS Word or by using bold or coloured text.

Once the revised manuscript is prepared, you can upload it and submit it through your Author Centre. The deadline for uploading a revised manuscript is 10-Jul-2022 from receiving this email. If it is not possible for you to resubmit your revision within this timeframe, we may have to consider your paper as a new submission.

When submitting your revised manuscript, you will be able to respond to the comments made by the reviewer(s) in the space provided. You can use this space to document any changes you make to the original manuscript. In order to expedite the processing of the revised manuscript, please be as specific as possible in your response to the reviewer(s).

IMPORTANT: Your original files are available to you when you upload your revised manuscript. Please delete any redundant files before completing the submission.

Please note that Emerald requires you to clear permission to re-use any material not created by you. If there are permissions outstanding, please send these to Emerald as soon as possible. Emerald is unable to publish your paper with permissions outstanding.

Once again, thank you for submitting your manuscript to the International Journal of Islamic and Middle Eastern Finance and Management and I look forward to receiving your revision.

Sincerely,

Prof. M. Kabir Hassan

Guest Editor, International Journal of Islamic and Middle Eastern Finance and Management

mhassan@uno.edu

Reviewer(s)' Comments to Author:

Reviewer: 1

Recommendation: Accept

Comments:

Almost all remarks given have being done and which are acceptable

Additional Questions:

1. Originality: Does the paper contain new and significant information adequate to justify publication?: yes we can say that the study is original as it examine the intention of SMEs in waqf participation in both Malaysia and Indonesia through more than 170 business owners

2. Relationship to Literature: Does the paper demonstrate an adequate understanding of the relevant literature in the field and cite an appropriate range of literature sources? Is any significant work ignored?: The author managed to add more relevant literature as recommended

3. Methodology: Is the paper's argument built on an appropriate base of theory, concepts, or other ideas? Has the research or equivalent intellectual work on which the paper is based been well designed? Are the methods employed appropriate?: The author managed to explain clearly the the quantitative approach he/she used in the survey questionnaire and data collection as recommended.

4. Results: Are results presented clearly and analysed appropriately? Do the conclusions adequately tie together the other elements of the paper?: The findings and results are presented clearly

5. Implications for research, practice and/or society: Does the paper identify clearly any implications for research, practice and/or society? Does the paper bridge the gap between theory and practice? How can the research be used in practice (economic and commercial impact), in teaching, to influence public policy, in research (contributing to the body of knowledge)? What is the impact upon society (influencing public attitudes, affecting quality of life)? Are these implications consistent with the findings and conclusions of the paper?: Research implications are well presented

6. Quality of Communication: Does the paper clearly express its case, measured against the technical language of the field and the expected knowledge of the journal's readership? Has attention been paid to the clarity of expression and readability, such as sentence structure, jargon use, acronyms, etc.: The quality for communication in this study is accepted academically.



* **How-to-submit-a-revision.pdf**

669K

NISFUL LAILA <nisful.laila@feb.unair.ac.id>
Kepada: shafinar ismail <shafinar138@gmail.com>

16 April 2023 pukul 21.13

Thank you for your email. Prof Sha, I do appreciate it.

Best wishes,

[Kutipan teks disembunyikan]



NISFUL LAILA <nisful.laila@feb.unair.ac.id>

International Journal of Islamic and Middle Eastern Finance and Management - IMEFM-01-2022-0014

1 pesan

International Journal of Islamic and Middle Eastern Finance and Management

9 Januari 2022 pukul

<onbehalf@manuscriptcentral.com>

08.32

Balas Ke: mhassan@uno.edu

Kepada: nisful.laila@feb.unair.ac.id, ririnsari@feb.unair.ac.id, shafinar138@gmail.com, aliahidzir@gmail.com, mohdhalim282@uitm.edu.my

09-Jan-2022

Dear Prof. Ismail:

Your manuscript entitled "The intention of small medium enterprises' owners to participate in Waqf: the case of Malaysia and Indonesia" has been successfully submitted online and is presently being given full consideration for publication in the International Journal of Islamic and Middle Eastern Finance and Management.

Your manuscript ID is IMEFM-01-2022-0014.

Please mention the above manuscript ID in all future correspondence or when calling the office for questions. If there are any changes in your street address or e-mail address, please log in to ScholarOne Manuscripts at <https://mc.manuscriptcentral.com/imefm> and edit your user information as appropriate.

You can also view the status of your manuscript at any time by checking your Author Centre after logging in to <https://mc.manuscriptcentral.com/imefm>.

Please note that Emerald requires you to clear permission to re-use any material not created by you. If there are permissions outstanding, please upload these when you submit your revision or send directly to Emerald if your paper is accepted immediately. Emerald is unable to publish your paper with permissions outstanding.

Open Access?

All of our subscription journals give you the option of publishing your article open access, following payment of an article processing charge (APC). To find the APC for your journal, please refer to the APC price list: http://www.emeraldgrouppublishing.com/openaccess/apc_price_list.pdf

Emerald has established partnerships with national consortium bodies to offer a number of APC vouchers for eligible regions and institutions. To check your eligibility please refer to the open access partnerships page: <http://www.emeraldgrouppublishing.com/openaccess/oapartnerships.htm>

If you would like to publish your article open access please contact openaccess@emeraldgroup.com

Thank you for submitting your manuscript to the International Journal of Islamic and Middle Eastern Finance and Management.

Sincerely,

International Journal of Islamic and Middle Eastern Finance and Management Editorial Office



NISFUL LAILA <nisful.laila@feb.unair.ac.id>

International Journal of Islamic and Middle Eastern Finance and Management - Decision on Manuscript ID IMEFM-01-2022-0014.R3

1 pesan

International Journal of Islamic and Middle Eastern Finance and Management

20 Juni 2022 pukul

<onbehalf@manuscriptcentral.com>

12.56

Balas Ke: mhassan@uno.edu

Kepada: nisful.laila@feb.unair.ac.id, ririnsari@feb.unair.ac.id, shafinar138@gmail.com, aliahidzir@gmail.com, mohdhalim282@uitm.edu.my

20-Jun-2022

Dear Laila, Nisful; Ratnasari, Ririn Tri; Ismail, Shafinar; Mohd Hidzir, Putri Aliah; Mahphoth, Mohd Halim

It is a pleasure to accept your manuscript IMEFM-01-2022-0014.R3, entitled "The intention of small medium enterprises' owners to participate in Waqf: the case of Malaysia and Indonesia" in its current form for publication in International Journal of Islamic and Middle Eastern Finance and Management. Please note, no further changes can be made to your manuscript.

Please go to your Author Centre at <https://mc.manuscriptcentral.com/imefm> (Manuscripts with Decisions for the submitting author or Manuscripts I have co-authored for all listed co-authors) to complete the Copyright Transfer Agreement form (CTA). We cannot publish your paper without this.

All authors are requested to complete the form and to input their full contact details. If any of the contact information is incorrect you can update it by clicking on your name at the top right of the screen. Please note that this must be done prior to you submitting your CTA.

If you have an ORCID please check your account details to ensure that your ORCID is validated.

By publishing in this journal your work will benefit from Emerald EarlyCite. As soon as your CTA is completed your manuscript will pass to Emerald's Content Management department and be processed for EarlyCite publication. EarlyCite is the author proofed, typeset version of record, fully citable by DOI. The EarlyCite article sits outside of a journal issue and is paginated in isolation. The EarlyCite article will be collated into a journal issue according to the journals' publication schedule.

FOR OPEN ACCESS AUTHORS: Please note if you have indicated that you would like to publish your article as Open Access via Emerald's Gold Open Access route, you are required to complete a Creative Commons Attribution Licence - CCBY 4.0 (in place of the standard copyright assignment form referenced above). You will receive a follow up email within the next 30 days with a link to the CCBY licence and information regarding payment of the Article Processing Charge. If you have indicated that you might be eligible for a prepaid APC voucher, you will also be informed at this point if a voucher is available to you (for more information on APC vouchers please see <http://www.emeraldpublishing.com/oapartnerships>)

Thank you for your contribution. On behalf of the Editors of International Journal of Islamic and Middle Eastern Finance and Management, we look forward to your continued contributions to the Journal.

Sincerely,

Prof. M. Kabir Hassan

Guest Editor, International Journal of Islamic and Middle Eastern Finance and Management

mhassan@uno.edu



NISFUL LAILA <nisful.laila@feb.unair.ac.id>

Self-archiving Instructions

1 pesan

International Journal of Islamic and Middle Eastern Finance and Management

20 Juni 2022 pukul
12.56

<onbehalf@manuscriptcentral.com>

Balas Ke: permissions@emeraldinsight.com

Kepada: nisful.laila@feb.unair.ac.id

20-Jun-2022

Dear Laila, Nisful; Ratnasari, Ririn Tri; Ismail, Shafinar; Mohd Hidzir, Putri Aliah; Mahphoth, Mohd Halim,

“The intention of small medium enterprises’ owners to participate in Waqf: the case of Malaysia and Indonesia”

Effective from September 2017, Emerald has removed the embargo period across all journals for the self-archiving of the Author Accepted Manuscript (AAM). This enables all of our authors to make their article open access via a ‘green’ route. The full text of the article may therefore become visible within your personal website, institutional repository (IR), subject repository, SCN signed up to the Voluntary STM Sharing Principles as soon as the final version has been published in the journal. It may also be shared with interested individuals, for teaching and training purposes at your own institution and for grant applications.

Please refer to the terms of your own institution to ensure full compliance.

The date your article was accepted for publication was: (20-Jun-2022)

If you are required to deposit your article in your institution’s repository, you will need to:

- Either, manually deposit the accepted manuscript attached to this email or a version from your own records (it must be the version accepted for publication by the journal’s Editor) into your repository
- Or if applicable, forward your accepted manuscript to your institution’s Repository Manager.
- If you are unsure which option is applicable to you, please refer to your institutional or departmental publication policy;

To deposit your AAM, you will need to adhere to the following conditions:

- You must include the DOI (10.1108/IMEFM-01-2022-0014) back to the official published version of your article within www.emeraldinsight.com;
- Include all of the relevant metadata (article title, journal name, volume, issue no. etc.).
- The AAM must clearly indicate where the article was published, or where it is forthcoming;
- Include a clear licensing statement (see below).

Deposit licences

Emerald allows authors to deposit their AAM under the Creative Commons Attribution Non-commercial International Licence 4.0 (CC BY-NC 4.0). To do this, the deposit must clearly state that the AAM is deposited under this licence and that any reuse is allowed in accordance with the terms outlined by the licence. To reuse the AAM for commercial purposes, permission should be sought by contacting permissions@emeraldinsight.com.

For the sake of clarity, commercial usage would be considered as, but not limited to:

- o Copying or downloading AAMs for further distribution for a fee;
- o Any use of the AAM in conjunction with advertising;
- o Any use of the AAM by for promotional purposes by for-profit organisations;
- o Any use that would confer monetary reward, commercial gain or commercial exploitation.

Emerald appreciates that some authors may not wish to use the CC BY-NC licence; in this case, you should deposit the AAM and include the copyright line of the published article. Should you have any questions about our licensing policies, please contact permissions@emeraldinsight.com.

- Include the article abstract (see below).

The purpose of this study is to assess SMEs owners’ intentions to participate in waqf, involving two countries which are Malaysia and Indonesia using the theory of planned behavior. SMEs are the backbone of many economies, representing 95 percent of all companies worldwide and accounting for 60 percent of employment. Based on this fact, this paper analyzes the influence of religiosity, knowledge, and attitude to predict the intentions of SMEs’ owners in

waqf participation in Malaysia and Indonesia.

Data were randomly obtained from 175 SMEs' owners from Malaysia and Indonesia with the Statistical Package for the Social Sciences (SPSS) used for analysis.

The empirical analysis data suggest that knowledge and attitude show a significant impact on the intentions of SMEs' owners to participate in waqf, while religiosity does not have a significant impact on the intentions of Malaysian and Indonesian SMEs' owners to participate in waqf.

This study aims to assist SMEs in Malaysia and Indonesia to formulate appropriate strategies and marketing using waqf for the sustainability of small medium enterprises which represent more than 90 percent of business establishments in both countries. The strategy is a necessity, especially because the government is targeting to promote sustainable Islamic financial system, improve governance policy and halal industry for SME, strengthen the development of Malay Reserve land, providing as financial independence to Higher Learning Institution and invest in digitalisation and advanced technology through waqf funds. Therefore, both countries should take the initiative to provide training to equip SMEs with extensive knowledge through multiple platforms in order to further encourage their participation on waqf.

Because of the increasing interest in waqf participation both in Malaysia and Indonesia, this study claims three essential contributions. Firstly, it aims to examine the intention of SMEs in waqf participation among the business owners in Malaysia and Indonesia. Secondly, the study findings are expected to benefit the development of literature in accordance with Islamic social finance, particularly waqf. Thirdly, this study provides an insight into the inclusive knowledge and attitude of SMEs owners and their intention to participate in waqf.

Please note that the full text of the AAM must only appear in the IR once the final version of the article has been published in the journal.

If you have any questions about Emerald's repository policy, please contact permissions@emeraldinsight.com

Thank you for choosing to publish with Emerald.

Kind Regards,
Laura Wilson
Head of Rights, Emerald Publishing

 **PDF_Proof.PDF**
519K



NISFUL LAILA <nisful.laila@feb.unair.ac.id>

We've selected some research for you

1 pesan

Emerald <replies@emerald.com>

6 September 2022 pukul 19.04

Balas Ke: Emerald Publishing Limited <reply-fe9413727464067473-409_HTML-176029700-7214338-

172@email.emeraldinsight.com>

Kepada: nisful.laila@feb.unair.ac.id

[View this message online](#) | [Forward to a friend](#)



Dear Dr Laila,

We recently sent you an access token as a thank you for publishing 'The intention of small and medium enterprises' owners to participate in waqf: the case of Malaysia and Indonesia' with us. We're getting in touch to remind you that you have three months, from the date of publication of your article, to use your token to download 40 articles from [Emerald Insight](#).

Content around your research area

Here is some research in your subject area that we thought may interest you.

Used In Policy

[The cost of not wanting to know – the professions, money laundering and organised crime](#)

Journal of Financial Crime

Considers the case for establishing a new framework for recalibrating the professional ethic model so that the primacy of outward-looking attitudes to knowledge is re-established at the heart of professional ethics.

Linked to SDGs

[Does renewable energy promote green economic growth in OECD countries?](#)

Sustainability Accounting, Management and Policy Journal

Despite the costs of establishing renewable energy facilities, it is evident that these facilities contribute to the green growth of an economy.

Highly Cited

[Evaluating the Integrated Reporting journey: insights, gaps and agendas for future research](#)

Accounting, Auditing & Accountability Journal

Identifies challenges, opportunities, strengths and weaknesses experienced by the integrated reporting (IR) idea.

High Altmetrics Score

[100 PhD rules of the game to successfully complete a doctoral dissertation](#)

Accounting, Auditing & Accountability Journal

A doctoral dissertation is a challenging undertaking requiring determination, persistence and

resilience over a long time; these PhD 'rules of the game' are intended to help students successfully navigate this challenge.

Highly Downloaded

[The impact of online grocery shopping on stockpile behaviour in Covid-19](#)

China Agricultural Economic Review

Uses bivariate probit models to empirically investigate the impact of online purchasing channels on Chinese urban consumer food hoarding behaviours with random survey samples.

Kind regards

The Emerald Team
emerald.com/insight



Want to keep up-to-date with the latest research in your field? You can review your email preferences [here](#).

Together we can make a Real Impact.



You have received this email because you've recently published an article with Emerald. As part of your publishing journey, we will send you a series of emails which are designed to support you by providing useful resources to help you make the most of your research. If you'd prefer not to receive subsequent emails in this series, you can [opt out here](#).

Your privacy:

We are contacting you at the following address - nisful.laila@feb.unair.ac.id. Emerald is committed to protecting your personal information and we will only process your data in line with our privacy notice, [available here](#), which explains how we use and share your personal information and your rights in relation to this.

If your contact details have changed, please email replies@emerald.com.

Company information:

Emerald Publishing Limited is a company registered in England with number 3080506, VAT No. GB 665 3593 06 and registered office at Howard House, Wagon Lane, Bingley, West Yorkshire, BD16 1WA, United Kingdom.

© Emerald Publishing Limited



The intention of small medium enterprises' owners to participate in Waqf: the case of Malaysia and Indonesia

Journal:	<i>International Journal of Islamic and Middle Eastern Finance and Management</i>
Manuscript ID	IMEFM-01-2022-0014.R3
Manuscript Type:	Research Paper
Keywords:	Malaysia, Indonesia, Waqf, SMEs, Intention

SCHOLARONE™
Manuscripts

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

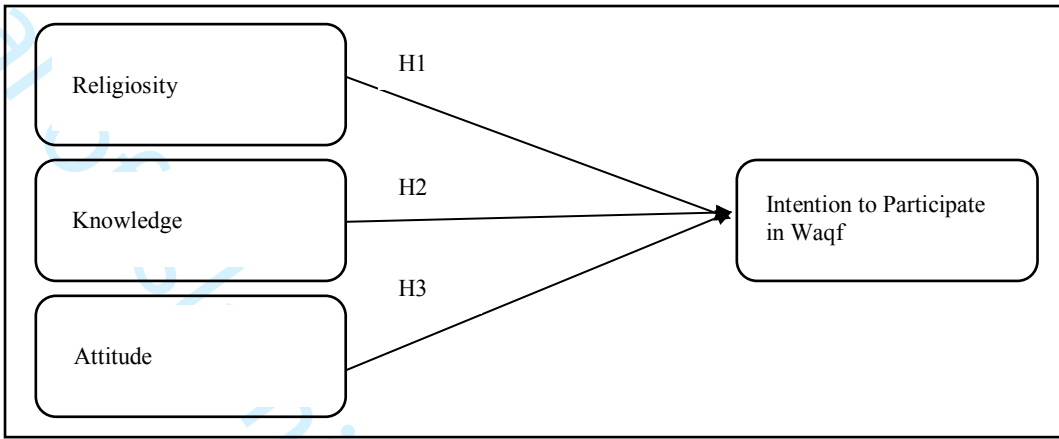


Figure 1 Research Framework

Table I Frequency Analysis

Nationality	Frequency (N=175)	Per cent (%)
Malaysian	41	23.4
Indonesian	134	76.6
Gender		
Female	99	56.6
Male	76	43.4
Age		
20-25 years old	59	33.7
26-30 years old	44	25.1
31-35 years old	20	11.4
36-40 years old	14	8.0
41-45 years old	12	6.9
46-50 years old	6	3.4
51 years and above	20	11.4
Type of Industry		
Services	126	72.0
Mining and Quarrying	2	1.1
Manufacturing	17	9.7
Agriculture	18	10.3
Construction	10	5.7
Others	2	1.1
Operating Years		
Less than 5 years	112	64.0
5-10 years	31	17.7
11-15 years	13	7.4
16-20 years	13	7.4
21-25 years	4	2.3
26-30 years	1	.6
31 years and above	1	.6

Table II Descriptive Analysis

Items	Mean	Standard Deviation
Religiosity		
My religion is very important for me	4.87	.553
I always perform my duty as a Muslim (e.g., pray five times a day, fasting during Ramadhan)	4.82	.515
It is important for me to do good deeds for others	4.82	.568
It is important for me to follow Allah's Commandments conscientiously	4.87	.491
Religious beliefs influence all my dealings with others	4.65	.830
In general, I consider myself as a devoted Muslim	4.22	.865
Knowledge		
I am very familiar with the concept of waqf	3.86	.899
I feel I know a lot about waqf	3.63	.925
I know the difference between waqf and other forms of charity (such as zakat and infaq)	4.10	.935
I know there are several philanthropic institutions/waqf institutions that provide online platforms for waqf	3.82	1.076
I know the permissibility and existence of waqf	4.06	.960
Attitude		
I believe that participating in waqf is one of my obligations as a Muslim	4.13	1.017
I believe that by participating in waqf, I will be rewarded in the hereafter	4.70	.769
I believe that by participating in waqf is also as 'sedekah'	4.61	.850

1			
2			
3	I believe that waqf has the potential to promote the development of the ummah	4.61	.816
4	Learning about waqf will be beneficial for me	4.58	.798
5	Intention to Participate in Waqf		
6			
7	I want to do waqf as a form of my charity	4.33	.892
8	I intend to do waqf right now	3.66	1.122
9	I intend to do waqf in the future	4.38	.901
10	I will do waqf more often during the month of Ramadhan	4.06	.998
11	I will participate in waqf as often as possible	3.99	.980
12			

Table III Reliability Analysis

Components	Cronbach's Alpha	No of Items
Religiosity	0.785	6
Knowledge	0.866	5
Attitude	0.908	5
Intention to Participate in Waqf	0.898	5

Table IV Regression Analysis

Hypotheses	Beta	t-value	p-value
H1: Religiosity has significant relationship with entrepreneur' intention to participate in waqf	-.029	-.505	.614
H2: Knowledge has significant relationship with entrepreneur' intention to participate in waqf	.195	3.615	.000
H3: Attitude has significant relationship with entrepreneur' intention to participate in waqf	.707	11.777	.000

Acknowledgement

This research was funded by Universitas Airlangga, Indonesia under the International Collaborating Matching Grant 100-IRMI/INT 16/6/2 (010/2019) from the Ministry of Education and Culture Indonesia.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

The intention of small medium enterprises' owners to participate in Waqf: the case of Malaysia and Indonesia

Abstract

Purpose

The purpose of this study is to assess SME owners' intentions to participate in waqf, involving two countries which are Malaysia and Indonesia using the theory of planned behavior. SMEs are the backbone of many economies, representing 95 percent of all companies worldwide and accounting for 60 percent of employment. Based on this fact, this paper analyzes the influence of religiosity, knowledge, and attitude to predict the intentions of SMEs' owners in waqf participation in Malaysia and Indonesia.

Design/methodology/approach

Data were randomly obtained from 175 SMEs owners from Malaysia and Indonesia with the Statistical Package for the Social Sciences (SPSS) used for analysis.

Findings

The empirical analysis data suggest that knowledge and attitude show a significant impact on the intentions of SMEs' owners to participate in waqf, while religiosity does not have a significant impact on the intentions of Malaysian and Indonesian SMEs' owners to participate in waqf.

Practical implications

This study aims to assist SMEs in Malaysia and Indonesia to formulate appropriate strategies and marketing using waqf for the sustainability of SMEs which represent more than 90 percent of business establishments in both countries. The strategy is a necessity, especially because the government is targeting to promote a sustainable Islamic financial system, improve governance policy and halal industry for SMEs, strengthen the development of Malay Reserve land, providing as financial independence to Higher Learning institutions and invest in digitalization and advanced technology through waqf funds. Therefore, both countries should take the initiative to provide training to equip SMEs with extensive knowledge through multiple platforms in order to further encourage their participation in waqf.

Originality/value

Because of the increasing interest in waqf participation both in Malaysia and Indonesia, this study claims three essential contributions. Firstly, it aims to examine the intention of SMEs in waqf participation among the business owners in Malaysia and Indonesia. Secondly, the study findings are expected to benefit the development of literature in accordance with Islamic social finance, particularly waqf. Thirdly, this study provides an insight into the inclusive knowledge and attitude of SME owners and their intention to participate in waqf.

Keywords: Indonesia, Malaysia, waqf, Small-medium enterprises, intention

Paper type: Research paper

1. Introduction

Small and medium-sized enterprises (SMEs) act as a catalyst for economic growth (Gamidullaeva et al., 2020). SMEs are the foundation of many economies across the world, accounting for 95 percent of all businesses and 60 percent of all occupations. ~~Small and medium-sized enterprises SMEs~~ are a significant part of most governments' development strategies, with ~~SMEs~~ accounting for 60% of economies in developed nations and 99% of firms in developing countries (Zulu-Chisanga et al., 2021). In Southeast Asia, SMEs dominate the business environment representing 97.2 percent of all enterprises, 69.4 percent of the national workforce, and 41.1 percent of a country's gross domestic product (GDP) between 2010 and 2019. ~~Although SMEs account for a large share of the economic activity, SMEs face various challenges in obtaining financing, and options for sources of funding are very limited from financial institutions (FIs), particularly in developing economies (Artini & Sandhi, 2020).~~ Important to realize, that finance is crucial to SMEs as it is not just a driver of a firm's growth but influences most of the other key challenges (Wasiuzzaman & Nurdin, 2019). Owing to SMEs' nature, they potentially face moral hazards by being wrongly categorized by FIs that attempt to obtain credit to reduce their financial institution's risk of default. ~~In Southeast Asia, the performance of SMEs' non-performing loans as a percentage of total SME bank loans was an average of 4.1 percent during the same period, a 2.5 percent decline at a compound annual rate, but higher than the overall bank average (2.0%).~~

SMEs are important in the most economical, especially in developing nations. The definition of SMEs varies between countries. In Malaysia, small and medium enterprises can be identified based on two components: firstly, their sales turnover, and secondly, the number of their full-time employees. It varies across different sectors. Sales turnover in the manufacturing industry should not exceed RM50 million, with any more than 200 full-time employees. In contrast, sales turnover in the services and other industries should not exceed RM20 million, and full-time workers should not exceed 75 (SME Corp. Malaysia, 2021a). On the other hand, micro-enterprises are categorized as firms with a sales turnover of less than RM300 thousand or several employees of less than five for all sectors including manufacturing and services (SME Corp. Malaysia, 2021b). Indonesia on the other hand refers to SMEs as firms with less than a hundred employees (Tambunan, 2008). According to Law

Number 20, 2008, small enterprises owned assets worth Rp50 million to Rp 500 million and obtain between Rp 300 million to Rp 2.5 billion of revenue yearly. While medium enterprise owned assets worth Rp 500 million to Rp 10 billion and obtain between Rp 2.5 billion to Rp 50 billion of revenue per annum (Dipta, 2017). Microenterprise is a term used to describe small companies founded and run by underprivileged people with the help of sponsoring organizations (Midgley, 2008). Indonesia's Law Number 20, 2008 also defined a microenterprise as an efficient business run individually or a corporate organization that meets the conditions for microenterprise as established in the Law; a business with a maximum asset worth Rp50 million or maximum yearly revenue of Rp300 million (Tambunan, 2019).

SMEs account for 99 percent of current firms in Indonesia and create more than 60 percent of the national GDP (Sakudo, 2021). Even before the pandemic, the necessity of business digitization for SMEs was on the radar. The nation has announced programs such as 2018 Making Indonesia 4.0 Roadmap, the 2019 E-Commerce Roadmap, and the 2020 Go Digital Vision, all of which emphasize assistance for strengthening SMEs' competitiveness in the digital economy. Collaboration between businesses and the government is also essential for SMEs to flourish. The official Gojek digital platform, for example, cooperates with a variety of stakeholders, including the government, to provide solutions that help SMEs progress to the next level through its initiative. #MelajuBersamaGojek. This program, according to Gojek co-CEO Andre Soelistyo, is an attempt by the Gojek ecosystem to make it easier for SMEs to integrate digitalization at every stage of their everyday company operations (The Jakarta Post, 2020).

In Malaysia, FIs which consist of banking institutions (BIs), Development Financial Institutions (DFIs), and Islamic banking (IB) had broadly been developed to provide business financing to SMEs (BNM, 2020). Notably, financial institutions represent the core of funding for SMEs, contributing to about 97.0 percent of overall loans, with RM307.3 billion issued and RM69.0 billion in new funding granted to over 123,600 SME clients (SME Corporation Malaysia, 2020). Markedly, although Malaysia FIs plays a significant role for the SMEs in shaping their economic growth, yet, the institutions are facing poor repayment rate performance. ~~Based on the financial performance of FIs in Malaysia from 2014 until November 2020. On the other hand, the Indonesian government has implemented several legislations to increase SMEs' access to finance, but a tiny percentage of enterprises have actually taken out a loan from banks (Tambunan, 2015). Credit Guarantee Scheme (CGS) is a common instrument employed by Indonesian SMEs where PT Asuransi Kredit Indonesia (Askrindo) and Perum Jamkrindo, a state-owned organization were established. Bank Indonesia (BI) holds 55 percent of the organization, while the Finance Ministry holds 45 percent. The coverage rate is a measure of how much of a bank's qualifying credit is guaranteed, ranging from 50 to 70 percent (Tambunan, 2017). According to OECD (2020), the Indonesian government created the People Business Credit Program, often known as Kredit Usaha Rakyat (KUR) in 2007 with the goal to boost SMEs' access to capital by acting as a bridge between them and a financial institution's lending plan. During the period 2007 to 2018, a sum of IDR 499.32 trillion was granted as part of this initiative and disbursed to all Indonesian provinces. With a very low non-performing loan rate, KUR has been able to preserve high quality credit where the NPL rate for KUR was only 0.24 percent in 2018. It is worth noting that 98.5% of the country's business entities comprise SMEs, 76% represent the vast majority are micro-sized enterprises, 21.2% are small-sized enterprises and only 2.3% are medium-sized (SME Corporation Malaysia, 2019). Important to realize, that this poses challenges in terms of credit risk as these present a bigger non-performing loan (NPL) risk given their infancy and lack of financial stability. According to research by Piette and Zachary (2015), financial institutions view SMEs as posing a greater threat amid crises. This is because SMEs are exposed to a major vulnerability that is likely to generate insufficient cash flow, yet the business must still meet their financial obligations during a pandemic (Zheng & Zhang, 2021).~~

The covid-19 pandemic has resulted in more immediate effects on the global business ecosystem, particularly in developing countries (Gutierrez-Romero & Ahamed, 2021). Due to that, the Malaysian government has introduced ~~PRIHATIN~~ or Prihatin Rakyat Stimulus Package to assist SMEs by injecting RM110 billion allocations to sustain their business operations. Bank Negara Malaysia Fund also provides financial facilities to SMEs with an allocation of RM13.1 billion to ease the financial burdens of SMEs coping with the pandemic. However, there also lies a concern with a set of challenges for the FIs. It is worth noting that 98.5% of the country's business entities comprise SMEs, 76% represent the vast majority are micro-sized enterprises, 21.2% are small-sized enterprises and only 2.3% are medium-sized (SME Corporation Malaysia, 2019). ~~Important to realize, that this poses challenges in terms of credit risk as these present a bigger non-performing loan (NPL) risk given their infancy and lack of financial stability.~~ A study by Piette and Zachary (2015) shows that banks perceive SMEs as presenting a higher risk during crises. This is because SMEs are exposed to a major vulnerability that is likely to generate insufficient cash flow, yet businesses must still meet their financial obligations during a pandemic (Zheng & Zhang, 2021). ~~While~~ Aa total of 37,000 SMEs in Indonesia has declared themselves to the Ministry of Cooperatives and SMEs impacted by the Covid-19 epidemic as of April 17, 2020 (Setiawan, 2020). According to Afriza (2021), the major effect of the Covid-19 epidemic on SMEs is a drop in revenue. ~~A loss in income was recorded by 84.2 percent of SMEs across the country. It was also found that capital is by far the most pressing issue at the national level, with 69.02 percent of SMEs needing more funding. A scarcity of labour was cited by~~

~~over 90% of micro-enterprises and 66% of SMEs as one of their primary operational challenges due to the pandemic (Int. Labour Organisation, 2019).~~ In an effort to reduce the impact of Covid-19, since March 2020, the Indonesian government has been using large-scale social distancing measures (PSBB) in an effort to reduce Covid-19 transmission. These policies have influenced social movements and the economic output of SMEs. They also announced a USD725 million policy plan that covers financial incentives, subsidies, and tax reductions for the tourist, aviation, and real estate industries (OECD, 2020). A stimulus package for SMEs amounting to Rp123.46 trillion was also allocated for SMEs financing and interest subsidies for microcredit (KUR). Indonesia's government expanded the budget for Covid-19 and the National Economic Recovery Program in mid-2020 by announcing the largest economic stimulus program, at Rp695.20 trillion. However, after several amendments to the package towards the end of 2020, overall expenditure has currently hit Rp744.28 trillion (KPMG, 2020).

Several issues impacting SMEs in Malaysia include limited financial and material resources, difficulties in attracting quality talent, and facing the market and knowledge constraints, all of which hampered their growth and contribution to the economy (Hashim, 1999; Ting, 2004; Thaker & Mohamed, 2013). SMEs faced a significant threat of elimination if they did not improve their competitiveness in the new, fast-changing environment of globalization. These issues appear to be similar to those faced by SMEs in Indonesia. They are up against tougher competition especially in urban areas since they have limited access to bank loans or government support (Irfayanti & Azis, 2012). Aside from the challenges of acquiring finance, a study by Rahadi (2016) found that SMEs in Indonesia lack the skills and experience to manage their human resources and operate businesses requiring the use of technology. However, most academics have examined approaches for expanding the role of waqf in an environment that is inefficient because of numerous constraints, one of which is a lack of financial resources (Nasution & Medias, 2019). It was discovered that cash waqf could be a remedy to SMEs' lack of access to funding, therefore enabling them to better allocate their resources through the investment of cash waqf assets (Tohirin, 2010).

~~A study by Iman and Mohammad (2017) has suggested that entrepreneurship based on waqf can be utilized as a viable socioeconomic framework for societal well-being. Prior to acting, one must first make a decision.~~ Therefore, this study aims to add knowledge to the existing body of literature on this area by assessing SME owners' intentions to participate in waqf, involving two countries which are Malaysia, and Indonesia. This study intends to fill a gap in the literature on waqf SMEs in the neighboring country, Malaysia, and Indonesia. This paper is organized as follows. The subsequent section provides a brief review of the literature on the proposed factors influencing SMEs' owner intention to participate in waqf. Thereafter, the proposed model is followed by the methodology. Next, the analysis will be presented, and the last section will be the conclusion and recommendations.

2. Literature Review

2.1 Definition of Waqf

The word waqf or awqaf, which means stopping, containing, or preserving something, is derived from the root verb in Arabic. Waqf in Arabic literally is al-Habsu 'an at-Tasaruf which means to hold, keep, or detain. Waqf is also known as Boniyat or Habs whereby these two terms are used primarily in Iran and North Africa, respectively. In other words, waqf means a unique form endowed by a waqif (donor or endower) who gives up some of his personal assets (for example in the form of cash) to be used forever or for a certain period of time in accordance with their interests (Husin, 2020). Azganin et al (2021) defined cash waqf as a perpetual mobilization of funds from donors to be invested in productive assets that provide revenues or usufruct for future consumption while taking into consideration the guidelines and policies given by donors as well as recipients (Hassan, Karim, & Karim, 2017). This is known as the conditions of waqif (Shart alWaqif) in Arabic. The most acceptable waqf is cash waqf, which is an endowment of certain amounts of money for investment (Hasan, Hassan, & Rashid, 2019), as it is managed by a waqf manager (Mutawalli). ~~Cash waqf or consider moveable properties, has led to the innovation and enhancement of the waqf institution globally. Versions of the concept have emerged in different countries, providing credible evidence of the opportunities that lay ahead in waqf innovation. To date, Abdelfattah et al (2021) state that cash waqf began in Sudan in 1990 followed by Malaysia, Indonesia, and Kuwait. These countries reinvigorate waqf activities through new schemes to match the needs of growing societies' public services.~~

In legal terms, waqf is defined as a perpetual dedication of certain property to Allah SWT by devoting its benefit to religious and charitable causes (Md-Saad et al., 2017). National Awqaf Foundation of South Africa outlines that in Shariah, waqf is a voluntary, permanent, irrevocable, cash or kind devotion of one's wealth to Allah SWT. National Awqaf Foundation of South Africa mentions once waqf is dedicated, he was never changed, confiscated, or sold. It belongs to Allah, and the waqf remains intact at all times. Ismail (2021) quote from Kahf (1998) states that waqf from a Shariah perspective a "holding an asset and preventing its use to repeatedly extract its usufruct for the benefit of a noble or philanthropic objective" In the context of socioeconomic, waqf can be used as a mechanism to increase the standard of living within the ummah (society), reduce poverty and difficulties

among the poor, and maintain a good living. This is done through fair wealth distribution among the society (Salarzahi et al., 2010a).

2.2 Importance of SMEs

SMEs play a critical role in fulfilling the Sustainable Development Goals (SDGs). SMEs have produced four out of every five available employments in developing economies, accounting for around 90 percent of total formal sector employment. SMEs provide jobs, which boosts the economy and assists the poor and vulnerable, notably women and youth (Harris, 2018). It alleviates poverty, provides money, and has a favorable influence on household investments in education and health care, all of which are critical to achieving multiple SDGs. According to a report by OECD in 2017, SMEs make up the majority of business in the OECD 42 region, acting as the primary source of employment accounting for over 70 percent of all employments on average, and are significant contributors to value creation, providing between 50 percent and 60 percent of total value added (OECD, 2016). It was also found that SMEs account for up to 45 percent of total employment and 33 percent of GDP in emerging economies. When informal firms are factored in, SMEs represent more than half of all employment and GDP in most countries, regardless of income level (Internal Finance Corporation, 2010).

The importance of SMEs in economic development has long been acknowledged from a global viewpoint, as they have historically been the major source of job/employment generation as well as economic expansion. The widespread belief continues to be that a thriving private sector, particularly SMEs, is critical to the achievement of sustainable and equitable economic development in a democratic society (Rahman et al., 2016). It was further found that despite the fact that many SMEs' products are purchased by middle and high-income consumers, it is clear that SMEs' products are overwhelmingly simple consumer goods, such as clothing, furniture, and other articles and household items made of wood, bamboo, and rattan, leather products, including footwear, and various metal products (Tambunan, 2015). These items are designed to meet the demands of low-income or impoverished consumers in the area, which showed that SMEs are critical for ensuring that the disadvantaged have access to basic essentials. Apart from that, it was discovered that SMEs are important in the attempts to attain environmental sustainability. Participation of SMEs in the shift to more environmentally friendly patterns of production and consumption is critical for developing green economic development. Despite the fact that small businesses have a lower individual environmental footprint than large corporations, their aggregate environmental impact can be greater than that of large corporations in some sectors. In order to be successful in the green transition, small and medium-sized enterprises SMEs must reduce their environmental effect by attaining and moving beyond environmental compliance with existing norms and regulations in both manufacturing and services. This is especially important for SMEs in the manufacturing sector, which represents for a significant portion of the world's resource consumption, air and water pollution, and waste creation (OECD, 2013).

SMEs are undeniably important in the economic growth of many countries, representing 90 percent of businesses and more than 50 percent of employment worldwide. They are a significant source of entrepreneurs' skills and innovation for most enterprises throughout the world. Therefore, the development of SMEs is considered important for every country globally. In Indonesia, for example, SMEs make up over 90 percent of all businesses across all industries, where agriculture accounts for the majority of these businesses, with trade, hotels, and restaurants coming in second and manufacturing coming in third (Tambunan, 2008). According to Bank Indonesia in 2020, they aid in the development of micro, small and medium enterprises, emphasizing access to credit for SMEs as part of their mission. It was also discovered that SMEs contribute significantly to Indonesia's economic growth by generating gross domestic product and employing a workforce. In empowering their SMEs and further improving the ability and management competencies of human resources in the MSME sector while encouraging innovation, Bank Indonesia has implemented several policies, such as:

- I.—Improving the monetary policy efficacy and policy mix of Bank Indonesia to attain rupiah stability
- II.—Enhancing the synergy between Bank Indonesia's policy mix, fiscal policy, and structural reforms in order to control the budget deficit and catalyze long-term economic growth.
- III.—Establishing Bank Indonesia policy in collaboration with other stakeholders to aid the growth of the Islamic economy and finance.

This demonstrates that SMEs in Indonesia are recognized as one the key players in the economy and may act as a catalyst to achieve economic prosperity by promoting inclusive and sustainable growth, offering quality employment, and reducing income disparities. SMEs account for 99 percent of current firms in Indonesia and create more than 60 percent of the national GDP (Sakudo, 2021). Even before the pandemic, the necessity of business digitization for SMEs was on the radar. The nation has announced programs such as the 2018 Making Indonesia 4.0 Roadmap, the 2019 E-Commerce Roadmap, and the 2020 Go Digital Vision, all of which emphasize assistance for strengthening SMEs' competitiveness in the digital economy. Collaboration between businesses and the government is also essential for SMEs to flourish. The official Gojek digital platform, for example, cooperates with a variety of stakeholders, including the government, to provide solutions that help SMEs progress to the next level through its initiative. #MelajuBersamaGojek. This program, according to Gojek co-CEO Andre Soelistyo, is an attempt by the Gojek ecosystem to make it easier for SMEs to integrate digitalization at every stage of their

~~everyday company operations (The Jakarta Post, 2020). The importance of SMEs is further enhanced through digitalization.~~

SMEs are often regarded as the economy's backbone, accounting for 98.5 percent of all company establishments in Malaysia (Safie, 2020). SMEs make up a significant portion of the economy and consequently, contribute significantly to a country's growth. According to the Malaysian Department of Statistics, the contribution of SMEs to overall GDP grew to 38.9 percent in 2019 from 38.3 percent in 2018. However, the recent pandemic COVID-19 had had a huge impact on SMEs' growth where the GDP dropped by 7.3 percent in 2020, which was worse than the 5.6 percent and 4.6 percent declines in Malaysia's GDP and non-SMEs GDP. Various efforts done in preventing the spread of COVID-19 during the pandemic have led to the downfall of all economic sectors, particularly SMEs (Ikram, 2021). The next section will discuss on few waqf model that can be link with the SME.

2.3 Waqf Participation among Small and Medium Enterprises (SMEs)

Various waqf models have been introduced by past literature toward SMEs. Anuar et al (2019) proposed a model framework to examine the role of Islamic microfinance as an instrument in facing the COVID-19 pandemic impact on SMEs. It was further said that improvement of waqf can be done in terms of liquidity issues and consistency of donation by waqif. According to the study, the donor first contributes the funds using several accessible payment platforms which then will be managed by waqf institutions who will identify potential small and medium enterprises in financial distress. Membership privileges will be granted to donors who make a specified sum of cash waqf contributions and they will receive a preferential discount or accessibility to the services offered by the waqf-assisted SMEs. This model is significant as it improves donor trust in the waqf institutions, reduces the waqf institution's reliance on government funds to continue offering services, and stimulates wealth circulation from excess units to deficient units during COVID-19. ~~Furthermore, the Qard al-Hasan model also is identified to be a good way to boost economic growth and alleviate poverty, especially after the impact of COVID-19. Qard al-hasan is a voluntary loan in which the creditor has no intention of receiving a return on the principal. It is a no-interest-bearing charity loan with minimal intentions of capital return. Qard al-hasan is a potential alternative for reducing financial barriers by providing financial support to the disadvantaged, particularly those who do not have access to commercial microloans given the lack of collateral and a lack of affordability due to high funding costs. As businesses and individuals cope with the implications of COVID-19 on their earnings, the implementation of Qard al-Hasan from banks might give some relief for them to get back on their feet until the situation stabilizes (Ali et al., 2021).~~

~~The Qard al-Hasan Model has been successfully employed in the Iranian finance industry. The framework is the Qard Hassan system developed by Iran and adopted by Asgary (2007). Based on the model, Qard al-Hasan Funds (QHF) (henceforth, QHFs) are non-profit organizations wherein local residents establish a savings and lending society managed by a volunteer. The members, portrayed by A and B, contribute their money to the fund so that other members who require a short-term loan might receive assistance from it. A contributor can be a borrower at any time. Not only that, but members also have the option of withdrawing some or all of their funds at any time. The depositor should not demand any amount other than his capital and the members are well-known and trustworthy to one another. Other expenses, such as stamps, stationery, transportation, and communication, are paid by certain QHFs by investing in business operations. Finally, the most important clause in the Qard al-Hasan agreement is that the debtors must pay the costs. Thus, the loan is not free, although the capital is. Moreover, According to Anuar et al (2021), the QHF Qard al-Hassan Funds (QHF) framework can be further established for Islamic banks to assist micro, small and medium enterprises SMEs with interest-free loans during the pandemic. Since banks consistently want to help their target clients in times of emergency or liquidity crisis. These requirements are easily met by Qard services, which assist banks in establishing a strong and stable affiliation with their consumers. Further improvement in terms of selecting participants for the QHF program can be implemented to ensure stricter payment policies and reduce the level of risk. Therefore, even without an interest-based lending system, Islamic banking has provided useful instruments that can be developed and adapted to allow microfinance SMEs to sustain in the current economy. Moreover, Mohd-Thas Thaker et al., (2021) proposed a conceptual framework of the cash waqf model for the advancement of SMEs in Malaysia. It is anticipated to offer SMEs ongoing support in the form of training and educational programs paid by the cash waqf fund.~~

~~Based on the framework, cash waqf would be channeled to the cash waqf institution (CWI) by contributors (both public and private). The CWI serves as the mutawalli (manager) of the cash waqf fund under waqf legislation and would also be in charge of any investment decisions involving the cash waqf fund that has been established from the cash waqf collected from contributors. Secondly, the CWI would advertise HCD at a reduced cost by utilizing the cash waqf money to construct training centers with cutting-edge technology. Thirdly, the CWI will provide skills development training programs and business-oriented educational short courses through the training facilities to assist SMEs in improving the effectiveness of their employees. Micro-businesses would be required to pay a minimum fee at a subsidized rate in order to boost their participation. Finally, it is predicted that microenterprises would raise their productive output after getting the requisite training and skills from the CWI,~~

leading to a rise in national wealth. If properly implemented, the suggested concept might serve as a model for developing waqf funds in other nations, apart from overcoming many of the obstacles and constraints that come with building a long-term human capital development (HCD) facility. HCD is seen as any action taken to increase employees' productivity. As a result, the integrated cash waqf micro-enterprise investment (ICWME-I) model is predicted to be able to adequately handle the issues of HCD for the economic advantage of micro-entrepreneurs and other participants in general. This will be advantageous to Malaysia's overall SME sector growth wherein it assists young entrepreneurs in establishing long-term micro-businesses. With the involvement of both the public and private sectors, this approach has the potential to help young entrepreneurs who are just starting out receive the essential training for HCD objectives which will contribute to the creation of new job opportunities and the alleviation of poverty on a local level.

There are many industries related to Waqf and SMEs, namely the education sector, agriculture, and tourism industry. Abdel Mohsin (2013) reported that Kuwait has succeeded to establish an International Islamic Charitable Organization (IICO) to provide humanitarian aid worldwide through a cash waqf scheme in the educational scheme. This scheme succeeded in financing educational and social charitable services such as sponsoring orphans, providing medical care, financing the teaching of Arabic and Islamic subjects, and paying the salaries of teachers in Chad, Gambit, Philippines, Albania, and Kosovo. In Malaysia, Islamic Finance Council UK (2021) reported that Bank Muamalat Malaysia Berhad (BMMB) introduced a cash waqf scheme which is used to develop education, health care, infrastructure and to train young entrepreneurs. Plus, the proceeds from the Sukuk Ihsan issuance, which is exclusively targeted at institutional investors, were channelled to Yayasan AMIR, a not-for-profit organization to improve the accessibility of quality education in the Malaysian government schools. It has reached over 65,000 students and 83 trust schools across ten states in Malaysia. While Hussin (2021) examined the guidelines for waqf employment in higher educational institutions (HEIs) as shown in the University Transformation Programme (UniTP) Purple Book as well as the Guidelines for Management of Waqf in Education Institutions Book. This study used a qualitative research technique that included a semi-structured interview and a theological approach to analyse state enactments and previous studies to gain a comprehensive knowledge of the issue under consideration. The study concluded that the Malaysian government is highly concerned about the legitimacy of waqf creation in higher education institutions. Though the parameters given appear to be generic, they provide stakeholders with a starting point for establishing waqf in their organizations. (Hussin et al 2021) discussed the notion of good governance in higher educational institutions (HEIs) through extensive literature reviews and content analysis, as well as how the concept may be applied to the management of waqf in HEIs. The findings indicated that good governance procedures are acknowledged as a critical success element for the long-term viability of waqf in HEIs. The future development of waqf for higher education will be heavily reliant on effective administration. Good governance procedures can inspire faith in interested parties or waqif to commit their endowments to the mutawalli. Meanwhile, Ayuba et al (2020) determined the types of waqf education available in Sekolah Agama Rakyat (SAR), with an emphasis on Kedah, Malaysia, and examined how waqf education is regulated and maintained to provide long-term benefits. The study carried out in-depth interviews and document analysis with two SARs management in Kedah. It was found that several waqf education exists in SARs namely cash waqf, al-Quran waqf, lands, buildings, and furniture waqf. The SAR administrator is responsible for the management of this education waqf and must guarantee that the current education waqf assets may be utilized in a more effective manner to generate constant and ever-growing benefits.

While in Indonesia, Saidon et al (2019) illustrated waqf in education practiced in Pondok Modern Darussalam Gontor (PMDSG). A successful waqf-oriented educational institution in Indonesia was used to demonstrate waqf in education in Indonesia (PMDSG). The study adopted both primary and secondary data to look into the administration of the PMDSG, specifically its waqf management. The philosophy practiced is to accept any donation or sponsorship from any agency, but it is not obligated by the conditions of the donor. This PMDSG administration delivers services that are autonomous, transparent, and trustworthy. According to the findings of the study, the waqf-based education model used in PMDSG is a viable method to be used in today's educational system.

The agriculture sector is one of the most powerful industries that have the potential to end extreme poverty and feed around 9.7 billion people by 2050. Growth in this industry is two to four times more effective in increasing incomes among the underprivileged population (Azganin et al., 2021). An alternative viable financing solution is required to enable small farmers to access funds, end poverty and address several other problems such as food security and hunger. In this sense, one of the main practiced philanthropical concepts throughout Muslim history is waqf, which has contributed tremendously towards addressing economic and social issues in various sectors, including agriculture. Thus, the importance and benefits of waqf agriculture, issues in agriculture-related to land, and efforts in waqf agriculture through a crowdfunding scheme are discussed. Azganin et al., (2021) list three importance/benefits of waqf agriculture. First, the large proportion of the cultivated areas of waqf lands in different countries. Turkey itself has one-third of the cultivated area being waqf lands. Second, the investment of waqf properties through different financing modes could generate good returns for society. Third rather than depending on banking facilities, which seem to be the only flagship of the economy to introduce specific financing

services for farmers, the establishment of a waqf trust could be considered a possible alternative instrument to activate idle agricultural lands. Normally the issue of agriculture is despite the lack of capital, farming and agriculture are still reluctant to involve banks in meeting financing needs (Bilal Khan et al., 2021). Farmers prefer informal financing, such as landlords and families, rather than financing their agricultural plans through banks. Such funding alternatives are driven by farmers' way to eliminate the complicated bureaucracies of banks and their high interest rates. The waqf fund will be used to provide credit to farmers which will help them to grow and produce a better yield. Another issue is about certain countries are even experiencing very bad situations by having fewer agricultural lands, food insecurity, malnutrition of the people especially children, and famine at the same time (Abduh, 2019). When agriculture is not sustained, there will be threats to the food security agenda of the country. Issues in the food security of a country trigger many unwanted situations including malnutrition of the younger generation. Severe food insecurity could result in famine and eventually a non-conducive political situation to run the country. Worst scenario, food insecurity issues could trigger a civil war. Therefore, issues on sustainable agriculture and food security are very important to discuss. The effort being made is through cash waqf and crowdfunding methods. According to Abduh (2019), the ISF of waqf al-awāriḍ is one of the solutions. The research laboratory can be based in one country within the region and member countries of the region can arrange for waqf funds from their people with a special purpose to build a research laboratory and fund its research activities for the benefit of societies within the region. Abdel Mohsin (2013) mentions that Kuwait has succeeded managed to establish an International Islamic Charitable Organization (IICO) to provide humanitarian aid worldwide through a cash waqf scheme: Farms and productive projects. This scheme succeeded in funding different farms and agriculture projects in the Philippines, Bangladesh, India, and Uganda. In crowdfunding, Azganin et al., (2021) mention that several studies found that crowdfunding platforms can address liquidity issues, specifically in the waqf. For example, Agropay is a crowdfunding project which creates opportunities for all agribusiness actors who interact on a single platform. This platform provides specific functions for investors who can select from a wide range of agricultural projects accessible via smartphones, while the investment is made online. This platform creates competitiveness between suppliers and increases price competition, which further improves the sustainability of agriculture products. Another example is the waqf crowdfunding platform named "Hasanah Crowdfunding Model". The Wakaf Hasanah project has played a vital role in financing and developing various waqf projects in Indonesia. Fifty-three waqf projects have been financed through this platform, with a total fund of more than three billion rupiahs. According to this platform, the parties involved are the project manager (Nazir), waqf founders, and the platform operator.

Besides hotels, Che Man et al., (2019) mention that the waqf mechanism can also serve to build and preserve historic places. Next are the examples of preserving historic places. The welfare complex of Sultan Haskei Jerussalam founded in 1552 by the wife of Caliph Sulaiman of the Uthmaniyyah government in Palestine and Lebanon was financed through a waqf fund. This waqf mechanism also plays a dynamic role in the restoration of the entire area of abandoned and damaged buildings and the replacement of old and obsolete with the new buildings. Moreover, in Egypt, waqif plays a role as the developer in developing the regions which were dilapidated and destroyed. They will buy the buildings and develop the area with the construction of new buildings. In another context, the waqf fund can also be used to develop the areas of history which become tourist attractions or recreational areas that have the potential to be developed as a focal point. For example, creating an Islamic-themed park in strategic locations through the waqf fund obtained from the surrounding communities. Responsible developers can build and develop the theme parks by offering waqf shares to the public who are keen to join in developing the theme park. Through the construction of the Islamic theme park, it will indirectly attract tourists thus this can improve the economy of local communities. Che Man et al (2019) also mention the construction of shopping centres based on waqf which is associated with tourism activities. There are many places of tourist attractions that focus on shopping. For example, Pulau Langkawi – which is known as the duty-free island, Kelantan, Terengganu, Sabah, Sarawak in Malaysia. These areas are often filled with tourists who like to do recreational activities while shopping. Given this situation, the authorities and individuals can work together to develop waqf land in the potential areas by building a complex or a shopping centre that meets the needs of the community and tourists. Sultan Al-Mansour Qalawun of Egypt had used waqf funds to build a complex in 1285 consisting of the hospital, madrasah, sabil kuttab (public drinking place), and his tomb. Furthermore, the income-based property is also built around the complex such as lots of shops, warehouses, homes as well as agricultural lands. Revenue earned from waqf properties is used to fund various economic activities which provide a return of one million dirhams per year. This proves that developed waqf properties can bring substantial revenue and change the socio-economic landscape of the local community.

2.3.1 Religiosity

A belief in God (McDaniel & Burnett, 1990), a collection of consumption norms (Minkler & Cosgel, 2004), and a system of beliefs and practices (Kuo, Arnold, & Rodrigues-Rubio, 2014) have all been used to describe religiosity. In this context of study, religiosity is characterized as the extent whereby an individual adheres to religious concepts, values, and practices in their everyday lives (Worthington, et al., 2003). **Islam encourages its**

adherents towards activities and conducts; it directs the actions of all believers in every circumstance, especially close relationships with God as well as others. Contributing waqf is a wonderful deed that helps the ummah thrive while also fulfilling a religious (Islamic) responsibility and receiving benefits from Allah. A study by Osman, Mohammed & Amin (2014) discovered that religiosity has a significant influence on the behavioral intention of young intellectuals in contributing waqf.

Several academics also have underlined the necessity of considering many aspects of religion since each component may influence prosocial actions in a different way (Lam, 2002; Rostosky, Regnerus, & Wright, 2003; Son & Wilson, 2012). For instance, Son & Wilson (2012) considered both private (spiritual practises at home) and public (communal rituals and events) aspects of religion and discovered that only private religiosity had a positive influence on the responsibility to serve others. Lam (2002) investigated the participatory, devotional, affiliative, and theological aspects of religion and concluded that each of these traits had a separate but substantial influence on secular voluntary organisation participation.

On the other hand, it was argued that market and institutional inefficiencies might be prevented if religious entrepreneurial organizations were recognised as a viable option for members' corporate investment, financial and expertise assistance, and wealth redistribution in favour of economically poor community members (Javaid, Shamsi, & Hyder, 2020). The study further claimed that Muslim entrepreneurship in Pakistani communities encourage and promote their members' business activities. However, it is not only limited to entrepreneur in Pakistan. A study by Dali et al., (2014) examined the relationship between religiosity and entrepreneurial intention among students from Islamic university in Malaysia and found that the dimensions of religiosity involving commitment, practise, and belief were proven to have a beneficial impact on intentions to become entrepreneurs. Further study by Sulung, Putri & Robbani (2020) involving micro, small and medium enterprises (SMEs) in Indonesia showed a significant relationship between religiosity and entrepreneurial intention.

Various non-profit organisations and government agencies have begun to support waqf activities as an alternative source of community growth and development. Some modern scholars believe that waqf participation especially in the form of cash has become inevitable (Al-harethi, 2019). Waqf instruments, such as cash waqf, have certainly significant potential to improve Muslims' economies, particularly in financing social and cultural activities, one of which is higher education (Anuar, Bahari, Doktoralina, Indriawati, & Nugroho, 2019). It was also found that awqaf plays an important role in the establishment of religious institutions including mosques, cemeteries, and orphanages (Rahman & Ahmad, 2011).

Moreover, several studies have highlighted the correlation between religiosity and waqf participation. According to Ali et al., (2019), when it comes to assessing zakat and waqf payments, religiosity plays an important role. The study also found that in ultra-micro-business owners, the religious factor dictates cash waqf payment. Waqf is described as a philanthropic organization that improves people's lives through leveraging religious motivation (Yalawae & Tahir). Another study by Amin et al., (2014) highlighted that perceived religiosity appears to be a strong predictor of online waqf acceptance. Similarly, Khadijah, Sabki & Ismail (2017) showed that waqf selections are explained by human traits such as religion, altruism, personal fulfilment, and commitment. Thus, the following hypothesis is proposed:

H1: Religiosity has significant relationship with SMEs owner's intention to participate in waqf.

2.3.2 Knowledge

Knowledge of waqf is typically seen as a sort of sadaqah that will benefit the donor or endower in the hereafter (Shukor, Anwar, Aziz, & Sabri, 2017); nonetheless, knowledge on the idea of waqf, forms of waqf, and methods of giving waqf must be adequately disseminated in order to reach potential contributors. Endowers' understanding of monetary waqf is crucial because it influences the intensity of the link between attitudes and behavior (O'Cass, Lee, & Siahtiri, 2013). Previous study indicates that persons with greater knowledge are more confident in making accurate judgments and exhibit less interest in the information and views of others (Goldsmith, Clark, & Goldsmith, 2006; Carlson, Vincent, Hardesty, & Bearden, 2009). Thus, it is believed that broad knowledge and comprehension of waqf, particularly monetary waqf, will inspire endowers to contribute.

Previous studies have shown links between knowledge and entrepreneur success. Woods & Joyce (2003) found that the elements that lead to an entrepreneur's inability to sustain his business include their lack of knowledge in entrepreneurship foundations, where some people enter the industry without having the necessary knowledge, experience, or training in how to run a successful enterprise. The development of SMEs begins with knowledge; understanding about entrepreneurship and a desire to establish a firm (Azmi & Hanifa, 2015). According to Salleh, Ngah & Zainal (2018), knowledge is the most important factor in a person's success since it is what motivates them to decide. As a consequence, every entrepreneur must understand how to expand his SME firm while achieving profitable outcomes (Esa, Aziz, Mokhtar, & Idris, 2021)

Previous study indicates that those with significant understanding of something will be more confident in making proper judgments and will not be swayed by the opinions of others (Shukor, Anwar, Aziz, & Sabri, 2017). Knowledge of cash waqf is important because it can influence an individual's attitude in acting (Shukor et

al., (2017). Thus, appropriate, and widespread knowledge and understanding can encourage donors to donate cash waqf. In line with this, Moreover, Amin et al., (2014) and Mokhtar et al., (2015) have found that information or knowledge positively influences people's decisions to donate online waqf. Similarly, (Shukor, Anwar, Aziz, & Sabri, 2017) conclude that the knowledge variable is the antecedent of the attitude toward cash waqf.

On the other hand, apart from cash waqf, participation in other form of waqf such as waqf land and waqf education were also determined. Nor & Rosman (2017) found that the community is hesitant when it comes to implementing waqf education for higher education institutions in Malaysia due to lack of knowledge of waqf as well as waqf governance that has not been properly implemented. Waqf land was also challenging to be developed due to non-strategic location (Mutalib, Noor, Nasirun, & Harun, 2019) and not properly maintained (Jalil, 2020). In term of corporate waqf, it was found that attitude and subjective norm have a positive relationship towards the behavioral intention. (Hasbullah, Khairi, & Aziz, 2015). Hence, the following hypothesis is developed:

H2: Knowledge about waqf has significant relationship with SMEs owner's intention to participate in waqf.

2.3.3 Attitude

Strong attitudes possess four attributes: they are averse to change, they are consistent through time, they affect cognition, and they impact behavior (Krosnick, 1995). Academics have connected many components of attitudes to strength during the previous three decades. Attitude importance is one of the most researched strength-related attitude qualities. By definition, attitude importance is a person's subjective appraisal of the significance he or she places on their attitude (e.g., (Boninger, Krosnick, Berent, & Fabrigar, 1995)). Typically, participants are asked to indicate how important the attitude or object is to them, how concerned they are about it, or how much they care about it (Gopinath & Nyer, 2009). Some measures compare the importance of one attitude object to that of another to determine the relative relevance of attitudes such as those by Klar (2014) and Ziegler & Schlett (2016). In a nutshell, attitude importance indicates how much value a person places on a certain attitude. Attaching personal significance to an attitude entail devoting to think about the attitude object, obtaining information about it, using that information together with one's attitude to make appropriate judgements, and structuring one's behaviors accordingly.

Three major groups of elements are regarded to be responsible for the importance of attitudes: self-interest, social identity, and values (Boninger, Krosnick, Berent, & Fabrigar, 1995). First, an attitude may become significant to a person if she or he sees as tied to her or his self-interest, that is, to directly influence his or her rights, advantages, or way of life in some significant manner. Second, an attitude might become personally significant as a result of social affiliation with comparable groups or persons. Lastly, if a person views the attitude matter to be important to her or his fundamental societal and personal principles, an attitude may become personally significant. Individual attitudes are critical to ensuring entrepreneurship's long-term viability (Koe, Omar, & Sa'ari, 2015). Further, the attitude of entrepreneurs to demonstrate their establishment in reaching the market, managing finances, empowering their workforces in terms of both quantity and quality, and increasing productivity to achieve optimal results is critical to the success penetration of micro, small, and medium enterprises into the modern market (Dewi & Christian, 2017)

There are several studies conducted to examine attitude towards waqf participation. Shukor et al., (2017) determined Muslim attitude on participation in cash waqf and found that individual religiosity, faith in awqaf institutions, and ease of endowment are predecessors of Muslim attitudes for monetary waqf participation, which leads to individual intention to participate in waqf. Attitude was also found to moderate peers and promotion variables in assessing factors influencing waqf participation among Muslims (Mutalib, Noor, Nasirun, & Harun, 2019). Osman, Mohammed & Amin (2014) analysed cash waqf participation among intellectuals and concluded that attitude, among others, is a vital element in determining cash waqf participation. Thus, the following hypothesis is proposed:

H3: Attitude has significant relationship with SMEs owner's intention to participate in waqf.

This study derives the framework from the past literature review. Figure 1 shows a model of the hypothesized relationships investigated in this study.

3. Methodology

Quantitative approach was employed by current study where a survey questionnaire was used as the procedure of data collection.

3.1 Sampling

The sampling used in this study is purposive because of the involvement of specific target groups and the qualities that the participant possesses (Etikan, 2016). In this context of study, the respondents are small and medium business owners in Malaysia and Indonesia. The reason for choosing Malaysia and Indonesia is because the large

population of Islamic communities within these two countries. According to Zikmund (2003), the sample size can be 30 units and more, whereas Sekaran (2003) suggests between 30 units and 500 units. Therefore, a total of 175 samples were collected and used for further analysis.

3.2 Questionnaire Design

Online survey questionnaires were adopted in this study which were distributed online using google form. The survey questionnaire was divided into five main sections, started with the demographic profile of the respondents. The next sections comprised questions on factors influencing respondents' intention to participate in waqf (religiosity, knowledge, and attitude). The questionnaire using a 5-point Likert's scales (from 1 = strongly disagree to 5 = strongly agree) adapted from various relevant studies such as (Kasri & Chaerunnisa, 2020) and (Shukor, Anwar, Aziz, & Sabri, 2017).

3.3 Data Analysis

The data of this study are generated from responses to questionnaires completed by the SMEs. Statistical Package for the Social Sciences (SPSS) version 26 was used for data analysis. Both descriptive and frequency analysis were also carried out to reduce loads of data into simpler summary thus enabling researchers to present quantitative descriptions in a manageable way (Sharma, 2019). Frequency analysis was used to derive percentage-based information from the profiles of respondents on their nationality, gender, age, type of industry, and operating years, while descriptive analysis involved the determination of mean and standard deviation for each item. Apart from that, reliability tests and regression analysis were conducted to assess the internal consistency of the items and to evaluate the hypotheses formulated earlier in this study.

4. Result and Findings

4.1 Frequency Analysis

The demographic profile of respondents who participated in the study (n=165) is presented in the Table I below.

Of all respondents, 23.4% were Malaysian while 76.6% were Indonesian. In terms of gender, 56.6% were female and 43.4% were male. The majority of the respondents were between the ages of 20 to 25 years old (33.7%), followed by 26 to 30 years old (25.1%), and 11.4% are 51 years and above. 11.4% of the respondents are between the age of 31 to 35 years old, 8.0% are between 36 to 40 years old, 6.9% are between 41 to 45 years old, and only 3.4% are between 46 to 50 years old.

In order to understand more about respondents' businesses, questions were asked in this regard. 72.0% of the small medium enterprises (SMEs) are from the services industry, 9.7% conducted business in manufacturing industry, 10.3% were in agriculture industry, 5.7% worked in construction industry, while only 1.1% were in mining and quarrying industry. Another 1.1% contribute to others which were in fisheries industry and retiree.

4.2 Descriptive Analysis

Table II shows the descriptive analysis for this study.

Using the statistical software IBM for SPSS 26, the mean and standard deviation for the items used in the questionnaires were calculated. The mean refers to the centre of scores distribution while the standard deviation measures the average variability or disparity of the calculated mean.

The variable of "religiosity" shows that "My religion is very important for me" and "It is important for me to follow Allah's Commandments conscientiously" has the highest mean score of 4.87 and "In general, I consider myself as a devoted Muslim" has the lowest mean of 4.22. Therefore, both items of "My religion is very important for me" and "It is important for me to follow Allah's Commandments conscientiously" has the strongest influence towards religiosity on intention to adopt waqf among entrepreneurs. The mean of 4.87 on a 5-point scale for "religiosity" indicates that most of the respondents are agreeing about the importance of religiosity in determining the intention of waqf adoption among entrepreneurs.

Furthermore, the variable of "knowledge" shows that "I know the difference between waqf and other forms of charity (such as zakat and infaq)" has the highest mean of 4.10 and "I feel I know a lot about waqf" has the lowest mean of 3.63. Thus, the finding indicates that "I know the difference between waqf and other forms of charity (such as zakat and infaq)" has the strongest influence towards knowledge on intention to adopt waqf. The mean of 4.10 on a 5-point scale for "knowledge" indicates that most of the respondents are positive about their knowledge on waqf.

Subsequently, the variable of "attitude" shows that "I believe that by participating in waqf, I will be rewarded in the hereafter" obtains the highest mean of 4.70, while "I believe that participating in waqf is one of my obligations as a Muslim" is the lowest mean with 4.13. Hence, the results indicate that "I believe that by participating in waqf, I will be rewarded in the hereafter" has the strongest influence towards attitude on intention to adopt waqf among entrepreneurs. The mean of 4.70 on a five-point scale for "attitude" indicates that most of the respondents agree that this factor does matter in determining the intention of waqf adoption among entrepreneurs.

Finally, in relation to “intention to participate in waqf,” “I intend to do waqf in the future” obtains the highest mean of 4.38 and “I intend to do waqf right now” has the lowest mean of 3.66. This explains that “I intend to do waqf in the future” has the strongest influence on intention to participate in waqf. The mean of 4.38 on a 5-point scale for “intention to participate in waqf” indicates that most the respondents are positive about their waqf participation

4.3 Reliability Analysis

The data obtained were subject to a further purification process where reliability test was carried out. Based on Table III, the Cronbach’s Alpha values were in the range of 0.785 (Religiosity) to 0.908 (Attitude). This indicated that the instruments were reliable and could be used for further analysis.

4.4 Regression Analysis

Table IV shows the result of regression analysis of this study.

The p-value value for religiosity is above the significant level of 5%. Therefore, religiosity has an insignificant relationship towards the intention to participate in waqf. Religiosity has a Beta value of -0.052 which means that with one unit increase of religiosity, the intention to participate in waqf will decrease by 0.052, with other independent variables being constant. Knowledge has a significant relationship towards intention to participate in waqf, indicated by its p-value of 0.000, which is below the significant level of 0.05. The beta value for knowledge is 0.208. One unit increase in knowledge will increase the value for intention to participate in waqf by 0.208 unit, with other independent variables being constant. In term of attitude, the p-value is 0.000, which is below the significant level of 5%. It means that attitude has a significant relationship with intention to participate in waqf. The Beta value of 0.801 means that with one unit increase in attitude, 0.801 unit increase in intention to participate in waqf, with other independent variables being constant. The R² indicates that the independents variables, namely religiosity, knowledge, and attitude, explains 65.4% of the dependant variable, which is the intention to participate in waqf. The remaining 34.6% can be explained by other factors that could further strengthen the regression equation. The p-value, indicated by the significant value of 0.000, is less than 5% which means that the model is fit and suitable to be used in this study.

5. Conclusion

This study aims to investigate the relationship between religiosity, knowledge, and attitude with intention to participate in waqf among SMEs in Malaysia and Indonesia. It was found that both knowledge and attitude have a significant relationship on intention to participate in waqf. Religiosity, on the other hand, was found to be insignificant on intention to participate in waqf.

Religiosity has been found to be insignificant towards intention to participate in waqf which opposes the findings from Amalia, Puspita & Sardiana (2018) and Shukor et al., (2017). However, it can be supported by Syafiraa, Ratnasari & Ismail (2020) which concluded that religiosity has no bearing on the intention to pay zakat or infaq. This indicates that one’s religious beliefs do not necessarily affect their intention to participate in waqf due to its humanitarian purposes, as participants acknowledged that by contributing to waqf, they are contributing to the community’s growth.

The importance of knowledge in influencing people’s intentions has been validated by Hassan, Mustapha, Mahmud, Malkan, and Hassan (2021) which found that knowledge has a strong and positive association with waqf participation. This was corroborated by Kadir, Sapuan, and Ramli (2018) which mentioned that knowledge has a major influence on the desire to donate to waqf. As a result, it indicates that knowledge will be an important component in determining one’s willingness to participate in waqf.

Furthermore, the role of attitude in influencing intention in waqf participation has been supported by the research conducted by Hasbullah, Khairi, and Aziz (2016) which found that intention to contribute in waqf is significantly influenced by attitude. A study by Pitchay, Meera, and Saleem (2015) strengthened the findings by reporting that attitudes have a significant prediction of behavioural intention on waqf contribution. Similar to the findings of this study, the more favourable one’s attitude regarding waqf, the more likely that individual is to contribute to waqf.

This study makes three important contributions in light of the growing interest in waqf participation in Malaysia and Indonesia. Its first goal is to investigate SMEs’ intentions for waqf involvement among Malaysian and Indonesian company owners. Second, the outcomes of the study are likely to aid the development of literature in Islamic social finance, notably waqf. Finally, this study sheds light on the understanding and attitudes of SMEs’ owners, as well as their willingness to engage in waqf.

This study aims to assist SMEs in Malaysia and Indonesia to formulate appropriate strategies and marketing using waqf for the sustainability of SMEs which represent more than 90 percent of business establishments in both countries. The strategy is a necessity, especially because the government is targeting to promote a sustainable Islamic financial system, improve governance policy and halal industry for SMEs, strengthen the development of Malay Reserve land, providing as financial independence to Higher Learning

Institutions, and invest in digitalization and advanced technology through waqf funds. The Covid-19 pandemic in 2020 changed organizational processes and the way people engaged, as well as hastened the use of digital technology. Inequalities and gaps in socioeconomic status were worsened by the outbreak. The method was established to lessen the impact of the pandemic as a government that is concerned for the citizens, specifically in times of hardship. Furthermore, in order to attract the intent of SMEs' owners, waqf institutions must establish an in-depth knowledge of their activities. The reality is that the better an entrepreneur's understanding and attitude, the greater their desire to participate in waqf.

SMEs play a critical role in fulfilling the Sustainable Development Goals (SDGs). They have produced four out of every five available employments in developing economies, accounting for around 90% of total formal sector employment. SMEs provide jobs, which boosts the economy and assists the poor and vulnerable, notably women and youth (Agyapong et al, 2021). It alleviates poverty, provides money, and has a favorable influence on household investments in education and health care, all of which are critical to achieving multiple SDGs.

There are a few limitations that may offer directions for future researchers in this area. To begin, this research examines the religion, knowledge, and attitudes of SMEs' owners toward waqf involvement. As a result, future research may wish to look at additional factors that influence SMEs' willingness to participate in waqfs, such as the convenience of use or personal characteristics. In addition, this research is confined to a qualitative method. As a result, a mixed-method approach with an in-depth interview might be used to better understand the participant's responses.

References

- Agyapong, Aidoo, & Akomea. (2021). Does managerial capability always drive performance? Empirical examinations of small and medium firms (SMEs) in a developing economy. *International Journal of Productivity and Performance Management*. doi:https://doi.org/10.1108/IJPPM-10-2020-0551
- Ajzen. (1991). The theory of planned behavior, *Organizational Behavior and Human Decision Processes*, 50(2), 179-211. doi:https://doi.org/10.1016/0749-5978(91)90020-T
- Alhabshi, S. O. (1991). Waqf management in Malaysia. In M. Ariff, *The Islamic voluntary sector in Southeast Asia*. Singapore: Institute of Southeast Asian Studies.
- Al-harethi, A. R. (2019). Factors Determine Cash Waqf Participation in Kedah, Malaysia. *IKONOMIKA*, 53-59.
- Al-harethi, A. R. (2019). Factors Determine Cash Waqf Participation in Kedah, Malaysia. *IKONOMIKA: Jurnal Ekonomi dan Bisnis Islam*, 53-59.
- Ali, K. M., Hassan, M. K., & Ali, A. E. (2019). *Revitalization of Waqf for Socio-Economic Development*. Switzerland: Palgrave Macmillan.
- Amalia, A. N., Puspita, & Sardiana, A. (2018). The Intention to Pay on Cash Waqf based on Religiosity and Gender Perspectives: An Empirical Studies. *Proceedings of the 1st Unimed International Conference on Economics Education and Social Science (UNICEES 2018)* (pp. 1311-1316). SCITEPRESS.
- Amin, H., Abdul-Rahman, A.-R., Ramayah, T., Supinah, R., & Mohd-Aris, M. (2014). Determinants of Online Waqf Acceptance: An Empirical Investigation. *The Electronic Journal on Information Systems in Developing Countries*, 1-18.
- Anuar, A., Bahari, Z., Doktoralina, C., Indriawati, F., & Nugroho, L. (2019). The Diversity Of Waqf Implementations for Economic Development in Higher Education. *IKONOMIKA*, 13-34.
- Artini, & Sandhi. (2020). Comparison of SME stock portfolio and manufacturing company performance in the Indonesian, Indian and Chinese stock markets. *Journal of Economic and Administrative Sciences*, 37(2), 209-237.
- Aziz, M. R., Johari, F., & Yusof, M. A. (2013). Cash Waqf Models For Financing In Education. *5th Islamic Economic System Conference (IECONS2013)*, (pp. 835-842).
- Azmi, & Hanifa. (2015). The Sharia-compliance of financial reporting practices: a case study on waqf. *Journal of Islamic Accounting and Business Research*.
- Boninger, Krosnick, Berent, & Fabrigar. (1995). The causes and consequences of attitude importance. *Attitude strength: Antecedents and consequences*, 159-189.
- Carlson, Vincent, Hardesty, & Bearden. (2009). Objective and subjective knowledge relationships: A quantitative analysis of consumer research findings. *Journal of Consumer Research*, 864-876.
- Cizakca, M. (2004). Cash waqf as alternative to NBFIs bank. *International Seminar on Nonbank Financial Institutions: Islamic Alternatives*. Kuala Lumpur.
- Clerkin, Paynter, & Taylor. (2009). Public service motivation in undergraduate giving and: Volunteering decisions. *The American Review of Public Administration*, 675-698.
- Dali, Abdullah, Hisham, Nordin, Muhammad, Nooh, & Farah. (2014). The Relationship Between Religiosity and Entrepreneurial Intention. *International Muamalat and Entrepreneurship Conference*. Shah Alam: iCEPS10.
- Dewi, L., & Christian, S. (2017). The Effect of Entrepreneurial Attitude and Managers Business Ability on SMEs Organizational Performance. *Journal of Entrepreneur and Entrepreneurship*, 13-16.

- 1
2
3 Dipta. (2017). *Indonesia SME Strategy*. Jakarta: ILO/OECD Workshop for Policy Makers on Productivity and
4 Working Conditions in SMEs.
- 5 Esa, M. M., Aziz, N. E., Mokhtar, M. Y., & Idris, N. A. (2021). Relationship Between Knowledge and Sme
6 Entrepreneurs' Success in Melaka. *International Journal of Academic Research in Business and Social
7 Sciences*, 461-471.
- 8 Etikan, I. (2016). Comparison of Convenience Sampling and Purposive Sampling. *American Journal of
9 Theoretical and Applied Statistics*, 1-4.
- 10 Fiske, & Taylor. (2013). *Social cognition: From brains to culture*. Sage.
- 11 Gamidullaeva, Vasin, & Wise. (2020). Increasing small- and medium-enterprise contribution to local and regional
12 economic growth by assessing the institutional environment. *Journal of Small Business and Enterprise
13 Development*, 27(2), 259-280.
- 14 Goldsmith, Clark, & Goldsmith. (2006). Extending the psychological profile of market mavenism. *Journal of
15 Consumer Behaviour: An International Research Review*, 411-419.
- 16 Gopinath, & Nyer. (2009). The effect of public commitment on resistance to persuasion: The influence of attitude
17 certainty, issue importance, susceptibility to normative influence, preference for consistency and source
18 proximity. *International Journal of Research in Marketing*, 60-68.
- 19 Gutierrez-Romero, & Ahamed. (2021). COVID-19 response needs to broaden financial inclusion to curb the rise
20 in poverty. *World Development*, 138.
- 21 Hajnalka, F., & Gabriella, P. (2012). Volunteering among Higher Education Students. Focusing on the Micro-
22 level Factors. *Journal of Social Research and Policy*, 73-95.
- 23 Hasan, S., & Ali, M. M. (2019). *Cash Waqf Model for SMEs in Indonesia*. Kenya: Islamic Finance News.
- 24 Hassan M. K, Karim M. F and Karim M. S (2017), "Experiences and Lessons of Cash Waqf in Bangladesh and
25 Other Countries," Journal of Islamic Economics, Banking and Finance, Volume 14, No 1, [ABDC, ABS,
26 SCOPUS]
- 27 Hasan, M R. Hassan M. K. and Rashid M. (2019), "Cash Waqf Investment and Poverty Alleviation: The Case of
28 Tabung Masjids in Malaysia," Journal of Islamic Monetary Economics and Finance, 4(2): pp. 333-346
- 29 Hasbullah, Khairi, & Aziz. (2015). Intention to contribute in corporate waqf - Applying the theory of planned
30 behaviour. *International Journal of Islamic and Civilizational Studies*, 39-48.
- 31 Hasbullah, N. A., Khairi, K. F., & Aziz, M. R. (2016). Intention to Contribute in Corporate Waqf: Applying The
32 Theory of Planned Behaviour. *International Journal of Islamic and Civilizational Studies*, 29-48.
- 33 Hashim, M. K. (1999). A Review Of The Role Of SMEs In The Manufacturing Sector In Malaysia." . *Malaysian
34 Management Journal*, 40-49.
- 35 Hassan, S. H., Mustapha, R., Mahmud, M., Malkan, S. N., & Hassan, N. H. (2021). The Influence of Promotion
36 and Waqf Knowledge toward Cash Waqf Awareness in Pahang Region. *International Journal of
37 Academic Research in Business and Social Sciences*, 1252-1260.
- 38 Iman, & Mohammad. (2017). Waqf as a framework for entrepreneurship. *Humanomics*, 33(4), 419-440.
- 39 Iman, A., & Mohammad, M. T. (2017). Waqf as a framework for entrepreneurship. *Humanomics*.
40 doi:<https://doi.org/10.1108/H-01-2017-0015>
- 41 Irjayanti, M., & Azis, A. M. (2012). Barrier Factors and Potential Solutions for Indonesian SMEs . *Procedia
42 Economics and Finance*, 3-12.
- 43 Jalil, M. I. (2020). Issues and Challenges of Waqf Practice in Malaysia: A Review. *Labuan E-Journal of Muamalat
44 and Society*, 80-86.
- 45 Javaid, Shamsi, & Hyder. (2020). Religious entrepreneurial communities as a solution for socioeconomic
46 injustice. *ournal of Enterprising Communities: People and Places in the Global Economy*, 415-446.
- 47 Kadir, M. R., Sapuan, N. M., & Ramli, J. A. (2018). Intention to Make Waqf Contribution by Muslim Employees.
48 *Global Business and Management Research: An International Journal*, 429.
- 49 Kasri, R. A., & Chaerunnisa, S. R. (2020). The role of knowledge, trust, and religiosity in explaining the online
50 cash waqf amongst Muslim millennials. *Journal of Islamic Marketing*.
- 51 Khadijah, Sabki, & Ismail. (2017). Philanthropic commitment Traits for waqf in higher education. *Glob. J. Al-
52 Thaqafah*, 71-77.
- 53 Klar. (2014). Identity and engagement among political independents in America. *Political Psychology*, 577-591.
- 54 Koe, Omar, & Sa'ari. (2015). Factors influencing propensity to sustainable entrepreneurship of SMEs in Malaysia.
55 *Social and Behavioral Sciences*, 570-577.
- 56 Krosnick, J. A. (1995). Attitude strength: An overview. Attitude strength: Antecedents and consequences. 1-24.
- 57 Kuo, Arnold, & Rodrigues-Rubio. (2014). Mediating effects of coping in the link between spirituality and
58 psychological distress in a culturally diverse undergraduate sample. *Mental Health, Religion & Culture*
59 , 173-184.
- 60 Lam. (2002). Lam, P. Y. (2002). As the flocks gather: How religion affects voluntary association participation.
Journal for the scientific study of religion, 405-422.

- 1
2
3 Larbani, M., Mohamed, M. O., & Hasan, S. M. (2014). Potential Role of Waqf in Enhancing the Economic
4 Performance of Muslim SMEs. *Conference on Islamic Wealth Management*. Kuala Lumpur: Malaysian
5 Financial Planning Council.
- 6 Lyons, & Nivison-Smith. (2006). Religion and giving in Australia. *Australian Journal of Social Issues*, 419-436.
- 7 Masyita, D., & Febrian, E. (2004). The Role of BRI in the Indonesian Cash Waqf House's System. *BRI
8 International Seminar on Developing Microbanking: Creating*. Bali.
- 9 McDaniel, & Burnett, J. (1990). Consumer Religiosity and Retail Store Evaluative Criteria. *Journal of the
10 Academy of Marketing Science*, 101-112.
- 11 Ministry of Entrepreneur Development and Cooperatives. (2020). *Share of SMEs in The Malaysian Economy
12 Expanded Further in 2019*. Kuala Lumpur: Ministry of Entrepreneur Development and Cooperatives.
- 13 Minkler, & Cosgel. (2004). Religious Identity and Consumption. *Economics Working Papers*.
- 14 Mokhtar, F. M., Sidin, E. M., & Razak, D. A. (2015). Operation of Cash Waqf in Malaysia and its Limitation.
15 *Journal of Islamic Economics, Banking and Finance*, 100-113.
- 16 Mutalib, H. A., Noor, S. M., Nasirun, N., & Harun, R. (2019). Factors Influencing Waqf Participation Among
17 Muslims: The Moderating Role of Attitude. *Proceedings of the Second International Conference on the
18 Future of ASEAN (ICoFA)* (pp. 495-507). Springer Singapore.
- 19 Nasiri, A., Noori, A., & Salleh, M. C. (2019). Acceptance and Practices of Cash WAQF among University's
20 Students. *International Journal of Academic Research in Accounting, Finance and Management
21 Sciences*, 38-48.
- 22 Nasution, A. D., & Medias, F. (2019). Waqf Financing Model Through Crowdfunding Platform: An Indonesian
23 Perspective. *1st Borobudur International Symposium on Humanities, Economics and Social Sciences
24 (BIS-HESS 2019)* (pp. 661-664). Borobudur: Atlantis Press.
- 25 Niswah, F. M., Mutmainah, L., Hadyantari, F. A., Nurwahidin, & Huda, N. (2019). Do Indonesian Muslims Have
26 Intention to Participate on Cash Waqf Through Fintech? *ICSGS*. Jakarta: EAI.
- 27 Nor, S. M., & Rosman, R. (2017). abaran dalam melaksanakan wakaf pendidikan bagi Institusi Pengajian Tinggi
28 di Malaysi. *th International Conference on Masjid, Zakat and Waqf Management*, (pp. 296-308).
- 29 O' Cass, Lee, & Siahtiri. (2013). Can Islam and status consumption live together in the house of fashion clothing?
30 *Journal of Fashion Marketing and Management: An International Journal*.
- 31 Osman, A. F., Mohammed, M. O., & Amin, H. (2014). An Analysis of Cash Waqf Participation Among Young
32 Intellectuals. *Proceedings of the Proceedings of the 9th International Academic Conference* (pp. 711-
721). Istanbul: International Institute of Social and Economic Sciences.
- 33 Ozorak, E. W. (2003). Love of God and Neighbor: Religion and Volunteer Service among College Students.
34 *Review of Religious Research*.
- 35 Piette, & Zachary. (2015). Sensitivity to the crisis of SME financing in Belgium. *Economic Review, National
36 Bank of Belgium*, 3, 31-45.
- 37 Pitchay, A. A., Meera, A. K., & Saleem, M. Y. (2015). Factors Influencing the Behavioral Intentions of Muslim
38 Employees to Contribute to Cash-Waqf Through Salary Deductions . *JKAU: Islamic Econ*, 57-90.
- 39 Rahadi. (2016). Opportunities and Challenges for Micro-Small and Medium Business In Indonesia Facing Asean
40 Economic Community. *JMK*, 18(1), 45-53.
- 41 Rahadi, R. A. (2016). Opportunities and Challenges for Micro-small and Medium Business in Inonesia Facing
42 ASEAN Economic Community. *Jurnal Manajemen dan Kewirausahaan*, 45-53.
- 43 Rahman, & Ahmad. (2011). The concept of waqf and its application in an Islamic insurance product: the
44 Malaysian experience. *Arab Law Q.*, 203-219.
- 45 Rostosky, Regnerus, & Wright. (2003). The role of religiosity and sex attitudes in the Add Health Survey. *Journal
46 of sex research*, 358-367.
- 47 Sakti, Thaker, Qoyum, & Qizam. (2016). Determinants of cash Waqf contribution in Klang Valley and Selangor:
48 a SEM approach. *Journal of Islamic Monetary Economics and Finance*, 111-144.
- 49 Salleh, Ngah, & Zainal. (2018). Salleh, Z., Ngah, R., & Zainal Abidin, Z. (2018). Exploring micro enterprises
50 business performance through entrepreneurial orientation, knowledge sharing and innovation.
Management & Accounting Review, 93-106.
- 51 Shukor, S. A., Anwar, I. F., Aziz, S. A., & Sabri, H. (2017). Muslim Attitude towards Participation in Cash Waqf:
52 Antecedents and Consequences. *International Journal of Business and Society*, 193-204.
- 53 SME Corp. (20 10, 2021). *SME Definitions*. Retrieved from SME Corporation Malaysia:
54 <https://www.smeCorp.gov.my/index.php/en/policies/2020-02-11-08-01-24/sme-definition>
- 55 SME Corp. (2017). *SME Annual Report 2016/17*. SME Corp.
- 56 Son, & Wilson. (2012). Son, J., & Wilson, J. (2012). Using normative theory to explain the effect of religion and
57 education on volunteering. *Sociological Perspectives*, 473-499.
- 58 Sulung, L. A., Putri, N. I., & Robbani, M. M. (2020). Religion, Attitude, and Entrepreneurial Intention in
59 Indonesia. *The South East Asian Journal*, 44-62.
- 60

- 1
2
3 Syafiraa, F. N., Ratnasari, R. T., & Ismail, S. (2020). The Effect of Religiosity and Trust on Intention to Pay in
4 Ziswaf Collection Through Digital Payments. *Jurnal Ekonomi dan Bisnis Islam*, 98-115.
- 5 Tambunan, T. (2019). Recent evidence of the development of micro, small and medium enterprises in Indonesia.
6 *Journal of Global Entrepreneurship Research*, 9(18).
- 7 Thaker, M. A., & Mohamed, M. (2013). The challenges of micro enterprises in Malaysia and the prospect for
8 integrated cash waqf micro enterprise investment (ICWME-I) model. In *Small and Medium Enterprises*
9 *in Selected Muslim Countries*. IIUM Press.
- 10 Thaker, Mohammed, Duasa, & Abdullah. (2016). The behavioral intention of micro enterprises to use the
11 Integrated Cash Waqf Micro Enterprise Investment (ICWME-I) model as a source of financing. *Gadjah*
12 *Mada International Journal of Business*, , 111-130.
- 13 Ting, O. K. (2004). SMEs in Malaysia. *Pivotal Points For Change*.
- 14 Tohirin. (2010). The Cash Waqf for Empowering the Small Businesses. *Seventh International Conference – The*
15 *Tawhidi Epistemology: Zakat and Waqf Economy*. Bangi.
- 16 Tohirin, A. (2010). The cash waqf for empowering the small businesses. *7th International Conference on the*
17 *Tawhidi Epistemology: Zakat and Waqf Economy*. Bangi.
- 18 Toraman, C., Tunçsiper, B., & Yilmaz, S. (2007). Cash awqaf in the Ottomans as philanthropic foundations and
19 their accounting practices. *5th Accounting History International Conference*, (pp. 9-11). Banff.
- 20 Wasiuzzaman, Nurdin, Abdullah, & Vinayan. (2020). Creditworthiness and access to finance: a study of SMEs
21 in the Malaysian manufacturing industry. *anagement Research Review*, 293-310.
- 22 Woods, & Joyce. (2003). Owner-managers and The Practice of Strategic Management. *International Small*
23 *Business Journal*, 181-195.
- 24 Worthington, Wade, Hight, Ripley, McCullough, Berry, . . . O’Conner. (2003). he religious commitment
25 inventory-10: Development, refinement, and validation of a brief scale for research and counseling.
26 *Journal of Counseling Psychology*, 84-96.
- 27 Yalawae, A., & Tahir, I. M. (n.d.). The Role of Islamic Institution in Achieving Equality and Human.
- 28 Ziegler, & Schlett. (2016). n attitude strength and self-perception framework regarding the bi-directional
29 relationship of job satisfaction with extra-role and in-role behavior: The doubly moderating role of work
30 centrality. *Frontiers in psychology*, 235.
- 31 Zulu-Chisanga, Chabala, & Mandawa-Bray. (2021). he differential effects of government support, inter-firm
32 collaboration and firm resources on SME performance in a developing economy. *Journal of*
33 *Entrepreneurship in Emerging Economies*, 175-195.
- 34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60