

VOL 1 (1)NOV 2017



**INTERNATIONAL
JOURNAL OF MUAMALAH**

KOLEJ UNIVERSITI INSANIAH

RM20.00



**INTERNATIONAL JOURNAL OF
MUAMALAT**

(IJM)

Vol 1, Issue 1, November 2017

Kolej Universiti INSANIAH

International Journal of Muamalat

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Vol. 1, Issue 1, November 2017

Publisher

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INSANIAH Kampus Kuala Ketil,
09300 Kuala Ketil, Kedah.
Tel/Fax : 04-4155000 / 04-4155050
Email : ijm@insaniah.edu.my
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**This journal is printed for KUIN by
Percetakan Sinar Bakti Enterprise
No. 198/2 (Tingkat Bawah) Bangunan Rumah Kedai,
Jalan Kangar-Arau, Repoh, 01000 Kangar, Perlis
Tel : 016-4443415**

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Fact and Implementation Analysis of *Istibdal* Method on *Waqf* Land in the State of Penang

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Abstract

The purpose of this study is to analyse the factors and implementation of *istibdal* method for waqf land in the Penang State. This study is based on two main methodologies namely data collection method and data analysis method. The data collection process was conducted through interview by interviewing the respondents at the Penang Islamic Religious Council to obtain information on the implementation of *istibdal* in the State of Penang. After that, the results from the interview were analysed using content analysis method. Besides, this method was also used to analyse the documents obtained from the respondents to extract detailed information on the factors and implementation of *istibdal*. The findings of the analysis reveal that the implementation of *istibdal* in the State of Penang is based on several factors regarding public interest known as road construction projects, flood mitigation projects and Islamic cemeteries.

Keywords: *Waqf* Land, *Istibdal*.

Introduction

Waqf land is the gift property of a Muslim either individually or in partnership. Usually, a person who carries a portion of his property for waqf is for charity and because of Allah SWT. Hence, when a property has been given to waqf, the property is bounded by the Islamic law and remained as the property of the Muslims forever. Therefore, the properties of waqf need to be managed and administered so that its benefits can be enjoyed forever with the persistent rewards to the waqf payer. Thus, in order to ensure that the properties of waqf continue to exist, the *fuqaha* have discussed a method of '*istibdal*' to preserve and retain waqf property and the purpose of waqf. This method is crucial because it is not only implemented on damaged property, but can be also employed to maintain the property of waqf especially land when the location of the waqf property is involved with development to meet the urgent need.

In Malaysia, there are some states that have implemented the *istibdal* method in waqf property including the State of Penang. Therefore, this study wants to analyse the factors behind the implementation of *istibdal* for waqf property in the State of Penang and how it is implemented.

Waqf *Istibdal*

The word *istibdal* is the Arabic word derived from the word (بَدَلَ) (إِبْدَالَ) (إِسْدَالَ) (بَدَلَ). The word *badal* means 'change' or 'replace', while *ibdal* and *istibdal* mean the same thing, which is to 'convert something by taking something else instead' (Shuwayri, J.H, 1995). From the side of terminology, the term *istibdal* means to sell what is lacking or has lost the entry or revenue of the waqf property and buy what is better than that (Qal'aji, M.R, 1985).

According to the Selangor State Endowment Enactment and the Malacca Endowment Enactment, *istibdal* means to replace a waqf property with another property or money with equal or higher value either by substitution, purchase, sale or any other means according to the Islamic law.¹ Meanwhile, the *istibdal* definition contained in the Negeri Sembilan Waqf Enactment replaces a *mawquf* with other property or money, or in the form of money, equal to or higher in value from the *mawquf*, whether by substitution, purchase, sale or any other means according to sharia principles.² In conclusion, *istibdal* waqf means to convert a waqf property with a property of the same kind and value or substitute it with another property by selling the original waqf property and buying a new property in lieu of.

¹ Selangor State Endowment Enactment Year 1999; Malacca Endowment Enactment Year 2005. ² Negeri Sembilan Waqf Enactment Year 2005.

Constitutions of *Istibdal* According to *Fuqaha'* and Law

From the point of execution of *istibdal* concept in waqf property, there are quite different views among Islamic scholars. In the Hanafi school, implementing the *istibdal* concept to solve any problems related to matters that may affect the property of waqf is a must. Even in the case where the waqf property is still in a good condition; if the implementation of *istibdal* will give more results and benefits, then the implementation will still be required. However, the *fuqaha* of the Maliki school distinguishes the necessity for in implementing *istibdal* on movable and immovable property. The agreed opinion on the necessity of *istibdal's* execution is on the movable property. This is because the movable property is more vulnerable to damage (Anas, M, n.d). As for immovable property, the necessity of implementing the *istibdal* concept is granted when the waqf property is in an emergency and should be replaced with the same kind of property (Abu Zuhrah, M., 1971).

In the Syafi'i school, the necessity to implement *istibdal* concept is limited. *Fuqaha* from Syafi'i school argues that the devoted property is the property of Allah SWT and cannot be changed in any way. Even if the waqf property has been destroyed, it will not return to its original owner (Zuhayli, W, 2005). They adhere to the views of Saidina Umar RA, which stated that the property of waqf cannot be sold, hired and inherited. They also adduce the *qias* reason stating that "a property that cannot be sold when there is a benefit cannot be sold without any benefit" (Sabri, S.I, 2008).

Meanwhile in the Hanbali school, the concept of *istibdal* is absolutely accepted and they require the concept to be implemented on movable and immovable property if the waqf property has been damaged. *Fuqaha* from Hanbali school argues that the waqf property cannot be sold, rewarded and inherited as long as it benefits; thus, when the property is damaged and not useful, *istibdal* should be used to maintain the meaning of waqf forever (Jakim, 2009).

Fatwa and Legal Provisions Regarding the *Istibdal* of Waqf Property in Malaysia

In the context of implementation of *istibdal* concept in Malaysia, the National Fatwa Committee had chosen the opinion of the Hanafi school that is moderate and not too free for employing the waqf property development activities in Malaysia. This can be seen as a result of the Muzakarah of the National Fatwa Committee for 4th Malaysian Islamic Religious Affairs held on 13 to 14 April 1982 in Kuala Lumpur. The Fatwa Committee has discussed matters related to the Alternate Waqf and concludes that: "Alternate Waqf used to change the property of waqf with another property through sale or purchase or otherwise with the purpose of maintaining waqf property is required

according to the opinion of Imam Abu Hanifah". Based on the *fuqaha* and obligations of the Fatwa Committee, several states in Malaysia have employed *istibdal* in the State Endowment Enactment such as the Selangor Waqf Enactment and the Malacca State of Waqf Enactment, which have provided that the Majlis can use *istibdal* on any *mawquf* in the following circumstances:²

- a) *Mawquf* has been taken by any public authority in accordance with the provisions of any written law;
- b) The use of *mawquf* no longer benefits or give benefits as required by waqf payer, or
- c) The use of *mawquf* does not conform to the purpose of waqf.

The Negeri Sembilan Waqf Enactment states that subjected to sub-section (2), the Majlis may use *istibdal* on any *mawquf* in the following circumstances:³

- a) If any condition of waqf is not in accordance with any written law;
- b) If *mawquf* is taken by any authority in accordance to any written law;
- c) If the use of *mawquf* does not bring benefits or profits as required by waqf payer;
- d) If the use of *mawquf* cannot meet the purpose of waqf; or
- e) Where the time or circumstances of change any condition set by waqf payer is not feasible.

(2) The Council shall seek the opinion of the fatwa committee if the council is to use *istibdal*:

- a) The mosque or the site of the mosque is being assigned; or
- b) In circumstances other than the circumstances specified in sub-section (1).

(3) Notwithstanding anything specified by waqf payer:

- a) Implementation of such conditions is subjected to any written law; and
- b) If the council cannot perform any of the conditions prescribed by the waqf payer, the council shall determine any other way to perform the waqf so that the *mawquf* is used as closely as possible with the same conditions prescribed by the waqf payer. (sub-section 3)

² Selangor State Endowment Enactment Year 1999; Malacca Endowment Enactment Year 2005.

³ Negeri Sembilan Waqf Enactment Year 2005.

(4) The *mawquf* value acquired through *istibdal* shall not be less than the present value of the original *mawquf*.

Analysis of Fact and Implementation of *Istibdal* on Waqf Land in the State of Penang

Among the waqf land involved with the implementation of *istibdal* in the State of Penang is Lot 1177 GM 2380. This waqf land is located in Mukim 7, Kepala Batas, Seberang Perai north district. The waqf land is a rice paddy field with an area of 21929.9127 square metres. The waqf payer has given the land in 1948 with the intention of channelling the land revenue for the benefit of the Pajak Song Religious School in the State of Penang (Abd Razak, M.N, 2016). However, a total of 6131 square metres of the total waqf land has been involved with the acquisition by the State Authority for the purpose of building roads for the convenience of the community from the aspect of interconnection. The project was implemented to connect the Permatang Buluh slip road to Pajak Song. However, the project had to pass some part of the waqf land registered under the name of the Penang Islamic Religious Council located at Lot 1177 GM 2380.

As a replacement or *istibdal* to the waqf land taken, the State Authority has repaid compensation money of RM 399,577.50 to the Penang State Islamic Religious Council.⁴ With this amount, the Penang Islamic Religious Council bought two lots of land adjacent to the original waqf land lot as *istibdal* for some of the original waqf land taken, which are:⁶

- i. Lot 6742 GM 3032, Mukim 7, District of Seberang Perai Utara with a total area of 0.7892 hectares.
- ii. Lot 6743 GM 3033 Mukim 7, North Seberang Perai Region with a total area of 0.7796 hectares.

The two replacement lots are also paddy fields and the proceeds from which they are distributed were channelled to the benefits and benefits of Pajak Song Religious School as intended by the waqf payer (Abd Razak, M.N, 2016).

⁴ Penang Islamic Religious Council file, 2016. ⁶
Ibid.

Apart from that, there are two lots of waqf land that have employed *istibdal* on them. According to the respondents, both land lots were organised as a result of the takeover by the State Authority for implementing the Flood Mitigation Project in Penang. Although the flood disaster does not happen often, it is a serious problem that needs to be avoided. This is because the floods are not only impeding the daily activities of the community, but also the destruction of personal property, public property as well as causing the spread of diseases by the disaster. Following the problem, the Penang State Authority has planned a project known as the Flood Mitigation Plan (RTB) to eradicate flood disaster from continuing repeatedly in Penang. The flood mitigation project is a dilapidation activity of the Sungai Kerian involving the acquisition of several lots of land including two lots of waqf land registered under the ownership of the Penang Islamic Religious Council (Othman, M.A, 2016).

As such, the Administration of the Penang Islamic Religious Council has received the application for the recovery of waqf land from the Department of Land and Mines Director General to implement the Sungai Kerian Flood Mitigation Plan as planned. Waqf land lots involved with the project are:

i. Lot 8078 HSM 1110. This waqf land is located in Kampung Haji Omar, Titi Timbul, Mukim 9, Seberang Perai South District. A surau known as Surau Kampung Haji Omar was built on the land area of waqf by 1.000035 acres equivalent to 4047 square metres. However, 0.084015 acres equivalent to 340 square metres of the original land was taken for the purpose of widening the Kerian River with a total payment of RM 84,174.00.⁵ Up until now, the Penang Islamic Religious Council has not yet used the money to buy the replacement property for the original waqf land. However, plans for the replacement of the waqf land are being undertaken by the Penang Islamic Religious Council (Othman, M.A, 2016).

ii. Lot 4129, Mukim 9, South Seberang Perai District. The 1.2 acres of land was dedicated on August 20, 2014 for charitable purposes. However, part of this waqf land is also involved with the recruitment of the State Authority for implementing the Sungai Kerian flood mitigation plan. The area involved with the acquisition is 1720 square metres. In lieu of the acquisition of the waqf land, the authorities paid compensation of RM 352,462.00 to the Penang Islamic Religious Council.⁶ Since the waqf payer only applies the land generally for welfare purposes, the Penang Islamic Religious Council has applied for the use of the *istibdal* money to purchase a piece of land at Lot 1443, Mukim 9, the Seberang Perai Utara District with 0.77 acres to be used as extra

⁵ Penang Islamic Religious Council file, 2016.

⁶ Ibid.

cemetery. This application was made because the existing cemetery in the area was narrow (Othman, M.A, 2016).

Furthermore, the waqf land planned to be implemented with *istibdal* is the 20112 lot, Mukim 13, Bukit Gambir, Northeast District. The land that belongs to the Penang Islamic Religious Council covers an area of 1,283 acres equivalent to 55,887.48 square feet and was enacted in 1876 with the purpose of being used as the burial ground of Haji Abdulrahman bin Lebby Long or a charitable purpose.⁷ The implementation of *istibdal* on the waqf land is based on an application by the Islamic Centre of Universiti Sains Malaysia that wants to convert his land to the land belonging to the Penang Islamic Religious Council. This application was made because the University Sains Malaysia requires a strategic area to be used as the Islamic cemetery site for *Qaryah* Masjid al-Malik Khalid, Universiti Sains Malaysia.

At this point, *Qaryah* Mosque al-Malik Khalid did not have its own burial ground. All burial operations of *qaryah*'s participants were buried in the Nibong Masjid Mosque. Therefore, the cemetery for *Qaryah* Masjid al-Malik Khalid is indispensable to accommodate the needs of burial children of *qaryah* including Malaysian and international students who are studying at Universiti Sains Malaysia. However, the current land owned by Universiti Sains Malaysia, Lot 10276, which is 3,516 acres equivalent to 153,156.96 square feet is not suitable to be used as a cemetery.⁸ Since the land has not been used and developed, the Islamic Centre of Universiti Sains Malaysia applied to the Penang Islamic Religious Council to change the land with the land belonging to Penang Islamic Religious Council, which is Lot 20112, Mukim 13, Bukit Gambir, North-east District with an area of 1,283 acres equivalent to 55,887.48 square feet. Until now, negotiations with the parties involved to carry out the *istibdal* on land are still on going.

Conclusion

The results from the analysis found that there were three lots of waqf land in Penang involved with the implementation of *istibdal*, whereas another one was in the process of implementing *istibdal*. The analysis also found that the factors influencing the implementation of *istibdal* on waqf land in the State of Penang are road construction projects, flood mitigation projects and land applications to be used as a cemetery, which are the interests and needs of the people especially in the State of Penang. From the substitution aspect, it was found that the waqf lands were replaced with the same category of property, which is land. However, there is a lot of land that

⁷ Ibid.

⁸ Penang Islamic Religious Council file, 2016.

has not been replaced because the State Islamic Council of Penang Island is looking for a strategic location suitable for waqf assets.

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The Influence of Attitude, Religiosity, and Perception towards Law Enforcement on Intention towards Compliance Behaviour of Income *Zakat* among KUIN Staff in Kedah, Malaysia

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Abstract

The National Fatwa Council as an entrusted body pertaining to Islamic issues in Malaysia agreed upon a consensus on the 22nd June 1997 that *zakat* on income is compulsory for every Muslim individual who fulfills the conditions as a perfect title and *nisab hawl*. Most Muslims employees who were revealed eligible to pay income tax; however, did not pay income *zakat*. *Zakat* collection is still far behind compared to tax collection by Inland Revenue service. The objective of the study is to examine the influence of attitude, religiosity, and perception towards law enforcement on compliance behavior to pay income *zakat* among KUIN staff. This study employs a cross-sectional survey design. Survey design is a good way of measuring the relationship between variables. Since this study is concerned with how variables are associated, the quantitative research is used. The findings of the study show that attitude and perception towards law enforcement significantly influence intention to comply with *zakat* on income. Islamic religiosity, however, did not show any significant influence on *zakat* compliance. In general, the study reveals that the Theory of Planned Behavior is capable of predicting *zakat* compliance intention and consequently, *zakat* compliance behavior. The findings of the present study can be used by the institution of *zakat* and policymakers to promote and educate the general public as to the importance of *zakat* on employment income. The implications of the findings and the limitations of the present study and conclusions are also highlighted.

Keywords: income *zakat*, religiosity, attitude, law enforcement, KUIN staff

Introduction

Zakat is part of a religious obligation, however, there are many Muslims who only paid income tax but did not pay *zakat* on income even though they met the obligation of giving *zakat* (Muda, Marzuki & Shaharuddin, 2009). They give more priority to pay the tax than the *zakat* because they feel the law enforcement and tax compliance are very clear and often publicized to the general public.

Moreover, according to Muda, Marzuki & Shaharuddin (2009), this situation is caused by lack of motivation towards paying *zakat*. In addition, there are many previous studies regarding the factors influencing *zakat* compliance on earnings or salary income among Muslims in Malaysia (Muda, Marzuki & Shaharuddin, 2009; Wahid, Ahmad & Noor, 2007). *Zakat* compliance is still an issue in the country mostly it is caused a weak collection amongst Muslims who are distinctively eligible to contribute even though a religious announcement made it compulsory the payment of *zakat* the matter is still out there (Sapingi, Ahmad & Mohamad, 2011; Zainol & Kamil, 2009; Ram Al-Jaffri & Roszaini, 2014; Zainudin & Farah Mastura, 2013).

Similarly, Raedah, Noormala, & Marziana (2011), found that total collection of *zakat* funds was much less than the tax collection by the Department of Inland Revenue. The intention is very important before the actual behavior is performed. (Ajzen, 1991; Zainol, 2008; Saad, 2010; Bidin, Idris & Shamsudin, 2009). Therefore, KUIN staffs, who have the low intention to pay income *zakat*, will lead to low payment of income *zakat*. It means KUIN Staff before they actually paid, they had the intention and therefore, will lead to the actual behavior of paying income *zakat*. Attitude individual in performing a specific behavior. Attitude refers to the evaluative on the impact of positive or negative feelings of an (Ajzen, 1991; Zainol, 2007; Saad, 2010; Bidin, Idris, & Shamsudin, 2009) for example, KUIN staff should have a positive attitude to paying income *zakat* because *zakat* is a religious obligation and KUIN is Islamic institution.

On the other hand, Islamic Religiosity is the guidelines that the Muslims will be followed in performing their daily activities and their judgment towards the end results of fulfilling the obligation of paying *zakat*. (Kamil, 2002; Zainol, 2007; Kamil, Bidin & Saad, 2012; Saad, 2010) Since KUIN Staff every one of them must be followed the daily ibadah activities by praying Salah and paying income *zakat*. KUIN Staff should have high Islamic religiosity because they work in an Islamic institution.

Currently, there are 521 KUIN Staff, data from Bursary Department shows that from January through Jun (2016), only 126 KUIN Staff paid income *zakat* through monthly deduction scheme. It

shows that only 24.09 percent of KUIN staff paid *zakat* through the monthly income deduction scheme which indicates that the employment income *zakat* compliance among KUIN staff is very low.

Due to the base statistics shows that only 24% in KUIN Staff are paid income *zakat* through the monthly deduction scheme. This can be supported that the low of paying income *zakat* is due to the negative attitude due to influence by this and their intention is very low. Similarly, religiosity is the guidelines that the Muslims will be followed in performing activities due to the base on the statistics shown that only 24% in KUIN Staff, are compliance income *zakat* through the monthly deduction scheme. Therefore, KUIN staff should have high Islamic religiosity because they work in Islamic Institution.

Likewise, perception towards law enforcement Law enforcement acts as a mechanism to ensure compliance with the rules and regulations enforced by the authorities. Concluded, the low of payment income *zakat* is due to these factors which were been supported by previous studies. The objective of the study is to examine the influence of attitude, religiosity, and perception towards law enforcement on compliance behavior to pay income *zakat* among KUIN staff.

Literature Review

Theory of Planned Behavior (TPB)

In psychology, the Theory of Planned Behavior is a theory about the link between attitudes and behavior. It was proposed by Ajzen (1985) as an extension of the Theory of Reasoned Action. The Theory of Planned Behavior was proposed by Ajzen (1985) through his article "From intentions to action: A theory of planned behavior". TPB includes one additional variable which is perceived behavioral control. Perceived behavioral control is assessed by asking people how much control they have overperformed a particular behavior. In Ajzen's tests of theory (Ajzen, 1985) the measurement of the attitudinal component has also been simplified. Including the perceived behavior control variable does lead to significant improvements in behaviors perceived to be low in control. An example of a low behavior is "getting a good night's sleep", whereby "taking vitamins" is a high control behavior. The behavioral control variable didn't improve prediction for later behavior, presumably, because the behavior itself is already perceived as high control.

In the theory of planned behavior (Ajzen, 1985), considered as one of the most useful theories to study the cognitive determinants of behavior, the intention is a key predictor of behavior in a wide range of health domains. There remains a gap between intention and action caused mainly by

those who express a positive intention to exercise but do not act; this group represents about one-third of the population. The observation is congruent with the analysis of Armitage, Baughan, and Elliott (2003) that also identified this group as the main source of the lack of consistency between intention and behavior. In this study, TPB is used to explain intention to pay *zakat* on employment income among KUIN Staff.

Compliance Behavior of *Zakat*

Compliance behavior is heavily influenced by external and internal factors of an individual. Each of these factors influences the view and compliance of an individual in carrying out religious obligatory. Compliance of *zakat* payment is closely related to religious obligations. Although the *zakat* on salary income is considered *ikhtilaf*, it is still categorized as a compulsory *zakat* based on the fatwa in respective states. Therefore, individuals who did not pay *zakat* on salary income are considered as disobeying his or her religious obligatory (Wahid, Ahmad & Mohd Nor, 2007).

Therefore, this action represents disobedience to the religious obligatory and less piety of the respective individual (Al-Ghazali, 1998). According to Al-Qardawi (1988), disobedience to religious obligatory is closely related to the piety factor. Nor, Wahid, & Nor (2004) analyzed the study on the awareness level of paying *zakat* on salary income among professionals and found that piety and knowledge of the *zakat* law greatly influenced the compliance of giving *zakat*. This is proven by the results of the study from Ahmad & Wahid (2005) who found that most individuals were willing to pay *zakat* due to internal factors of piety and faith.

Therefore, fulfilling the obligation of *zakat* on salary income or earnings is considered as fulfilling the religious obligatory and is no longer seen as a burden. There are some individuals who assume payment of tax is equivalent to the payment of *zakat*. However, the fact is that the actions of both obligatory are clearly very different because the tax instrument acts as one of the elements in improving the country's economy.

Intention to pay *zakat*

Intention refers the relationship between the possible ability of an individual towards carrying out a specific task and that person's final decision that concludes whether or not to perform that specific task. According to Ajzen & Fishbein (1975), the intention is a person's subjective probability dimension which connects that particular person to execute specific behavior.

Therefore, behavioral intention refers to a person's subjective probability to which an individual will perform some behavior. In other words, intention towards deciding specific behavior refers

to the perceived personal desires to perform that specific behavior. It depends on the individual beliefs and anticipations of the personal impact and outcomes resulting from the performed behavior. Therefore person's attitude towards this behavior represents an evaluation of the behavior and its outcome (Ajzen, 1985). In the context of *Zakat*, many studies used intention and employed as a measurement of individual behavioral decisions towards *Zakat* payment. It was utilized various purposes, for instance, some of the researchers used as a mediating variable between attitude and *Zakat* while others employed it as a direct dependent determinant.

Attitudes towards Intention

Individual attitude consigns personal expectation towards performing a particular behavior that refers perceived personal desires to perform that particular behavior (Ajzen, 1991). It depends on the expectations and beliefs about personal impacts of outcomes resulting from the behavior. Ajzen (1991) argues that an individual's attitude towards this behavior tends to an assessment of that behavior and its outcome.

According to Kamil and Zainol (2007), the attitude has been persistently supposed to determine intention, it is hypothesized that there is a significant relationship between attitude and intention to pay *Zakat* on income among the Muslim community. Furthermore, Kamil and Zainol (2002) have proven that attitude towards *Zakat* on employment income significantly predicted intention to pay *Zakat* on income. Daud & Sanep (2010), were conducted their study in the context of Aceh *Zakat* center.

The researchers found that even though *Zakat* payment is an obligatory act upon eligible ones it does not significantly affect the compliance towards *Zakat* payment through the respective institution. Besides, the study found that weak *Zakat* enforcement will lower the risk of individual's denial from paying *Zakat* on income. Moreover, the factors such as refusal of government taxes could reflect a lack of collateral benefits to the taxpayer "Quid Pro Quo", the injustice in the distribution, distribution management abuses or inefficiencies, individual will evade payment of taxes. The reason given is the inefficient management, fraud, improper distribution of reasons given for not paying *Zakat* to the formal institutions (Ahmad, Wahid & Mohamad, 2006).

Religiosity towards Intention

There is a significant influence of religiosity factor towards individual intention when paying *Zakat* alms. There are tremendous studies investigated the influence of religiosity towards the intention of *Zakat* payment. One of the studies investigated this issue was conducted by Bakar & Rashid

(2010), the researcher has emphasized the signifying determination between religiosity and the behavioral intention towards *Zakat* payment. She completed the study about motivations factors of paying *Zakat* of income: evidence from Malaysia, with the main objectives of this paper to identify factors that may influence the Muslim behavior towards *Zakat* on income. Based on the mean ranking of those who pay *Zakat*, the finding from this study suggests that social, religious and economic factors prevail over the other relatively "selfcentered" factors. The study also suggested that there is a need for proper education on *Zakat* which may eventually help the entire Muslim community to benefit from the noble system of *Zakat*. The religious practices are competent to protect youngsters from getting into dangerous activities (Kraus, Hamzah & Idris, 2007). Being religious person means having Islamic ethics (Akhlak) which is a major component or uplifting pillar among the three (3) components of Islamic Shari'ah known as a creed, ethic and jurisprudence (Aqidah, Akhlak, and Fiqh). Likewise, religiosity influences this significant component of Islamic Shari'ah compressing people's ethical behavior of individual it also improves people's happiness towards this worldly life (Tiliouine, Cummins & Davern, 2009).

According to the findings of a research conducted by Kamil et.al (2012), religiosity significantly influences how people engage certain behaviors after he found that all religious beliefs are in common to serve for the purpose of promoting good behaviors and discourage bad behaviors. A Similar study is conducted by Pope & Mohdali (2010), they found that there is an important relationship between religiosity and intention and religion plays a significant role in people's lives. According to an investigation carried out by Kamil, Bidin & Saad (2012), the study was found that religiosity has a positive significant influence on the behavioral intention towards the compliance of *Zakat* regulation especially when it comes to individual business entrepreneurs, commercial enterprises and corporate business holdings. This study is also supported by Kamil, Bidin and Saad (2012); they suggested that there are four signifying components for measuring the religiosity dimensions. Through employing regression analysis, they found that business owners who have strong religious beliefs are more likely to comply with *Zakat* regulation.

On the other hand, there were other studies that were found the opposites of the above findings. Among these studies were conducted by Kurpis, Beqiri & Helgeson (2008), who have studied the correlation between obligation towards moral self-empowerment, ethical problem recognition and intention. While the findings of these studies indicated that obligation towards moral self-empowerment was positively correlated to the religiosity, they were found that religiosity was not a good a perceived determinant towards behavioral intentions, ethical code of conduct (Akhlak), and problem recognition. Even though, there have been limited studies that were emphasized the influence of religiosity towards *Zakat* payment. Above all, the current study critically deduced that there is a need to uncover the factuality of the above controversial arguments entitled the influence of religiosity towards intention besides to acknowledge whether

or not religiosity is competent dominates a motivational factor towards *Zakat* payment. Hence the study considers that religiosity plays a vital role to motivate individuals towards the intention of paying *Zakat* on employment income.

Perception towards Law Enforcement Intention towards Intention

Law enforcement is also necessary and become a factor determining the compliance of income *zakat* and has a direct relationship with the probability to pay *zakat* on income (Kamil, 2002). With the existence of law enforcement such as religious guide's issuances, acts, and others, it clearly shows that *zakat* is an obligation that compulsory to be fulfilled. Alayuddin (2008) stated that without law enforcement especially specific lawlessness on *zakat*, it may affect the total *zakat* collection which already stays at a satisfactory level.

However, Daud & Ahmad (2010) found that law enforcement is insignificant which influence Muslim individual to comply pay *zakat* through the formal institution. This is because Muslim individual already knows about the obligation to pay *zakat*. They might be paying *zakat* through informal channel compared to *zakat* institution. From their study, it showed that the level of knowledge and environment have a significant influence towards Muslim individual who complies pay *zakat* on income.

However, it must be implemented effectively because without effective law enforcement such as imposing penalties and fines; instructions or regulations from the organization would not be taken seriously by the individual. Other than that, as implementers, the authorities need to enforce laws that are concise and easily understood by the general public. This is because if the law is too complicated, understanding will be affected thus increasing non-compliance (Brand, 1996). This is especially true for individuals who possess low knowledge levels (Kirchler, Muehlbacher, Kastlunger & Wahl, 2010).

As suggested by Alayuddin (2008) without specific laws on *zakat*, the already diminishing *zakat* collection will decrease further. This emphasizes the important role that law enforcement plays in influencing *zakat* compliance in the Muslim community. However, to ensure that law enforcement influences individuals to comply with *zakat*, law enforcement must be implemented clearly; encompassing all types of *zakat*, fines, and penalties. This is because individuals will comply with regulations if they know they will charge with penalties and fines if caught evading *zakat*. As a consequence, the level of compliance amongst Muslim individuals will increase (Kamil, 2002). Even though previous studies showed that law enforcement is a factor influencing *zakat* compliance, Daud (2011) revealed that law enforcement is insignificant in influencing *zakat* compliance through official channels.

Theoretical Framework of the Study

The theoretical framework is the basis on which the whole research project is based. It describes the network of associations among variables that are deemed relevant to the problem situations that have been identified (Caruana, 2001). This study is including independent variables and dependent variables, as well as independent variables to influence mediating variable.

Independent variables have three variables such as attitude, religiosity and law enforcement. Therefore, these three variables will determine the compliance behavior.

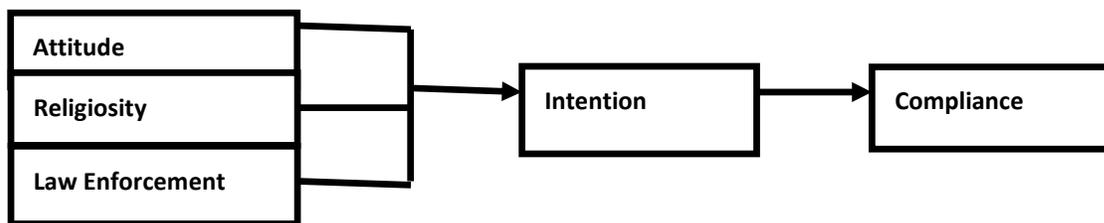


Figure 3. 1: Theoretical Framework of the Study

Source: Adapted from TRA constructed by Ajzen & Fishbein (1975) and TPB developed by Ajzen I. (1985).

Population of the Study and Sampling Frame

The population of this study is all Muslim employees in Kolej University Insaniah Kuala Ketil Kedah Darul Aman Malaysia (KUIN). However, the total population is 521 employees, of which 281 are academic and 240 are Administration Registrar Department, (2016). Unit of analysis in this present study was individual Muslim employee in KUIN. In general, KUIN respondents were chosen because KUIN pays their salary every month and they might save some. This study was carried out through survey approach. The base of the report by the Registrar Department, (2016) the total number of KUIN staffs is 521 including academicians (281) and administrative staffs (240). Based on the Table of Krejcie & Morgan (1970), the sample size used in this study is 226. Therefore, they are responsible for paying *zakat* if the *hawl* and *Nisab* are fulfilled. Besides that, the respondents involved in this study are paying income tax through scheduled tax deduction scheme (STD). So, it is believed that those who are paying tax are also able to pay *zakat*.

Method of Data Collection

A self-administered questionnaire was used as the main data collection technique because selected respondents could fill it when they were free to do so. Permission letter was attached together with the questionnaire to seek cooperation from the respondents. In addition, the questionnaire is the most useful medium of the instrument when the study involves a large number of respondents (Sekaran, 2000). Moreover, the questionnaire is one of the well-known methods of collecting a data. This is because a researcher can get a fair result and the response of the questionnaires can be recorded easily.

The questionnaire was constructed based on the study conducted by Autio, Keeley, Klofsten, Parker & Hay (2001); and Zainol & Kamil (2007). The question was pre-tested and before it was distributed to the participants.

Analysis and Findings

Table 4. 1 Reliability Coefficient for the Variables

No of Variables	Number of new Of new items	Reliability
Independent Variables		
1. Attitude	8	0.847
2. Islamic religiosity	6	0.815
3. Perception towards law enforcement	7	0.993
Mediating Variable		
1. Intention	4	0.499
Dependent Variable		
1. Compliance behavior	3	0.531
Total Measurements items	28	

The findings of this study showed that the reliability for attitude toward compliance behavior (.847), Islamic religiosity (.815), perception towards law enforcement (.993), are above .70 (good internal consistency as suggested by Nunnally (1978). The remaining variables, intention (499), and compliance behavior (.531) which is very low since Suggestion by Sekaran (2003), the minimum acceptable reliability is set at .60

Table 4. 2 Multiple Regression Analysis

Variable	Standardized Coefficients		
	Beta	t	Sig.
(Constant)		15.171	.000
Attitude	.342	6.641	.000
Religiosity	.027	.558	.577
Law enforcement	-.523	-10.502	.000
R ²	.508		
Adjust R ²	.501		
R ² Change	.508		

Based on Table 4.2, it was found that attitude and perception towards law enforcement influenced intention except for Islamic religiosity. The standardized coefficient beta of attitude ($P = .342, p < .001$) and perception towards law enforcement ($P = -.523, p < .00$), shows the variables are significantly associated with intention. However, Islamic religiosity is not significant with Standard coefficient is only at $P = .027$. The independent variables explained 50.8 Percent ($R^2 = .508$) of the variance of intention.

The Relationship between Independent Variables and Dependent Variable

Table 4. 3 Multiple regression analysis

Variable	Standardized Coefficients		
	Beta	t	Sig.

(Constant)		12.856	.000
Attitude	.310	5.545	.000
Religiosity	-.073	-1.374	.577
Law enforcement	-.486	-8.990	.000
R ²	.420		
Adjust R ²	.412		
R ² Change	.420		
F change	53.624		

The results indicated that the standardized coefficient for attitude and perception towards law enforcement influenced compliance behavior except for Islamic religiosity. The standardized coefficient beta of attitude ($P = .310, p < .001$) and perception towards law enforcement ($P = .486, p < .00$), shows the variables are significantly associated with compliance behaviour. However, Islamic religiosity is not significant with Standard coefficient is only at $P = -.073$, the independent variables explained .420 Percent ($R^2 = .420$) of the compliance behavior.

Relationship between Mediating Variable and Dependent Variable

Table 4. 4 Relationships between Mediating Variable and Dependent Variable

Model	Standardized Coefficients		
	Beta	t	Sig.
(Constant)		4.555	.000
Intention	.668	13.435	.000
R ²	.446		
Adjust R ²	.444		
R ² Change	.446		
F change	180.500		

Based on the results showed that intention explained .446 percent ($R^2 = .446$) of the variance in Compliance behavior. The standard coefficient beta for intention is = .668. Therefore, it indicates that intention is significantly associated with compliance behavior.

Discussion

Attitude is found to have a significant influence towards intention. This finding is similar to Zainol & Kamil (2007), the attitude has been constantly supposed to determine intention, it is hypothesized that there is a significant relationship between attitude and intention to pay *Zakat* on income among the Muslim community.

Furthermore, Zainol and Kamil (2007) have proven that attitude towards *Zakat* on employment income significantly predicted intention to pay *Zakat* on income. Since attitude towards *zakat*, it is significant due to the selection of respondents who is Muslim Kuin staff working in an Islamic Institution being a good Muslim person responsible it should have a good dimension of attitude why they have a good attitude because some of them are Muslim academic lecturers and they are responsible for educating others. A good dimension of attitude is evidence to activate their intention because a good attitude leads to activate to the intention although there is a low compliance.

In addition, the study found that Islamic religiosity is not significant because the significant level is greater than so Islamic religiosity is not significant it does not have direct path towards intention these findings contradict findings of a research conducted by Kamil et.al (2012), religiosity significantly influences how people engage certain behaviors after he found that all religious beliefs are in common to serve for the purpose of promoting good behaviors and discourage bad behaviors. A Similar study is conducted by Pope and Mohdali (2010), they found that there is an important relationship between religiosity and intention and religion plays a significant role in people's lives.

According to an investigation carried out by Kamil, Bidin & Saad (2012), the study was found that religiosity has a positive significant influence on the behavioral intention towards the compliance of *Zakat* regulation especially when it comes to individual business entrepreneurs, commercial enterprises and corporate business holdings. This study is also supported by Kamil, Bidin & Saad (2012); they suggested that there are four signifying components for measuring the religiosity dimensions.

Because Islamic religiosity is not triggered intention of KUIN staff for the reason that they still have intention although they are religious because there are other factors are more important for example, attitude and perception towards law enforcement.

Furthermore, law enforcement is found to have a direct path towards intention the beta, however, is negative. This finding is consistent with previous studies which revealed the significant relationship between law enforcement and compliance behavior either in *zakat* (Kamil, 2002; Ayoub 2001; Alayuddin, 2008; Nur Azura et al., (2010) or taxation (Allingham & Sandmo, 1972; Chan, 2000; Fischer, 1992).

Whilst, another finding contradict Daud & Ahmad (2010) found that law enforcement is insignificant which influence Muslim individual to comply pay *zakat* through the formal institution. This is because Muslim individual already knows about the obligation to pay *zakat*. They might be paying *zakat* through informal channel compared to *zakat* institution.

Implications of the Study

The findings of the study have a very important of implication for *zakat* institutions implication of the study the findings of the study to strategies planning policy to collect *zakat* for *zakat* centre for example, attitude the implication in *zakat* institutions should strategies and implement to maintain positive attitude *zakat* institutions should plan for policy to the main attitude of the *zakat* payers by combining to speech of *zakat*, khutbah, on *zakat* to talk to the *zakat* payers the important of having a good attitude to pay *zakat* because a good attitude to paying very important.

Managerial Implications

This is because; the main objective of *zakat* is the achievement of socio-economic justice. Therefore, it is important for *zakat* to be managed in the most efficient way. The whole idea of *zakat* management is to help Muslims perform this pillar of Islam and establish its primary function as a means to alleviate poverty. However, if trust is not sufficiently maintained between Muslims and *zakat* center, the potential *zakat* payers would prefer to pay out *zakat* directly to their own relatives who are poor or needy, rather than deal with the *zakat* center.

In addition, Issues such as *zakat* fund not fully distribute dissatisfaction from *zakat* payers and delaying the payment of *zakat* should be tackled immediately so that the *zakat* center can avoid the payment done by *zakat* payer through the unofficial channel or in another word the *zakat* payer is paying *zakat* direct to the *zakat* recipients. *Zakat* workers, on the other hand, should play

an important role in monitoring the activities of the involved recipients besides providing them with necessary skills, so that they can optimize the *zakat* funds channeled to them and avoid unnecessary misspending.

On top of that, in terms of collection, a new and modern transaction approach to funding the collection must be established such as such as Internet banking and other financial facilities. It requires a business strategy where the *zakat* center needs to have a corporate link with many financial institutions. To accomplish the strategy, it appears that the *zakat* center has to think beyond religion, treating the fund as a type of worldly taxation in which people must be persuaded rather than hoping they will willingly fulfill their own obligation.

Likewise, the payment of *zakat* for income generation has also been viewed as a strategic measure to solve the serious problems of poverty and unemployment in the majority of Muslim Malaysia. It is believed that the use of *zakat* funds for income generation programs can reduce the poverty problem besides development sustainable economies.

Besides, the most previous studies confirmed that the utilization of *zakat* funds for income generating activities, such as setting up small and cottage industries and providing necessary training for poor communities, will improve income and reduce the poverty rate. Through this program, *zakat* funds can finance the economic activities of the eligible recipients based on their skills and capabilities.

On the other hand, this study not only examines the influence of attitude, religiosity and perception towards law enforcement on intention towards compliance behavior of income *zakat* among KUIN staff but may also allow researchers to suggest solutions and produce new knowledge to solve issues related to *zakat* management.

Moreover, the managerial implication of this study finds that religiosity was not found to have direct relation towards an intention to pay income *zakat* among KUIN staff. Therefore, managerial implication the *zakat* management especially should not depend on the religiosity of the *zakat* payers alone because it's not significant although there is a perception by officers in the *zakat* department that the reason that the people may pay *zakat* it is because of the religiosity.

This study provides evidence that the perception is wrong, therefore, it is very important that the *zakat* management officers should focus on other factors such as perception towards law enforcement the implication the *zakat* management, in this case, Kedah state department of *zakat* should find a way to enforce the law regarding *zakat* in order to increase the collection which means that if the *zakat* perceive that the law is to enforce it will motivate them to pay *zakat* in the future.

On another hand, it will prevent them for not paying *zakat* because *zakat* enforced the people will perceive that if they do not pay *zakat* that they will be punished so that they will prevent them from not paying *zakat*. In other words force them to pay *zakat* whether they are religious or they are not religious.

Similarly, the managerial implications towards attitude is that of the *zakat* payers must be created in such a way that they have a positive attitude because the positive attitude will lead to intention to pay *zakat* that means the people with a positive attitude will have more likely, to have the intention to pay *zakat*. On the other hand, if the attitude is negative they are less likely to have the intention to pay *zakat*.

Therefore, the implication of *zakat* management should find suitable measures to make the attitude of the *zakat* payers consistently positive and these attitudes are actually influenced by belief according to of theory planned behavior attitude is actually influenced by behavioral belief in the case of *zakat* when the *zakat* payers belief by paying *zakat* they believe positive concerns.

For instance, by paying *zakat* it could help other people, such as like poor and needy to finance a certain beneficiaries program such as like building mosque or other programs that *zakat* management has done so which means *zakat* management must make visible or observable for the public to see the effect of paying *zakat* for example, if the public can see effect of paying *zakat*. For instance, if the public can see *zakat* management to help others by giving charity and assistance to certain groups of people that will shape the attitude to be positive which lead towards intention.

Finally, the effectiveness of *zakat* in helping the poor depends on the method of distribution and also the purpose of it. This way, however, needs to be strengthened and analyzed from time to time so it will serve the purpose to help the poor to have a better life. Often, there are various and interesting issues occurred in *zakat* management, collection, distribution and poverty field which may gain interest from researchers of Islamic scholar as well as the area of *zakat* researchers.

Theoretical Implication

The theoretical implication which including theory planned behavior there are many studies which investigate *zakat* compliance behavior base on theory planned behavior which has not included religiosity. Therefore, this study provides additional evidence by including the effects of religiosity in the context of *zakat* compliance using a Theory Planned behavior and religiosity in this study is

developed using Islamic perspectives which are different from some studies which used religiosity adopted from a conventional perspective.

Moreover, the theoretical implication of this study is that the study is able to contribute to the theories of theory planned behavior because previously there are many studies on compliance behavior of tax using theory planned behavior in the environment of *zakat*. So this study contributes by adding more literature to in the area of compliance behavior of *zakat* because so far there are limited studies on compliance behavior using theory planned behavior compare to numerous studies using theory planned behavior of tax.

Conclusions

The consequence of this study has shown the first objective of the study to examine the relationship of attitude towards an intention to pay income *zakat* among KUIN Staff is achieved because the attitude is found to have a direct influence towards intention. However, the second objective of the study to study the relationship of religiosity towards intention to pay income *zakat* among KUIN Staff is not achieved because Islamic religiosity is found not have a direct influence towards intention whilst, the third Objective of the Study To justify the relationship of law enforcement towards intention to pay income *zakat* among KUIN Staff plays an important role towards intention which was also found to have direct influence on compliance behaviour.

The fourth objective of the study is to investigate the mediating effect of intention towards of attitude, Islamic religiosity, and law enforcement and compliance behavior of income *zakat* among Kuin Staff. Is to investigate the mediating effect of intention towards of attitude, Religiosity, law enforcement and compliance behavior of income *zakat* among KUIN Staff. The hypothesis four posts that intention will significantly relate to compliance behavior, the result implies that KUIN staff has a higher intent to comply to pay income *zakat*.

It can be also suggested the theory of planned behavior can be applied to most of the studies including the compliance behavior. The future research should also consider other external variables that may influence the compliance behavior among the Muslim employees of KUIN staff, and this external may also improve this theory. Moreover, people who are involved in *zakat* have a big duty to carry out more research regarding *zakat* for future references.

Therefore, since Islamic religiosity demonstrated insignificant result in all three steps then it this variable will be dropped in future research of *zakat* employment income as suggested by Baron & Kenny (1986).

Based on the findings, the study made recommendations on the factors to be considered in persuading the Kuin staff to fulfill their duty of paying *zakat*. Hence, the *zakat* institutions and state governments should increase the awareness of Muslim society through organizing forums, in the Friday sermons, etc. on *zakat* obligations so that they can become more aware of the obligation and encourage one another. The limitation of this study is that the findings may not be generalized to a wider population because of its restriction to the only Kolej University INSANIAH staff. As a result, this study suggested that future research on employment income *zakat* compliance considers a wider population that covers employment income earners from different aspects.

Finally, the effectiveness of *zakat* in helping the poor depends on the method of distribution and also the purpose of it. This method, however, needs to be strengthened and analyzed from time to time so it will serve the purpose to help the poor to have a better life. Often, there are various and interesting issues occurred in *zakat* management, collection, distribution and poverty field which may gain interest from researchers of Islamic scholar as well as the area of *zakat* researchers.

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The Effect of Leverage on Performance of *Shari'ah* and Non-*Shari'ah* Companies in Malaysia Using Partial Least Squares

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Abstract

This study focus on the effect of *shari'ah* and non-*shari'ah* compliant companies on the relationship between leverage and performance listed on Bursa Malaysia. Based on the existing literature, a conceptual model was developed to test the relationships between the variables under investigation. Data from 916 companies were used for the year 2009 using the SEM-PLS in testing the research hypotheses. The results showed that leverage has a significant negative relationship with performance (ROA) but has no significant relationship with other performance indicators which is ROE. However the existent of TYPE (*shari'ah* and non-*shari'ah* compliant companies) as a moderator influence the negative relationship between leverage and performance for both indicators ROA and ROES used in this study. The result reveals that variance of the relationship towards ROA improve from 26.5% to 27.6% same goes to variance in ROE where R^2 increases from 15% to 21.8%. This study found that most of the Malaysian listed companies performed better in a low leverage situation but not during high leverage situation, especially for *shari'ah* compliant companies. It was recommended that the policy makers of the firm should not underestimate the effect of leverage on performance in strategic business decisions.

Keywords: Leverage, Return-on-asset, Size, Liquidity, Market risk, Market-to-book ratio.

Introduction

Competitive nature of the business environment demands that companies should strive for higher performance not only to outperform competitors but also to satisfy the requirements of stakeholders. Hence, companies mobilize resources in order to achieve a high level of performance which would eventually ensure their continuous existence in the market as well as satisfying the stakeholders. While high performance is the target of the companies, the concept, however, remains multidimensional with several indicators. Thus, a number of indicators are usually employed to measure performance. For instance, performance could be measured in terms of maximizing profit on assets, profit maximization, maximizing shareholders' benefits, growth in sales and growth in market share (Hofer & Sandberg, 1987). Furthermore, it is argued that firms' performance is associated with the leverage in the capital structure. Hence, several theories have been advanced to explain the relationship between capital structure and firm performance. Capital structure is a combination of debt, preferred stock and common stock which the companies employed to finance their investment. Although striking an optimal mix of capital structure is continuously becoming an issue of debate among the scholars and practitioners as well, companies try to decide on the right mix of debt and equity in order to maximize the wealth of shareholders.

In Malaysia, the existent of *Shari'ah* and non-*Shari'ah* compliant companies listed in Bursa Malaysia created a competitive market among the companies and influence the investors' investment decision-making. Kamso (2008) claimed that *Shari'ah* compliant companies' performance similar to non-*Shari'ah* compliant companies in the long run although *Shari'ah* compliant companies are bound with *Shari'ah* principles since they are less leverage in their capital management. Therefore, this study will investigate the effect of leverage on the performance of *Shari'ah* and non-*Shari'ah* compliant companies listed on Bursa Malaysia.

Problem Statement

The capital structure of a firm has been the subject of debate among researchers since the seminal publication by Modigliani and Miller's (1958, 1963). Their initial findings of the irrelevance of capital structure and the subsequent optimal capital structure triggered an intensive research. Thus, several extensions have been made to the theory in different research such as Robichek and Myers (1965), Jensen and Meckling (1976), Ross (1977), Leland and Pyle (1977) and Myers (1977). For example, Trade-off theories of corporate financing are developed based on the concept of target capital structure that balances various costs and benefits of debt and equity. These include the tax benefits of debt and the costs of financial distress Modigliani and Miller, (1963), various

agency costs of debt and equity financing (e.g., Jensen & Meckling, 1976; Myers, 1977; Stulz, 1990; Hart & Moore, 1995), and the costs and benefits of signaling with capital structure (Ross, 1977).

In Malaysia, continuous studies on the capital structure and performance have been seriously done especially when the economic crisis occurred and affect the Malaysian companies' performance. One of the key factors accelerating the economic crisis 1997 in this country is the high dependency on debt financing by Malaysian companies (Suto, 2003). Debt financing is popular method used by Malaysian companies to get sources of fund rather than equity financing because of easy debt financing facilities provided by the government with various loan schemes at a low interest rate to help the companies to generate their investment capital in business such as SME Financing Fund, SME soft loans from Malaysian Industrial Development Finance (MIDF), Business Accelerator Programme and the Enrichment and Enhancement Programme, TEKUN and Microenterprises or Microcredit (Bernama, 2012).

This uncontrollable borrowing activity implemented by the companies, in the long run, will increase the level of debt in the companies and will lead to financial distress in the future if they keep relying on excessive borrowing (Rahman, Yahya, & Nasir, 2010). In the past there are some scholars argued that the use of debt can improve the efficiency and effectiveness of the company for example the trade-off theory developed by Modigliani and Miller's (1963) which they found that in imperfect market with existence of corporate taxes the company are suggested to use as much debt capital as possible in order to maximize their value by using the interest tax benefit as tax-deductible expenditure (Ahmad, 2009). Tax-deductible expenditure will reduce the payment of company tax to the government and at the same time maximize the firm value. However Hiwt & Smart (1994) claimed that the reduction of performance was mainly because of extraordinary debt. The trade-off theory as mentioned above has been argued by other researchers who claimed that corporate financing practice does not only based on the trade-off theory of debt. Myers (1984) clarified that in the world of information asymmetry, corporate managers tend to use internal financing as the main sources for firm growth opportunities follow by debt financing and lastly the equity to cover any remaining (Ahmad, 2009). In other words, Pecking order theory introduced by Myer and Majluf (1984) identify the hierarchy of financing in generating fund for the company in the world of information asymmetry.

Therefore this research will study the strength and performance of the public listed companies in Bursa Malaysia for the year 2009 by analyzing the direct effect of leverage on the performance and examining the effect of *Shari'ah* and non-*Shari'ah* compliant companies on the relationship between leverage and performance of public listed companies of Bursa Malaysia besides identifying the theory behind the efficient mixture of capital structure and the strategies the

company took to lower the weighted cost of capital to ensure an increase of net economic return which eventually will increase the firm performance and value.

The objective of the study is to analyze the effect of leverage (proxy by Debt Ratio) on performance (proxy by Return on Assets and Return on Equity) of Malaysia listed companies.

Literature Review

The Effect of Capital Structure Theories on Performance

The relationship between the leverage and the performance of firms has become prominent in the late 1980s and early 1990s as the global competitiveness of U.S. firms has declined (Hill, Hitt, & Hoskisson, 1988; Porter, 1992). Similarly, there are a number of researchers which suggest that leverage has a non-neutral impact on firms' performance, irrespective of whether or not arbitrage is possible (Majumdar & Chhibber, 1999). As a result, there are contradicting and divergent theories that provide an explanation on the most appropriate policy for management (Simerly & Li, 2000). The three famous capital structure theories are the Tradeoff Theory, Pecking Order Theory and Agency Theory. Each theory, together with their past empirical findings, were developed by the pioneered of corporate finance researchers such as Modigliani and Miller (1958) with the MM theory, Jensen and Meckling (1976) create the Agency Theory and Myers and Majluf (1984) introduced the Pecking Order Theory. The theory and model they developed were used as the basic explanations and references for the corporate finance researchers until now especially on the capital structure development.

Modigliani and Miller's suggestion, firms should use as much as debt possible in their capital structure in order to maximize their value in order to attain the tax shield advantages to reduce the tax payment when the companies have high debt. The tax advantages of debt occur when the interest payment of debt made reduced the taxable income of the company. Modigliani and Miller's theory has been discussed by other finance researchers. This is due to bankruptcy costs effect when companies have a lot of debt in their capital structure. The pecking order theory is a leading contribution in capital structure and amongst the most influential theories of corporate leverage (Yau, Lau and Liwan, 2008). The Pecking Order Theory or Pecking Order Model was developed by Stewart C. Myers and Nicolas Majluf in 1984. This theory describes a hierarchy of financial sources or fund available for the companies which include retained earnings, debt and equity. The theory states that companies choose their sources of financing (from internal financing to equity) according to the law of least effort; companies used internal funds first such as retained earnings, followed by the debt and last financing solution will be the equity to fund new projects or new investments.

Yau et al. (2008) done a study on 100 blue chip securities listed on Bursa Malaysia from the year 1999 until 2005 found that long-term debt was negatively correlated with external financial (equity). This means that most of the Malaysian companies prefer to use internal fund and debt as the main source for funding their investment activities especially after suffering from 97's economic crisis. Khairunisah, Fauzias and Izani (2006) survey also clarified the same result when 65.4% of 790 Chief Financial Officers (CFOs) of non-finance Malaysian Public Listed companies respond that they follow a financing hierarchy which is the pecking order theory in the company capital structure policy and their finding strengthen our finding when SCC also implement pecking order theory as capital structure policy of the company. Therefore this study will analyze the capital structure theories particularly the trade-off theory and the pecking order theory, able to explain the capital structure of the Malaysian listed companies.

Capital Structure and Performance

Capobianco and Fernandes (2004) defined the capital structure as a strategic decision involved in choosing between debt holders and shareholders capital. Capital structure decision is important as it involves the possible changes to capital cost and its risk. In other words, the choice of the capital structure becomes an important element in determining the value of the companies. Leverage ratio mostly used by past researchers as indicators of firm capital structure (Paydar, 2012). Debt ratio (total debt to total assets) and Debt Capitalization ratio (total debt to market capitalization) is the most popular indicators use in explaining leverage and performance. There were several arguments discussed by the researchers in selecting the best ratio to be used between the two ratios; Debt ratio and Debt Capitalization ratio.

Khatkhatay & Nisar (2008) claimed that debt ratio would be more rational compared to the debt capitalization ratio because it measures the business operation activities being financed by noncompliant debt component. Ling (2009) clarified that leverage ratio (debt ratio) and return on assets (ROA) found to be an important predictor of financially distressed company, the higher the debt the higher the probability of the companies classified under financial distressed company when the return is negative because defaulting on debt contract would likely be elevated if there is sudden downturn of income in the company.

However, Zuraida (2009) performed an empirical study on the impact of capital structure on operating performance of 240 companies in Malaysia in the year 2002-2007 and found that ROA had significant positive relationship with capital structure proxies by debt ratio (DR) and shortterm debt ratio consistent with Philips and Sipahioglu (2004) and Grossman and Hart (1986) findings. She concludes that the higher the level of debt in the company capital structure, the higher the

company performance. She also stated that the high-performance level might occur because the management mostly uses long-term debt decision to increase the company return.

Another proxy of capital structure and performance is debt ratio (DR) and return on equity (ROE). Ahmad et al (2012) stated that ROE as an indicator for performance was very sensitive to certain type of capital structure ratio especially on long-term debt compared to ROA because earning power of the company assets is less than the average interest cost of debt to the firm. But based on a cross-sectional study by Chin (1997) over 267 companies listed on Bursa Malaysia from the year 1985-1994 found that capital structure proxy by debt ratio (DR) have significant negative relationship with performance proxy by ROE.

The Effect of Syariah and Non-Syariah Compliant on Malaysian Listed Companies

Islamic Finance established by Middle East countries in the 1960s when first Islamic bank was established in Egypt (Pok, 2012) and become significantly popular in 1975 when Islamic Development Bank was formed to promote *Shari'ah* compliant financial practices. The western countries found that Islamic finance as a system that can attract many Islamic investors and they adopt Islamic practices in their banking and tax law framework (Pok, 2012). Malaysia, as a Muslim country, also took the opportunities to developed *Shari'ah* compliant companies (SCC) in 1996 to fulfill the strong demand of faithful Muslims investors for Islamic investment equity especially the investors from the Muslim oil-rich countries in the Middle East (El Qorchi, 2005).

The existence of SCC product in equity market has increased Islamic finance Industries with double-digit growth and made SCC growth similar to non-SCC performance in the long run especially in Malaysia (Kamso, 2008). Nevertheless, the SCC also faced some negative perception from non-Muslim investors from the west who claimed SCC poorly performed, low liquidity and popular among Muslim investors only (Ismail, 2010). Based on the study done by Pok (2012) on 477 SCC in Malaysia in 2010 using Altman (1968) Z score and Altman (2002) double prime Z score found that between 62% and 80% of SCC seen to be financially strong and clear from financial distressed problem although the level of debt financing is quite high compared to other SCC which screen under Dow Jones Islamic Index (DJIM) and S&P *Shari'ah* Index (S&P). Non-SCC companies in Malaysia are free from *Shari'ah* screening process by *Shari'ah* Advisory Board of Securities Commission to be listed on Bursa Malaysia. They are allowed to generate income from any legal sources including the non-*halal* business transaction including liquor, pork, gambling, conventional interest such as bonds, options, futures, forwards and swaps and etc (Hassan, Shafi, & Mohamed, 2012).

This gave non-SCC the opportunities to generate maximum income compared to SCC. Based on the literature review stated above, there is a probability that SCC and Non-SCC moderate the relationship between leverage and performance of Malaysian public listed company.

Determinants of Capital Structure as Control Variables.

The existent of SCC and Non-SCC in the Bursa Malaysia listed companies had opened a strong competitive environment to Malaysian global market. Each of them has their own strengths and weaknesses not only in the business transaction but also in capital structure (debt-equity) choice in managing the company financial performance. Other factors such as risk, liquidity, size and growth influence the capital structure decision. Past researchers such as Huang & Song (2006), Ozkan (2001), Lin & Hung (2012) and Rozali & Hamzah, (2006) used market risk, liquidity, size and growth as control variables. Control variables held constant and unchanged to test the relative impact of leverage when running the empirical testing. Size has consistently found to have a positive relationship with leverage. Thus, there is a need to control for this variable. (Deesomsak et al., 2004 and Huang & Song, 2006). Growth is another control variable used in this study because it influences the relationship between capital structure and performance. Myers (1977) observes that the amount of debt issued by a firm is negatively associated with the growth opportunities because high-growth firms require more equity financing compared to a low growth company. Market risk is vulnerable to events which affect aggregate outcomes like broad market returns and total economy. Beta as a proxy of market risk define the degree to which an asset's expected return is correlated with broader market outcomes; it is simply an indicator of an asset's vulnerability to systematic risk (Maginn, Tuttle, McLeavey, & Pinto, 2007). The existent of control variables will mitigate the causal problem in SEM-PLS (Krafft, Qu, & Quatraro, 2013) and produces robustness of the findings in this study.

The Conceptual Framework of the Study

Based on the past literature, the following conceptual framework was developed below:

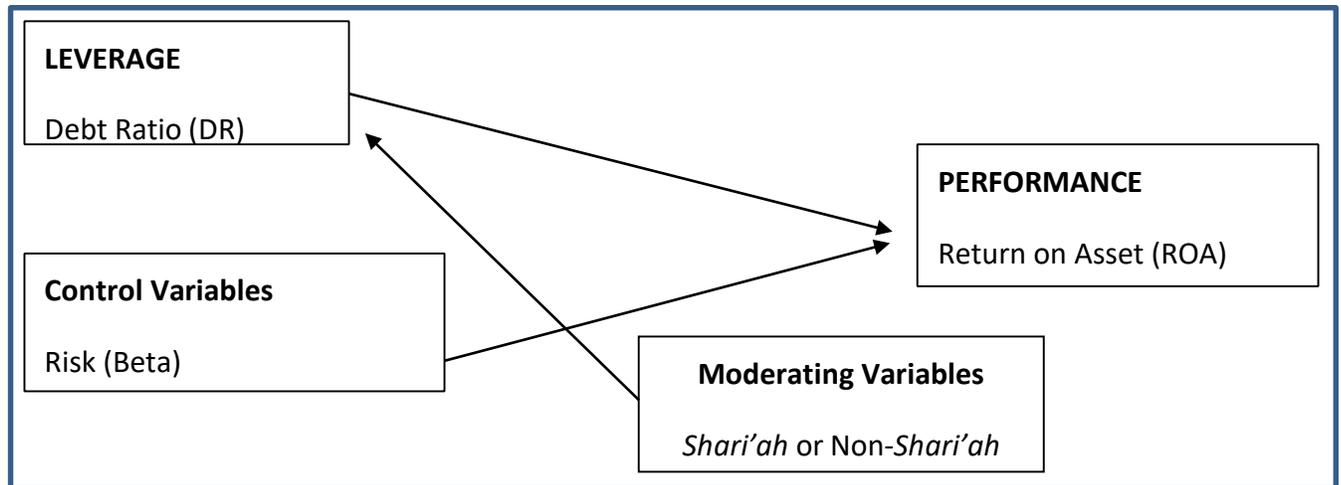


Figure 1: Conceptual Model of the Study

Statement of Hypothesis

Based on the relationships among the variables explained in the conceptual model above, the following hypotheses were formulated:

H_{1a}: DR has a negative relationship with ROA.

H_{1b}: DR has a negative relationship with ROES.

H_{2a}: The negative relationship between DR and ROA would be stronger for *Shari'ah* compliant companies compared to non-*Shari'ah* compliant companies.

H_{2b}: The negative relationship between DR and ROES would be stronger for *Shari'ah* compliant companies compared to non-*Shari'ah* compliant companies.

H₃: The Malaysian companies' do practices the Pecking order Theory when leverage have negative relationship with performance.

Methodology

The population of the study consists of the all the firms that are listed on the main board of Bursa Malaysia as at November 2009. After data screening and removal of companies with substantial missing data, a total of 916 firms were used for the analysis. A Structural Equation Model (SEM) using (Partial Least Square (PLS) was conducted in order to ascertain the relationships between the variables under investigation. The model is in a formative form. The first stage is to examine the main effect of the direct relationship between leverage and performance in PLS path model to estimate the latent variable score. The standardized latent variable score is calculated for analysis. The second stage is to test the interaction term between leverage and moderator which is the *Shari'ah* and the non-*Shari'ah* compliant companies as the element-wise product of the latent variables score. Both leverage and the moderator are independent variables in a PLS regression on the latent variable score of performance. All the measurements of variables are summarizing in Table 1 below.

Table 1: Measurement of Variables

Variables	Measurement		Symbols
Dependent Variables	Return on Assets	Net profit over total Assets	ROA
	Return on Equity	Net Profit over Total Equity	ROE
Independent Variables	Leverage	Total Debt over Total Asset	DR
Moderator Variable	Type of Company	Dummy 1: <i>Shari'ah</i> Compliant Company, Dummy 0: Non- <i>Shari'ah</i> Compliant Company	TYPE
Control Variables	Market Risk	Degree to which an asset's expected return is correlated with broader market outcomes (BETA)	BETA
	Size of the firm	Log Market Capitalization	LOGSIZE
	Market to book value	Current closing price of the stock by the latest quarter's book value per share	MTBV

Esearch & Cenfetelli (2009) suggest that before conducting the on, assumptions for multivariate analysis was checked. For instance, outlier's cases were checked through Mahalanobis distance. The test for normality was conducted using box plot in SPSS. The variables that were found to be non-normal variables were transformed using Log10 as suggested by Tabachnick and Fidell (2007).The test of multicollinearity among the variables was done for formative construct. Based

on the study done by Bollen (1989) indicators in a formative construct were not applicable to test reliability and convergent validity, however, the multicollinearity was checked through the variance inflation factor (VIF) with values not more than 3.3 as suggested by Peter, Straub and Rai (2007). Therefore the acceptance standard values described in Table 2 proved that there is no problem of multicollinearity and this will increase the level of credibility of the study.

Table 2: The Mean, Standard Deviation (Std Dev) and Variance Inflation Factor (VIF) of All Constructs

Relationship	Mean	Std Dev	VIF
BETA -> ROA	-0.010	0.034	1.011
LOGSIZE -> ROA	0.176	0.037	1.042
MKTBV -> ROA	0.340	0.050	1.170
TDR -> ROA	-0.283	0.053	1.171
TYPE -> ROA	0.007	0.029	1.023
BETA -> ROES	-0.022	0.033	1.011
LOGSIZE -> ROES	0.198	0.045	1.042
MKTBV -> ROES	0.277	0.051	1.170
TDR -> ROES	-0.089	0.112	1.171
TYPE -> ROES	-0.017	0.030	1.023

Table 3: Descriptive Statistics

	Observation	Minimum	Maximum
ROA	916	-70.920	50.520
ROES	916	-149.460	149.080
TDR	916	.000	973.240
TYPE	916	.000	1.000
MKTBV	916	-6.700	26.200
BETA	916	-2.500	12.860
LOGSIZE	916	1.114	8.525

From Table 3, the total observation is 916 of Malaysian listed companies for the year 2010 with the minimum and maximum value of each exogenous, control variables and endogenous variable.

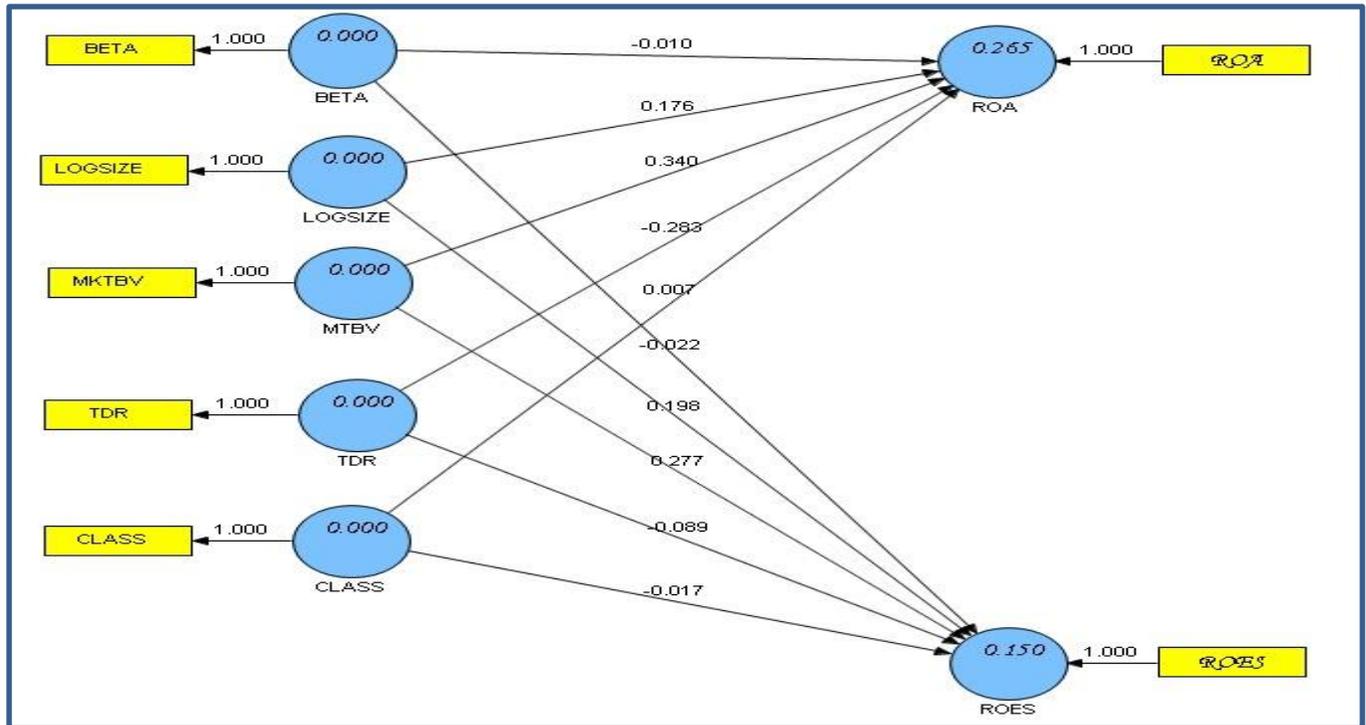


Figure 2: Result of the Structural Model 1: Between Exogenous (Leverage), Control Variables

(Beta, Size and Market to Book Value) and Moderators TYPE (Sha'riah and Non-Shari'ah Compliance Companies)) and Endogenous Performance (ROA and ROE)

Table 4: Structural Model Analysis between Exogenous (Leverage), Endogenous (ROA and ROE) and Moderators (*Shari'ah* and Non-*Shari'ah* Compliance Companies)

Dependent Variables	ROA						ROE					
	STRUCTURAL MODEL 1a			STRUCTURAL MODEL 2a			STRUCTURAL MODEL 1b			STRUCTURAL MODEL 2b		
	Std Beta	Std Error	T-Value									
Independent Variables												
TDR	-0.283	0.053	5.304***	-0.225	0.076	2.950**	-0.089	0.112	0.795	0.054	0.130	0.414
Moderator variables												
TYPE	0.007	0.029	0.231	0.068	0.043	1.582	-0.017	0.030	0.571	0.134	0.049	2.734**
Control Variables												
BETA	-0.010	0.034	0.299	-0.004	0.035	0.108	-0.022	0.033	0.687	-0.007	0.033	0.204
LOGSIZE	0.176	0.037	4.686***	0.204	0.033	6.086***	0.198	0.045	4.345***	0.267	0.030	8.979***
MKTBV	0.340	0.050	6.803***	0.333	0.047	7.107***	0.277	0.051	5.393***	0.260	0.046	5.607***
Interaction Terms												
TYPE * TDR				-0.133	0.067	1.991*				-0.329	0.122	2.700**
R Square			26.5%			27.6%			15%			21.8%
R Square Change						1.2%						6.8%
f²						0.166						0.787

***p<0.001, **p<0.01, *p<0.0

Findings

Structural Model Analysis Result of Direct Effect

Table 4 explained analyzing the structural model 1a from the PLS output shows the direct relationship between leverage (DR) ($\beta = -0.283$, $p < 0.001$) and performance (ROA) were negatively significant after controlling for the influence of BETA ($\beta = -0.010$, $p > 0.05$) which is not significant, Size (LOGSIZE) ($\beta = 0.176$, $p < 0.001$) and growth (MTBV) ($\beta = 0.340$, $p < 0.001$) where both of the variables were positively significant with ROA except the moderating variables TYPE ($\beta = 0.007$, $p > 0.05$) which did not significant, with the variation in ROA explained by 26.5% indicated as R^2 . The result clarified that leverage (DR) the independent variable have a strong significant negative relationship with ROA. The result provides sufficient evidence to support hypothesis H1a. However the structural model 1b show the direct relationship between leverage (DR) ($\beta = 0.054$, $p > 0.05$) and performance (ROE) were not significant after controlling for the influence of Market Risk (BETA) ($\beta = -0.007$, $p > 0.05$) is not significant, Size (LOGSIZE) ($\beta = 0.267$, $p < 0.001$), Growth (MTBV) ($\beta = 0.260$, $p < 0.001$) and moderating variables *Shari'ah* and *NonShari'ah* Compliant Companies (TYPE) ($\beta = 0.134$, $p > 0.01$) show a significant positive relationship to performance (ROE) with the variation in ROE or R^2 explaining by 15%. Model 1b clarified hypothesis H1b is not supported when leverage (DR) have no significant relationship with ROE.

Table 5: Summary of the Finding Leverage and Performance

Hypothesis	Relationship	Decision
H1a	TDR -> ROA	Significant
H1b	TDR -> ROE	Not Significant

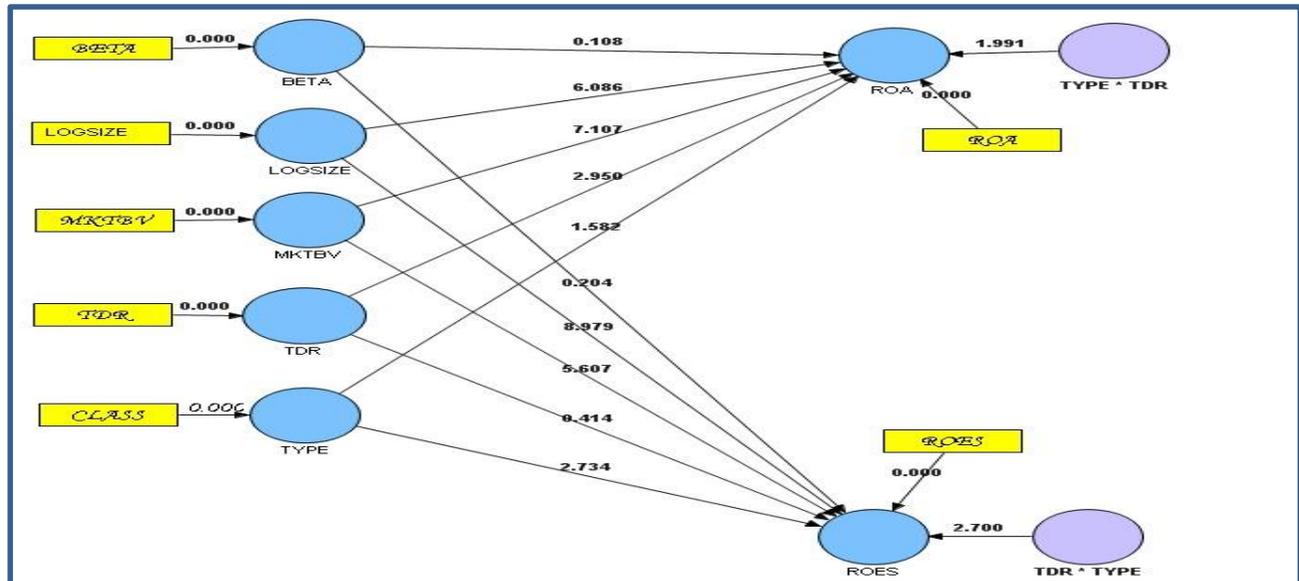


Figure 3: Result of the Structural Model 2: Between Exogenous (Leverage), Control Variables (Beta, Size and Market to Book Value), Moderators (*Shari'ah* and Non-*Shari'ah* Compliance Companies) and Endogenous Performance (ROA and ROE)

Structural Model Analysis Result of Moderated Effect

A further analysis was done to analyze the effect of moderator *Shari'ah* and Non-*Shari'ah* Compliant Companies (TYPE) on the relationship between Exogenous (Debt Ratio) and Endogenous (ROA) in Structural Model 2a in Table 4 and Figure 2. The result showed that the interaction term of *Shari'ah* and Non-*Shari'ah* Compliant Companies and Leverage (TYPE*DR) ($\beta = -0.133$, $p < 0.05$) have a significant negative relationship with performance (ROA) where the variance R^2 improves to 27.6% with R^2 change increased to 1.2%. The result shows that the existence of *Shari'ah* and Non-*Shari'ah* Compliant Companies (TYPE) significantly moderates the relationship between leverage (DR) and firm performance (ROA) of Malaysian Companies. Therefore H2a is supported.

Structural Model 2b in Table 4 and Figure 2 analyze the effect of moderator *Shari'ah* and Non-*Shari'ah* Compliant Companies (TYPE) on the relationship between Exogenous (Debt Ratio) and Endogenous (ROE). The result showed that the interaction term of *Shari'ah* and Non-*Shari'ah* Compliant Companies and Leverage (TYPE*DR) ($\beta = -0.329$, $p < 0.01$) have a significant negative relationship with performance (ROE) where the variance R^2 improves from 15% to 21.8% at R^2 change improved to 6.8%. The result shows that the existence of *Shari'ah* and Non-*Shari'ah*

Compliant Companies (TYPE) significantly moderates the relationship between leverage (DR) and firm performance (ROE) of Malaysian Companies.

The hypothesis H2b is supported in this study. In order to understand the effect of *Shari’ah* and Non- *Shari’ah* Compliant Companies on the relationship between Leverage and Performance a Line Graph were plot in Figure 3 and 4.

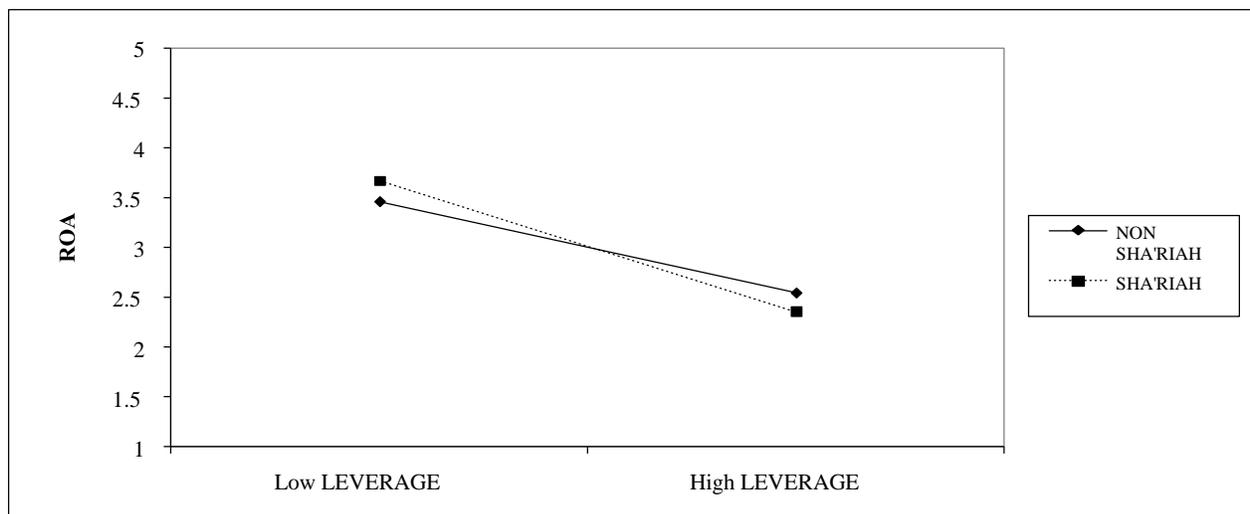


Figure 4: Moderating Effect of Shari’ah and Non-Shari’ah Compliant Companies on the Relationship between Leverage (DR) and Performance (ROA)

The graph above shows that *Shari’ah* and non- *Shari’ah* compliant companies have a negative relationship between leverage proxy by TDR and performance proxy by ROA. The *Shari’ah* and non-*Shari’ah* compliant companies will achieve a high performance when the level of leverage becomes lower. However, the *Shari’ah* compliant companies showed a strong negative relationship between leverage and performance compared to non-*Shari’ah* companies. This finding supports hypothesis H2a in Table 6. The study indicates that the negative relationship between DR and ROA would be stronger for *Shari’ah* compliant companies compare to noncompliant companies.

Table 6: Summary of the Finding between Moderator and Performance (ROA)

Hypothesis	Relationship	Decision
H2a	TDR * TYPE -> ROA	Significant

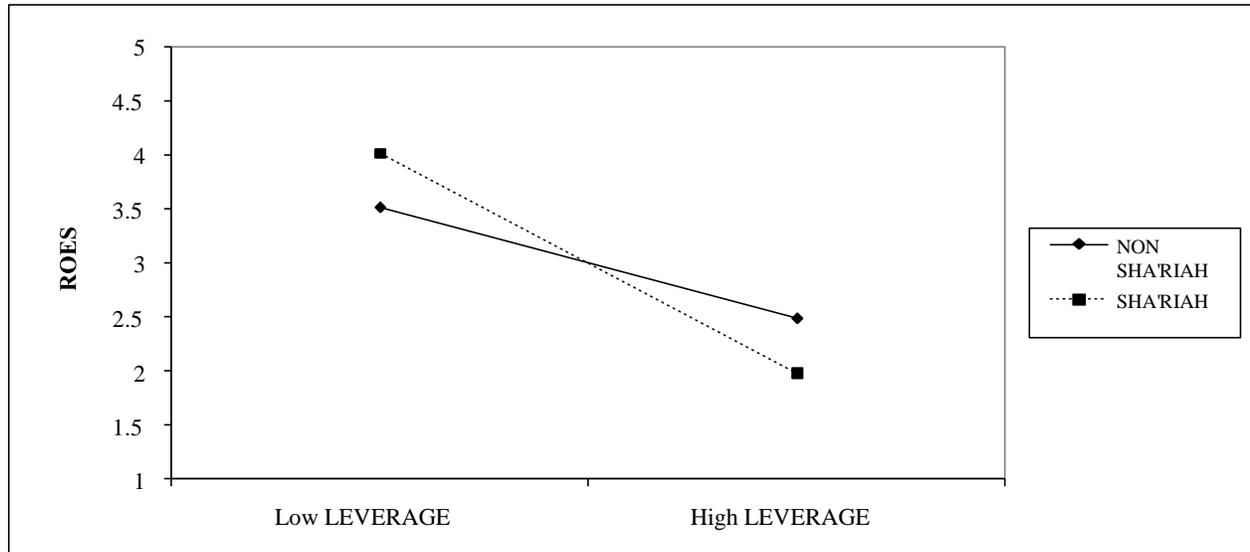


Figure 5: Moderating Effect of *Shari’ah* and Non-*Shari’ah* Compliant Companies on the Relationship between Leverage (DR) and Performance (ROES)

The second graph above shows that *Shari’ah* and non-*Shari’ah* compliant companies have a negative relationship between leverage proxy by TDR and performance proxy by ROES. The *Shari’ah* and non-*Shari’ah* compliant companies will achieve a high performance when the level of leverage becomes lower. The *Shari’ah* compliant companies showed a strong negative relationship between leverage and performance. This finding supports hypotheses H2b in Table 7. The study indicates that the negative relationship between DR and ROES would be stronger for *Shari’ah* compliant companies compared to non-compliant companies. Therefore it can be concluded that *Shari’ah* compliant company performed better in a low leverage situation and show a weak performance when the leverage is high compared to non- *Shari’ah* compliant companies.

Table 7: Summary of the Finding between Moderator and Performance (ROE)

Hypothesis	Relationship	Decision
H2b	TDR * TYPE -> ROE	Significant

Based on the final empirical evidence mentioned above, it can be concluded that capital structure or leverage have a significant negative relationship with performance which consistent with the pecking order theory developed by Stewart C. Myers and Nicolas Majluf in 1984. Therefore hypothesis H3 accepted (refer Table 8). This finding is in line with Yau et al. (2008), and Huson &

Nazul (2009) studied which clarified that pecking order theory but not the tradeoff theory in defining the choice of capital structure decision style. Khairunisah et. al. (2006) survey also clarified the same result when 65.4% of 790 Chief Financial Officers (CFOs) of non-finance Malaysian Public Listed companies respond that they follow a financing hierarchy which is the pecking order theory in the company capital structure policy and their finding strengthen our finding when SCC also implement pecking order theory as capital structure policy of the company.

Table 8: Summary of the Finding between Moderator and Performance (ROA)

Hypothesis	Relationship	Decision
H3	The Malaysian companies' do practices the Pecking order Theory when leverage have negative relationship with performance	Significant

Discussion of Findings

The relationship between leverage and financial performance is negative. The implication of this study indicated that the higher the leverage will affect the company performance. This finding is in line with those of Shyam-Sunder and Myers (1999); Yau, Lau and Liwan (2008); and, Khairunisah, Fauzias and Izani (2006) which are all consistent with the pecking order theory, not the trade-off theory. The negative result is perhaps related to the fact that most of the sampled firms are *Shari'ah* compliant companies which have a maximum limit of leverage in line with *Shari'ah* provisions. Similarly, the investments in such companies are financed internally rather than using external borrowed funds.

Table 9: Summary of All the Hypotheses

Hypothesis	Description	Result
H1a	DR has a negative relationship with ROA	Supported
H1b	DR has a negative relationship with ROES	Not Supported
H2a	The negative relationship between DR and ROA would be stronger For <i>Shari'ah</i> compliant companies compare to non- <i>Shari'ah</i> compliant companies.	Supported
H2b	The negative relationship between DR and ROES would be stronger for <i>Shari'ah</i> compliant companies compare to non- <i>Shari'ah</i> compliant companies	Supported

H3 The Malaysian companies' do practices the Pecking order Theory Supported when leverage have negative relationship with performance

Hypothesis H2a and H2b clarified that *Shari'ah* and non-*Shari'ah* compliant companies have a significant effect on the relationship between leverage (DR) and performance (ROA and ROE). Hence, when a company needs for financing capital, it should look for equity capital first and then consider debt only for the insufficient part. Findings of this research confirm that the more highly levered firm would face a low level of financial performance. Therefore managers should never underrate the importance of formulating business strategy. The negative relationship between leverage and performance is consistent with a number of previous literature such as Zuraida (2009); Philips and Sipahioglu (2004) and Grossman and Hart (1986). We recommended that the policymakers should minimize their leverage ratio within the limit allowed by the rules and regulation.

Given the conflicting views of researchers regarding the nature of the relationship between leverage on performance, this study takes a stand based on the empirical evidence. The outcome of this study confirmed that the leverage is inversely related to performance, and, this is consistent with the Pecking order theory. Furthermore, this finding corroborates those of ShyamSunder and Myers (1999) who were the pioneer in introducing the Pecking Order Theory in management finance research.

Limitations and Directions for Future Research

This study, just as other studies, has faced with certain constraints, and, therefore, the findings should be adopted with caution. For instance, due to the large sample, a cross-sectional data was used for the study instead of longitudinal. Given the nature of variables investigated in this research such as leverage and performance, changes in economic condition over time could affect them. Therefore, it is hereby recommended that future research should focus on the use of longitudinal data as this would reveal all the possible changes that economic condition can cause over time.

Conclusion

Based on the extant literature review, a conceptual model was developed and subsequently tested using secondary data of listed companies on Bursa Malaysia. Consequently, the following conclusions were drawn: First, leverage has a significant negative effect on the performance (ROA)

but not ROE. However, the overall empirical result clarified the *Shari'ah* compliant companies showed a strong negative effect on the relationship between leverage and both performance indicator (ROA and ROE) compared to non- *Shari'ah* compliant companies. Finally, it can be concluded that most of the Malaysian companies prefer to follow the pecking order theory rather than trade-off theory as the choice of capital structure decision style because they believe that the low leverage will increase the company performance in the long run.

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Adakah Gaya Kepemimpinan Transformasi Memberi Kesan Keatas Keseimbangan Kerja dan Kehidupan?

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Abstract

Guru adalah aset yang penting bagi memastikan sesebuah sekolah mampu untuk berdaya saing dan mencapai visi dan misi yang ingin dicapai. Kualiti kerja dan kehidupan yang baik dikalangan para guru akan memberikan kebaikan secara langsung kepada sekolah dan juga kepada guru itu sendiri. Namun, konflik antara kerja dan kehidupan akan memberikan kesan secara langsung kepada prestasi kerja dan juga kesihatan mental serta fizikal yang mana memberikan kesan negatif kepada tanggungjawab kerja dan tanggungjawab peribadi. Peranan yang dimainkan oleh pengetua adalah penting dalam memastikan tuntutan kerja dan keperluan peribadi dapat dipenuhi, dengan konflik yang semimumimum mungkin di antara kerja dan kehidupan peribadi. Pengetua berperanan dalam memberikan sokongan secara langsung kepada para guru bagi memastikan konflik antara kerja dan hal peribadi dapat diuruskan dengan baik bagi mewujudkan kesejahteraan kehidupan para guru. Kertas cadangan konsep ini kemudiannya akan diikuti oleh satu ujian empirikal di lapangan bagi menentukan perhubungan dan pengaruh gaya kepemimpinan transformasi pengetua ke atas keseimbangan kerja dan kehidupan guru-guru.

Kata kunci: *kepemimpinan transformasi, keseimbangan kerja dan kehidupan, pengetua, guru*

Pengenalan

Kewujudan guru adalah penting dalam sesebuah sekolah. Kewujudan mereka adalah penting berperanan dalam mencapai matlamat sekolah. Bagi sesebuah organisasi sekolah, guru memainkan peranan dalam mencapai visi dan misi pendidikan negara. Sektor pendidikan adalah tidak akan lengkap tanpa adanya guru yang berperanan dalam mendidik anak bangsa. Peranan guru sebagai tunjang utama dalam memperkasakan dan memajukan bidang pendidikan di negara

ini sememangnya tidak dapat dinafikan lagi. Kerana mereka adalah aset yang penting dalam membangunkan negara (Erdamar & Demirel, 2016).

Dalam arus pendidikan negara kini, peranan guru bukan hanya mengajar di bilik darjah tetapi juga di luar waktu persekolahan (Tajulashikin, Fazura, & Mohd Borhan, 2013). Ini menunjukkan bebanan kerja guru juga makin meningkat. Guru-guru dibebankan dengan tugas-tugas yang tidak berkaitan dengan proses pengajaran dan pembelajaran seperti menghadiri mesyuarat, aktiviti ko-kurikulum, mengendalikan program-program pelajar, mengurus karenah dan kebajikan pelajar, serta tugas-tugas pentadbiran (Lemaire, 2009). Bagi memenuhi taraf pendidikan yang tinggi, para guru semakin tertekan dalam menghadapi pelaksanaan pelbagai reformasi dalam sistem pendidikan negara (Tajulashikin et al., 2013). Sebagai contoh proses transformasi Pelan Pembangunan Pendidikan Malaysia (PPPM) 2015-2025 yang mana merangkumi aspek kualiti pengajaran, kualiti perkhidmatan, kualiti kurikulum, kualiti penilaian dan persijilan, kualiti perkembangan dan kebajikan pelajar, kualiti persekitaran budaya pelajar dan organisasi, kualiti penyeliaan, kualiti mentoring, dan kualiti perkembangan guru. Menurut kajian yang dilakukan oleh Pusat Kesihatan, Universiti Kebangsaan Malaysia pada tahun 2011 mendapati bahawa tahap stres guru di Malaysia adalah ke tiga tertinggi selepas badan beruniform. Tekanan yang dihadapi seterusnya akan memberikan kesan kepada emosi, fizikal guru, dan psikosomatik (Nobile & McCormick, 2005). Ini secara langsung mempengaruhi keseimbangan kerja dan kehidupan di kalangan guru dan menjadi cabaran yang besar dalam dunia hari ini (Goud & Nagaraju, 2013). Keseimbangan di antara kerja dan kehidupan menjadi isu global (Mohd Noor, Stanton, & Young, 2009) pada masa kini disebabkan oleh perubahan kepada tuntutan kerja, persekitaran kerja global, dan piawaian kerja antarabangsa. Para guru yang terbeban dengan pelbagai bebanan samada tuntutan kerja atau pun peribadi pasti akan menghadapi masalah dalam menguruskan kerja dan hal peribadi. Seterusnya menyumbang kepada kegagalan pengurusan keperluan kerja dan juga tuntutan peribadi.

Sorotan Karya

Keseimbangan Kerja dan Kehidupan

Keseimbangan kerja dan kehidupan adalah suatu keseimbangan di antara kerja dan aktiviti kehidupan yang dilakukan diluar daripada urusan kerja (Guest, 2002). Manakala Clark (2000) mendefinisikan keseimbangan kerja dan kehidupan sebagai suatu kepuasan dan pembahagian yang baik di antara kerja dan hal peribadi dengan konflik peranan yang minimum. Voydanoff (2005) menyatakan keseimbangan kerja dan kehidupan adalah suatu penilaian global yang mana daya kerja memenuhi keperluan keluarga dan daya keluarga memenuhi keperluan kerja yang

mana penglibatan timbal balik yang berkesan. Sama juga dengan definisi oleh Greenhaus dan Allen (2006) iaitu penilaian seseorang individu ke atas keberkesanan dan kepuasan terhadap kerja dan juga kehidupan keluarga. Maka keseimbangan kerja dan kehidupan adalah suatu peruntukan masa yang baik di antara kerja dan hal kehidupan peribadi yang mana memberikan kepuasan kerja juga kepuasan kepada kehidupan peribadi dengan atau tanpa konflik yang minimum.

Keseimbangan di antara kerja dan kehidupan adalah penting bagi seseorang pekerja. Pada masa sekarang cabaran dalam menyeimbangi di antara kerja dan kehidupan adalah mencabar. Jika seseorang itu memberikan lebih perhatian pada suatu sisi samada kerja mahu pun keluarga, satu sisi lagi pasti akan terabai. Apabila permintaan kepada kerja atau urusan peribadi diperlukan ia secara langsung mewujudkan situasi yang tidak seimbang seterusnya membentuk konflik kerja dan keluarga. Konflik keseimbangan antara kerja dan kehidupan akan memberikan kesan negatif kepada pihak lain (Greenhaus, Collins, & Shaw, 2003) samada organisasi mahupun kepada keluarga. Kegagalan menguruskan keseimbangan di antara kerja dan kehidupan dengan baik akan memberikan kesan yang negatif antaranya ketidakhadiran kerja, kurang komitmen di tempat kerja, kualiti kerja rendah, produktiviti rendah, kurang kreativiti dan inovasi, tekanan, konflik di dalam keluarga, dan perceraian (Borkowska, 2010; Joseph, Thomas, Antonio, Lourdes, Bless, Micheal, et al., 2007; Carmen & Margeret, 2000; Greenhaus & Kopelman, 1981).

Banyak kajian yang melihat kepada faktor yang menyumbang kepada keseimbangan kerja dan kehidupan antaranya; sokongan organisasi (Kumurasamy, Faizuniah & Mohd Faizal, 2015; Sturges & Guest, 2004; Allen, 2001), sokongan keluarga (Greenhaus, Ziegert & Allen, 2012), budaya kerja (Clark, 2001), kepuasan kerja (Erdamar & Demitel, 2016; Smith, Smith & Brower, 2010), jam bekerja (Huffman, Culberston, Hening & Goh, 2013; Gohila & Muthumeen, 2016), budaya organisasi (Adisa, Mordi & Osabutey, 2017). Jam bekerja adalah faktor yang signifikan dalam mengurus dan mencapai matlamat keseimbangan kerja dan kehidupan (Mubeen & Rashidi, 2014). Hal ini kerana, jam kerja yang berlebihan akan menyebabkan ketidakseimbangan pengurusan hal peribadi dan kehidupan sosial (Bielby, 1992). Jam kerja yang panjang tanpa fleksibiliti dan kebolehsuaian akan menghasilkan pengurusan keseimbangan kerja dan kehidupan yang bermasalah (Walter, 2012). Seterusnya mengganggu kepada keseimbangan di antara kerja dan kehidupan.

Sorotan karya menekankan kepentingan kepada sokongan formal dan tidak formal dalam keseimbangan kerja dan kehidupan (Adisa, Mordi, & Osabutey, 2017). Para penyelidik berhujah bahawa sokongan penyelia/ketua adalah penting dalam menyeimbangi di antara kerja dan kehidupan (Ferguson, Carlson, Zivnuska, & Whitten, 2012; Ayman & Antani, 2008). Hal ini kerana, ia dapat membantu dalam menguruskan tuntutan kerja dan kehidupan peribadi dengan lebih baik disebabkan oleh mendapat sokongan daripada mereka yang sepatutnya.

Gaya Kepemimpinan Transformasi

Kepemimpinan transformasi yang di perkenalkan oleh James MacGregor Burns pada tahun 1978 (Khunert & Lewis, 1987) mendapat perhatian di dalam banyak kajian kepemimpinan berkaitan organisasi. Menurut Burns (1978) kepemimpinan transformasi ditakrifkan sebagai suatu kepemimpinan yang membentuk visi organisasi untuk memberikan motivasi dan inspirasi kepada pengikut. Kepemimpinan transformasi sebagai agen perubahan dalam menyemai visi organisasi kepada pengikut (Burns, 1978) dan kemampuan pemimpin dalam mempengaruhi pengikut/pekerja (Avolio & Bass, 2004). Seterusnya teori ini mendapat perhatian Bass (1985) yang mana beliau memperjelaskan lebih lanjut berkaitan teori kepemimpinan transformasi. Teori kepemimpinan transformasi oleh Bass adalah teori yang paling dikaji secara meluas dalam teori-teori kepemimpinan (Parry & Proctor-Thomsom, 2002; Eisenbach, Watson & Pillai, 1999). Beliau menyimpulkan bahawa terdapat empat dimensi dalam kepemimpinan transformasi. (Bass & Avolio, 1994). Antara empat dimensi tersebut adalah karisma, motivasi inspirasi, ransangan intelektual, dan pertimbangan individu.

Dimensi karisma adalah apabila pengikut percaya, bermotivasi dan terinspirasi dan dibentuk oleh adab atau budi pekerti yang ada pada seorang pemimpin (Bono & Judge, 2004; Stone, Russell, & Patterson, 2003). Juga seorang pemimpin yang dikagumi, dihormati dan dipercayai (Bass, Avolio, Jung, & Berson, 2003). Pemimpin juga harus mempertimbangan keperluan pengikut tanpa mengorbankan faktor etika (Bass & Avolio, 1994). Pemimpin seperti ini yang menunjukkan suatu tahap tingkahlaku moral dan etika yang tinggi akan menarik pengikutnya meniru cara tingkahlaku yang unggul di tempat kerja (Northouse, 2015). Dengan sifat karisma yang ada pada seseorang pemimpin, pemimpin akan mewujudkan visi dan misi di dalam organisasi, menanam rasa bangga di dalam diri setiap pengikutnya, mewujudkan kepercayaan serta penghormatan dalam diri setiap pengikut, yang mana mampu menggerakkan pengikut untuk mencapai perubahan yang diinginkan.

Dimensi motivasi inspirasi adalah keupayaan untuk mempengaruhi organisasi untuk mengikuti idea baru yang diinginkan oleh pemimpin. Pemimpin yang mempunyai sifat kepemimpinan transformasi mampu untuk menjelaskan hala tuju ke hadapan, mampu untuk membawa pengikut mendalami erti pekerjaan, dan meletakkan sasaran yang terbaik untuk di capai bersama. Pemimpin yang mempunyai sifat kepemimpinan transformasi menggalakkan pengikut untuk menjadi sebahagian daripada budaya dan persekitaran organisasi (Kelly, 2003; Stone, Russell, & Peterson, 2003). Perkara tersebut mungkin melalui ucapan dan perbualan yang memberikan motivasi kepada pengikut, serta penampilan yang berbentuk optimis dan bersemangat juga merangsang rakan sekerja serta budaya kerja berpasukan (Simic, 1998). Pemimpin yang

mempunyai sifat kepemimpinan transformasi merangsang pengikut dengan perantaraan berbentuk perkataan, frasa, ataupun slogan (Robbins, 2003).

Dimensi ransangan intelektual didefinisikan sebagai tindakan pemimpin yang menggalakkan pengikutnya mencabar imaginasi dan membentuk sifat inovasi untuk mencari pendekatan dan menyelesaikan masalah tanpa terikat dengan peraturan biasa (Bono & Judge, 2004; Kelly, 2003; Bass & Avolio, 1994). Dengan menggunakan ransangan intelektual pemimpin mampu untuk menarik perhatian pengikut dengan memberikan ruang dan peluang kepada pengikut untuk menggunakan imaginasi dan inovasi dalam menyelesaikan masalah terutamanya dalam bidang kerja. Seseorang pemimpin harus melihat sesuatu masalah daripada sudut yang berbeza bagi mengemukakan penyelesaian yang mana belum pernah dilakukan sebelum ini (Bass & Avolio, 1994). Tanpa merasa takut idea baru dan kontroversi akan dipersendakan (Stone, Russell, & Patterson, 2003). Hanya pemimpin yang mempunyai sifat kepemimpinan transformasi sahaja yang ada kemampuan untuk meningkatkan tahap inovasi dan imaginasi di dalam diri pengikut mereka (Strange & Mumford, 2002; Keller, 1992).

Dimensi pertimbangan individu ialah suatu tindakan yang di ambil oleh pemimpin dalam memberikan perhatian secara personal kepada setiap pengikutnya. Peranan sebagai mentor dan jurulatih yang ada dalam pemimpin transformasi adalah bertujuan untuk membangunkan setiap orang di dalam kumpulannya (Bass & Riggio, 2006). Sebagai pemimpin yang mempunyai sifat pertimbangan individu, seseorang pemimpin itu harus membina hubungan secara personal dengan setiap ahli kumpulan dan berinteraksi secara individual bagi memenuhi keperluan dan jangkaan para pengikutnya (Bass & Avolio, 1994). Ini menunjukkan pemimpin transformasi mampu membina hubungan yang baik dengan pengikut serta berusaha untuk memenuhi keperluan dan jangkaan para pengikut secara personal. Selain itu, pengikut mampu menikmati faedah secara individu dalam memenuhi visi organisasi (Behling & McFillen, 1996).

Hubungan di antara Keseimbangan Kerja dan Kehidupan dan Gaya Kepemimpinan Transformasi

Pengetua yang memiliki gaya kepemimpinan transformasi memiliki tahap motivasi dan semangat kerja yang lebih tinggi serta kerjasama, dan membawa perubahan matlamat, dan memenuhi keperluan para guru. Yang mana mampu meningkatkan prestasi pengikut (guru) (Bass, 1985). Disamping mampu membina visi dan memberikan motivasi kepada para guru. Mereka juga mampu untuk menyatakan visi realistik masa depan yang boleh dikongsi, merangsang para guru secara intelektual, dan memberi perhatian kepada perbezaan di kalangan para guru. Disamping

pengetua yang memiliki gaya kepemimpinan transformasi berdepan dengan cara bagaimana untuk menangani masalah tekanan di kalangan pengikut (guru) (Bass, 1998). Ini secara langsung dapat memberikan ruang kepada perkongsian matlamat serta masalah secara personal yang mana dapat membantu para guru untuk menyeimbangi di antara tuntutan kerja dan juga tuntutan peribadi.

H1: Gaya kepemimpinan transformasi pengetua mempunyai hubungan positif yang signifikan dengan keseimbangan kerja dan kehidupan para guru.

Metodologi Kajian

Kajian ini memilih para guru di sekolah menengah harian biasa yang berstatus Sekolah Kluster Kecemerlangan (SKK). Keseluruhan 21 buah sekolah di pilih di empat buah negeri iaitu Negeri Perlis, Kedah, Pulau Pinang, dan Perak. Pemilihan SKK kerana tugas guru di SKK bertambah adalah disebabkan oleh matlamat untuk mencapai status Sekolah Berprestasi Tinggi (SBT). Terdapat sebanyak 1,710 orang guru di ke empat negeri tersebut. Yang mana saiz sampel kajian hanya melibatkan 317 responden mengikut jadual saiz sampel daripada Krecjie dan Morgan (1970). Oleh yang demikian, penyelidik memilih sebanyak 317 sebagai sampel saiz untuk kajian ini. Selain daripada itu, jumlah responden ($n = 317$) telah memenuhi dan melebihi saiz sampel yang dikira berdasarkan perisian G*Power iaitu 138 orang dengan nilai $\alpha = .05$ (satu hujung), kesan saiz = 0.15 (sederhana) dan kuasa sebenar (*actual power* atau $1 - \beta$) ujian statistik inferensi bernilai 0.95.

Borang soal selidik diletakkan di pejabat sekolah untuk diedarkan kepada para guru di sekolah berstatus Sekolah Kluster Kecemerlangan (SKK). Responden adalah para guru yang tidak memegang jawatan pentadbiran (contoh: penolong kanan). Ini bagi memastikan ciri-ciri tugas adalah sama jika dibandingkan dengan guru-guru yang memegang jawatan pentadbiran yang mempunyai tugas tambahan yang lain. Selain daripada itu, responden juga mestilah mereka yang berkhidmat lebih daripada 2 tahun di sekolah tersebut. Ini bagi memastikan para responden betul-betul mengenali gaya kepemimpinan yang dibawa oleh pengetua di sesebuah sekolah. Oleh yang demikian, kajian ini adalah untuk melihat gaya kepemimpinan pengetua memberi kesan kepada keseimbangan kerja dan kehidupan para guru di sekolah berstatus Sekolah Kluster Kecemerlangan (SKK).

Instrumen untuk keseimbangan kerja dan kehidupan adalah merupakan soal selidik soalan Work Interference with Personal Life (WIPL) yang dibangunkan oleh Fisher-McAuley, Stanton, Jolton,

dan Gavin (2003) dan telah di tambahbaik oleh Hayman (2005). Instrumen asal WIPL mengandungi 19 soalan untuk menilai tiga dimensi keseimbangan kerja dan kehidupan iaitu dimensi gangguan kerja dan kehidupan peribadi (*work interference with personal life*), kehidupan peribadi mengganggu kerja (*personal life interference with work*) dan kerja/peningkatan kehidupan peribadi (*work/personal life enhancement*). Nilai kebolehpercayaan Cronbach Alpha adalah di antara $\alpha = 0.77 - 0.90$. Manakala instrumen untuk gaya kepemimpinan transformasi pula adalah di ambil daripada *Multiple Factor Leadership Questionnaire* (MLQ) (Bass & Avolio 1995). Soal selidik ini mengandungi 20 soalan yang mana merangkumi empat dimensi iaitu karisma, bertimbang rasa secara individu, merangsang intelek, dan motivasi inspirasi. Nilai kebolehpercayaan Cronbach Alpha adalah $\alpha = 0.93$. Kajian ini menggunakan skala Likert 5 mata julat.

Kesimpulan dan Kajian Masa Hadapan

Kajian ini bertujuan untuk menyelidik hubungan di antara gaya kepemimpinan transformasi dengan keseimbangan kerja dan kehidupan. Hasil dapatan kajian ini dapat menyumbang secara komprehensif dan memberikan pemahaman yang lebih mendalam terhadap keseimbangan kerja dan kehidupan. Di samping dapat menambahkan lagi karya literatur berkaitan dengan isu keseimbangan kerja dan kehidupan terutamanya dalam sektor pendidikan.

Tinjauan literatur berkaitan gaya kepemimpinan dan keseimbangan kerja dan kehidupan masih agak sukar untuk ditemui terutamanya dalam konteks Malaysia. Kebanyakan kajian melihat kepada karekteristik kerja dan sokongan sosial. Secara khususnya, adalah diharapkan kajian ini mampu menyumbang kepada kefahaman yang lebih mendalam di antara hubungan gaya kepemimpinan transformasi dan keseimbangan kerja dan kehidupan di kalangan para guru di Malaysia.

Dapatan kajian ini juga boleh digunakan oleh pihak-pihak yang berkepentingan, iaitu Pejabat Pendidikan Daerah, Jabatan Pendidikan Negeri, dan Kementerian Pendidikan Malaysia di mana badan ini memainkan peranan yang penting dalam meningkatkan kualiti kehidupan para guru dan juga kualiti yang harus dimiliki oleh para pengetua di sekolah kerajaan. Kertas kajian ini merupakan satu kajian konsep. Oleh yang demikian, tiada sebarang bukti dapatan kajian diketengahkan. Cadangan kajian sebenar di lapangan yang akan dijalankan kemudian akan mengesahkan model kajian ini dengan bukti-bukti hasil dapatan secara empirikal berhubung dengan perhubungan di antara gaya kepemimpinan transformasi dan keseimbangan kerja dan kehidupan.

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