



Investigating Tendencies of Malaysian Muslims in Islamic Estate Planning: Insight into Its Determinants

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ABSTRACT - Estate planning is one of the crucial elements of managing property during a person's lifetime. It involves both handling and managing property during one's lifetime and after death. For Muslims, the objectives of Shariah, which are known as Maqasid Shariah, can be attained if their finances are planned in a wise and cost-effective manner. Unfortunately, it was reported that frozen inheritance assets have steadily increased from the day of Independence, amounting to RM70 billion in 2020 indicating the seriousness of the matter. The freezing of inheritance property is detrimental to the economy and thus opposes the spirit of Maqasid Shariah which recommends that it should be properly managed for the benefit of the public. This is where estate planning plays its role in ensuring quicker and easier distribution of assets and property. Hence, the objective of this research is to investigate Malaysian Muslims' tendencies in estate management planning and its determinants. A total of 406 respondents throughout Peninsular Malaysia responded to the prepared survey, where the Partial Least Squares Structural Equation Modelling (PLS-SEM) approach was employed as the main data analysis for this study. The findings revealed that altruism, advantages and compliance were significant in influencing tendencies of Malaysian Muslims in Islamic estate planning. Surprisingly, service was found to be an insignificant factor in influencing the tendencies of Malaysian Muslims in Islamic estate planning. This study provides some insights on the role of policymakers and estate planning related industry in ensuring the compliance of estate planning product and increasing the awareness of Muslims to do estate planning by promoting the advantages and importance of doing so. Policymakers are also welcomed to engage in this matter by providing early education on Islamic estate planning among Muslims in Malaysia.

ARTICLE HISTORY

Received: 20th February 2021

Revised: 5th September 2021

Accepted: 8th September 2021

Published: 1st December 2021

KEYWORDS

Heirs, Islamic estate planning, partial least squares, religiosity, service

INTRODUCTION

In Islam, the wealth of the deceased is distributed using the *faraid* system. The administration of wealth and assets after a person's death to his or her heirs is governed by *faraid* under Islamic law, the principles of which are found in the Holy Quran and the hadith or tradition of the Messenger of Allah. In Malaysia, the *faraid* system has been applied to deceased Muslims and their families since long ago. However, according to a recent statistical report from Amanah Raya Berhad, RM70 billion worth of properties in Malaysia have been frozen from being distributed to any receivers (Borneo Post Online, 13 June 2020) due to several reasons. Among the reasons for the undistributed properties are awareness of the heirs, cost of property claims and legal restrictions. This is evidenced based on a report by the Government of Malaysia that only 60.6%¹ cases in 2017 (including balance at the beginning of the year) were solved within the year.

In Islam, there are other tools such as will (*wasiyah*) and *hibah*, which have been proposed to provide a solution to the issue of undistributed wealth in Malaysia. However, based on Shariah rule, only one third of a Muslim's property can be distributed using a will, and it can only be distributed to non-heirs. Due to this issue, *hibah* has been suggested as an alternative for Muslims to bequeath their wealth. *Hibah* can be defined as an intentional transfer of assets by a person acting as benefactor to the recipient of said assets during the benefactor's lifetime. The Islamic estate planning in Malaysia has shown an increasing trend in terms of the use of *hibah* to facilitate Muslims' needs in managing their estates; however, there are still many Muslims who do not plan for distribution of their property in advance during their lifetime. Consequently, the amount of undistributed inheritance continues to increase every year. Hence, it is crucial to investigate the behavior of Malaysian Muslims in the matter of Islamic estate management planning. The objective of this research is therefore to investigate Muslim's tendencies in Malaysia in the matter of Islamic estate planning, and further examine the determinants of their behavior. The outcome of this study may help to hinder the problem of frozen wealth belonging to Muslims in Malaysia by recommending possible actions to be taken by the relevant authorities in encouraging Malaysian Muslims to plan for their wealth in the future.

LITERATURE REVIEW

It can be said that estate planning according to Islamic law is uncommon for Muslims in Malaysia and not the norm in general. Ismail et al. (2013) stipulates that one reason for this is lack of understanding of what it is and what it entails. A number of Muslims perceive estate planning to be something that you only do if you are rich, and that it is inconsequential if you are not. Although Islam has provided a number of estate management tools for Muslims, the problems of estate management are still prevalent. According to a statistical report in 2006, there is an estimated of over a million cases in Malaysian estate claims valued at RM38 billion still outstanding due to not being managed by the beneficiaries (Ahmad & Laluddin, 2010; Mujani et al., 2011,2012). Other agencies and financial institutions only add to these cases, such as unclaimed monies in Amanah Raya Berhad (ARB) and the Employee Provident Fund (EPF). According to another statistical report from 2011, 500,000 people should have received and benefited from approximately RM42 billion in frozen assets, but did not (Mujani et al., 2012).

There is an alarming upward trend in unsolved cases of distribution of Muslims' wealth, where in 2015, the amount in frozen estate reached RM60 billion, an amount which was at the time expected to increase annually. The reason for the rising number of these cases is that the Muslim community in general does not possess the right instruments to help them resolve this issue, hence the need for other ways to distribute estates belonging to Muslims. One such way is Islamic estate planning, which may be construed as applying Islamic law and principles to comprehensively develop a plan to manage the distribution of an individual Muslim's estate, and to achieve that person's specific financial objectives (Omar, 2006; Noordin et al., 2012). The

¹35,909 balance of cases reported at the beginning of 2017, 60,307 cases received in 2017, 58,281 solved in 2017. (http://www.data.gov.my/data/ms_MY/dataset?q=pusaka)

process of wealth and assets distribution takes considerable time and expense, therefore the objective of estate planning is to minimize cost and save the family from difficulty (Mujani et al., 2011). It is important to note that avoiding *faraid* is not a reason for estate planning, although there are few problems in the administration of *faraid* (eg. Salleh & Mahamood, 2019).

Estate planning according to Islamic principles considers planning for the duration of one's lifetime and for after that person's death (Muda & Awang et al., 2006; Omar, 2006; Awang, 2008). The most significant tool in Islamic estate planning after death for Muslims in Malaysia other than *faraid* is *wasyyah* or will (Alma'amun, 2010). On the other hand, the key instrument for estate planning during one's lifetime is *hibah*, which also serves as a resolution to the issue of frozen estates.

Hibah is literally Arabic for 'gift made inter-vivos', and may be defined as a voluntary method of bequeathing wealth to another party (Cox & Rank, 1992; Albertini & Radl, 2012). The motives behind an act of inter-vivos are primarily exchange (Cox & Rank, 1992; Norton & Van Houtven, 2006) followed by altruistic motives (Halvorsen & Thoresen, 2011). Researchers have determined secondary motives to include financial protection, philanthropy, duty to the family (Norton & Van Hutten, 2006), selfishness (Nordblom & Ohlsson, 2011), to signify status (Albertini & Radl, 2012), and fair distribution (Halvorsen & Thoresen, 2011). Based on the number of unresolved issues of estate management in Malaysia, there is an urgent call for practical Islamic estate management planning in the country. This research will attempt to investigate the tendencies of Malaysian Muslims in their Islamic estate planning and further examine the determinants of their behavior.

Based on the researcher's review of existing research, the majority of the studies focus more on specific instruments instead of estate planning as a whole. From the previous studies, there are many determined factors that influence Muslims to utilise estate planning tools. We grouped the determinants into 4 main factors, namely: services, altruism, compliance/religiosity and advantages. Studies by Mohd Said and Saad (2016); Noordin et al. (2016); Ahmad Sokri et al. (2016) indicate that service plays an important role in influencing Muslims to make estate planning. This factor is measured by the quality of the service provided by the institutions, easiness of the process, less complexity (in terms of documentation) and low cost. Alma'amun (2013) posited that inefficiency of the services provided by various institutions arise because of human and cost factors. Complexity caused by documentation and tedious processing contributes to this inefficiency, thus causing detriment to economic activities and the real estate development process (Shafie et al., 2014). High fees charged by certain parties may lead to frozen assets which cannot be claimed by the heirs (Yaacob, 2006).

Another factor found in the previous studies is categorised as the 'altruism' factor. This factor is benchmarked by the total number of children (girls/boys) (Kamarudin & Alma'amun, 2013) and total number of adopted children and state of the family (peaceful vs. hostile) (Noordin, et al., 2013; Daud et al., 2017). Barro (1974) and Becker (1991) concluded that the selfless nature of parents when it comes to their children moves them to voluntarily gift a portion of their wealth as an inter-generational transfer, and whether their children look after them physically or financially is not part of their motivation. Ismail et al. (2013) and Ab Aziz et al. (2014) posited planning an estate using these four tools (*faraid*, *hibah*, *wasyyah* and *waqf*) will avoid family conflicts in the future. This is supported by Ismail et al. (2013) who stated that the right decision by the guardians in planning their estate will secure the future of the beneficiaries.

In terms of compliance or the religiosity factor, the majority of previous studies show a significant relationship between compliance/religiosity and estate planning tools (Muda, 2008; Rahmat, 2009; Nor Muhamad, 2010). Mohd Said and Saad (2016) found that religious values give a high tendency for Muslims to perform *hibah*. Nevertheless, while many studies found that religiosity positively influences Muslims to make wills (*wasyyah*) (e.g. Abd. Wahab et al., 2019), Alma'amun (2010) in his study found that the practice of drawing up a will (*wasyyah*) bore no substantial connection to *religiosity* as an influential factor among Muslims.

Another factor which was found to significantly influence Muslims to do planning on their estate is the advantage of the estate planning tools. This factor is explained as by using *hibah* or *wasyyah*, Muslims have the flexibility to choose their own recipient, where there is no constraint and no limit in terms of the amount to be given. In fact, this tool allows the giver to determine the types of property to be given based on the living standards and economic level of the recipients. In case of *wasyyah*, the testator or *wasi* is allowed to dispose his property only up to one-third of the estate, after any debts and expenses have been paid (Puad, et al., 2018; Coulson, 1971; Haqq, 1995). According to the Shariah, one is authorised to make a will or *wasyyah* for one-third of his property to anyone other than his heirs. Therefore, the rights of the legal heirs are not compromised. (Ghul, 2014, 2015; Salisu, 2016)

In addition, with new innovation made to the use of *hibah* nowadays, it allows execution of *hibah* to take place after the demise of the giver (Rahmat, 2009; Abdul Rashid et al., 2013; Ahmad Sokri et al., 2016; Daud et al., 2017). Hence, there are opportunities for the giver to make changes to the *hibah* made during their lifetime. Other advantages were also discussed in the previous literature such as quick distribution, low cost, financial security to the family etc. (Ab. Aziz & Nordin, 2015).

Based on the review of past literature, the objective of this research is to determine the extent of the effect these factors have on Islamic estate planning.

METHODOLOGY

As the purpose of this study is to examine the influence of the determinants (services, altruism, compliance and advantages) on the tendencies in Islamic estate planning among Muslims in Malaysia which involves a large sample, the questionnaire has been used as an instrument in this study. The questionnaire was derived based on previous research on Islamic estate planning and also other related research (see Kamarudin & Alma'amun, 2013; Mohd Said & Saad, 2016; Nik Abdullah et al., 2018; Maamor et al., 2020). The respondents in this study were working adult from Peninsular Malaysia. A total of 406 respondents answered the questionnaire which were selected using clustered random sampling technique based on the four (4) regions in Peninsular Malaysia. Thus, the entire sample had equal chance to answer the questionnaire.

The questionnaire was developed in 5 sections where Section A comprise of the background information of the respondents. Section B is on the respondent's preference of Islamic estate planning approach, Section C examines the respondent's basic and technical knowledge on Islamic estate planning (which is not included in this paper), while Section D is information related to respondent's perception towards Islamic estate planning and last section which is Section E is the respondent's views and suggestions on Islamic estate planning. Questions in Section A, B and E comprise of structured, closed-ended and open-ended questions. Meanwhile, Section C has true-false questions where the researcher needed to assess the respondent's answer. Section D was developed in five-point Likert scale ranging from 1 = 'strongly disagree to 5 = 'strongly agree'. The questionnaire has been validated by two experts and gone through a pilot test involving 34 respondents and based on the factor analysis result, it shows that the instruments used for the determinant variables are reliable and valid (KMO is more than 6 point, the Bartlett's Test is significant, the communalities is between 0.5 to 0.9 and the Cronbach Alpha is more than 0.8).

This study analyzed the collected information using partial least square structural equation modeling (PLS-SEM). This model analyzed the determinants which are services (D16-D19), altruism (D12-D15), advantages (D20-D22) and compliance (D1-D6) towards the tendency of Muslim to have estate planning (D7-D11) where those dependent and independent variables measured using the items that are outlined in the questionnaire which is in likert-scale. Since this study employed PLS-SEM model, the convergent validity and discriminant validity were tested before the regression model could be proceeded. Convergent validity were assessed through the loading factors and Average of variance extracted (AVE) value.

RESULTS

Descriptive Analysis of the Respondents

Table 1 displays the respondent's personal data to this study. A total of 406 respondents' demographic profiles are shown in Table 1 below. Based on Table 1, the respondents in this research consisted of 192 males (47.3%) and 214 females (52.7%). In terms of age, most of them are between 36-50 years old (38.7%). With regards to education level, 174 (42.9%) respondents possess a bachelor's degree, Masters or PhD and the second highest SPM category which is 122 (30%). As mentioned earlier in methodology section, the targeted respondents are working adult, therefore in this study most of the respondents have at least bachelor's degree which also in line with their working sector which will have higher pay as well as more intention to do estate planning.

Table 1: Descriptive Statistics of the Respondents

| Variables | Total | Percentage |
|--------------------------------|-------|------------|
| Gender | | |
| Male | 192 | 47.3 |
| Female | 214 | 52.7 |
| Total | 406 | 100 |
| Age | | |
| Less than 35 years | 122 | 30.0 |
| 36-50 years | 157 | 38.7 |
| 51- 65 years | 111 | 27.3 |
| 66 and above | 16 | 3.9 |
| Total | 406 | 100 |
| Education Level | | |
| No Schooling | 1 | 0.2 |
| Primary School | 22 | 5.4 |
| SRP / PMR | 23 | 5.7 |
| SPM | 122 | 30.0 |
| Diploma | 64 | 15.8 |
| Bachelor's degree/ Masters/PhD | 174 | 42.9 |
| Total | 406 | 100 |
| Work Sector | | |
| Government | 200 | 49.3 |
| Private sector | 89 | 21.9 |
| Self-employed | 95 | 23.4 |
| Not working | 22 | 5.4 |
| Total | 406 | 100 |
| Number of Dependents | | |
| Less than 3 people | 229 | 56.4 |
| 4 -7 people | 156 | 38.4 |
| 8 and above | 21 | 5.2 |
| Total | 406 | 100 |
| Members of Household | | |
| Less than 3 people | | |
| 4 -7 people | 110 | 27.1 |
| 8 and above | 249 | 61.3 |
| Total | 47 | 11.6 |
| | 406 | 100 |

| | | |
|------------------------------------|-----|------|
| Work Experience | | |
| Less than 12 years | 174 | 42.9 |
| 13 - 24 year | 126 | 31.0 |
| 25 - 36 year | 90 | 22.2 |
| 37 years and above | 16 | 3.9 |
| Total | 406 | 100 |
| Number of Heirs | | |
| Less than 3 people | 117 | 28.8 |
| 4 -7 people | 217 | 53.4 |
| 8 and above | 72 | 17.7 |
| Total | 406 | 100 |
| Monthly Income | | |
| Less than RM 2,000 | 157 | 38.7 |
| RM2,001 to RM 4,000 | 129 | 31.8 |
| RM 4,001 to RM 6,000 | 74 | 18.2 |
| RM 6, 001 to RM 8,000 | 31 | 7.6 |
| RM 8, 001 and above | 15 | 3.7 |
| Total | 406 | 100 |
| Total of Household Expenses | | |
| Less than RM2,000 | 110 | 58.6 |
| RM2,001 to RM4,000 | 36 | 27.1 |
| RM 4,001 to RM6,000 | 14 | 8.9 |
| RM 6, 001 to RM8,000 | 8 | 3.4 |
| RM8,001 and above | 406 | 2.0 |
| Total | | 100 |

Government servants make up the highest number of respondents, i.e. around 200 (49.3%). The data shows that 229 (56.4%) respondents have less than 3 dependents, thus making them the majority, followed by 4 to 7 people for 156 respondents (38.4 %), and 8 and above for 21 respondents (5.2%). However, for the total number of household members, the data shows that the majority i.e. 249 (61.3%) respondents have 4 to 7 people in their household. The data shows that 174 (42.9%) respondents have less than 1 year's work experience, while for the number of heirs, the majority of respondents [217 respondents (53.4%)] have 4 to 7 heirs. The table also indicates that most respondents have a monthly income of less than RM2000. This is in line with the work experience data, where most of them are still new in the job market. Finally, for household expenses, the data specifies that the majority of the respondents spend less than RM2000 per month [238 respondents (58.6%)] and only 8 respondents (2.0%) spend more than RM8,000 for their household expenses.

Measurement Model

Under the measuring model, there are two types of validity that needs to be assessed, which are convergent validity and discriminant validity. Convergent validity will be assessed through the loading factors and AVE value. Based on the smart PLS diagram, the number on the blue circle will represent the discrepancy value of the variable as explained by the other variable. As for the path coefficient, the digit on each arrow will explain the effect of the variable on the other variable. Additionally, the number on each arrow will also explain the rank of each variable's importance. Refer Figure 1 below.

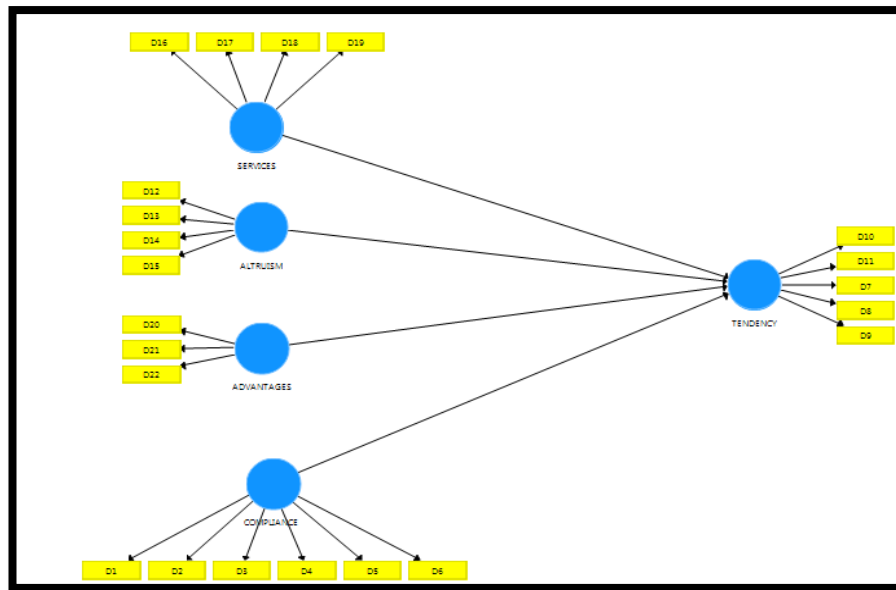


Figure 1: The Original Model

Figure 1 shows the smart PLS modeling path. The model is an original model before running the PLS algorithm. This research uses one dependent variable and four controlled variables. The controlled or independent variables consist of SERVICES, ALTRUISM, ADVANTAGES and COMPLIANCE, while the responding or dependent variable is TENDENCY. After running the PLS algorithm, two items (D17 and D18) under SERVICES and one item (D1) under COMPLIANCE do not meet the rule of thumb and need to be deleted as they do not show the relationship with the latent variable. Table 2 shows the number of deleted items.

Table 2: The Number of Deleted Items

| Indicator | Number of original items | Number of deleted items |
|-------------------|--------------------------|-------------------------|
| TENDENCY | 11 | - |
| SERVICES | 4 | 2 |
| ALTRUISM | 4 | - |
| ADVANTAGES | 3 | - |
| COMPLIANCE | 6 | 1 |

The final research model applied in this paper is indicated in Figure 2, while Table 3 shows the value of the indicator loadings, Composite Reliability (CR) as well as the Average Variance Extracted (AVE). The table clearly illustrates how all loadings exceed what is deemed an acceptable quantity, which is 0.50 (Byrne, 2016). These results show that all the indicator loadings met the acceptable value of the reliability test. Conversely, the composite reliability (CR) provides measurement of the instrument's reliability. The values are ideally 0.7 or more for CR (Fornell & Lacker, 1981). Table 3 clearly shows that the four constructs meet the rule of thumb of composite reliability values; TENDENCY (0.913), ALTRUISM (0.925), ADVANTAGES (0.838) and COMPLIANCE (0.848). On the other hand, the other construct which is SERVICES (0.692) does not meet the requirement (>0.70). Thus, it shows that SERVICES does not have strong internal consistency with TENDENCY. Meanwhile, convergent validity is verified by the Average Variance Extracted (AVE), where a measure of 0.5 or more is adequate. A study of Table 3 shows the AVE measurements exceed 0.5, which means confirmation of convergent validity regarding all constructs.

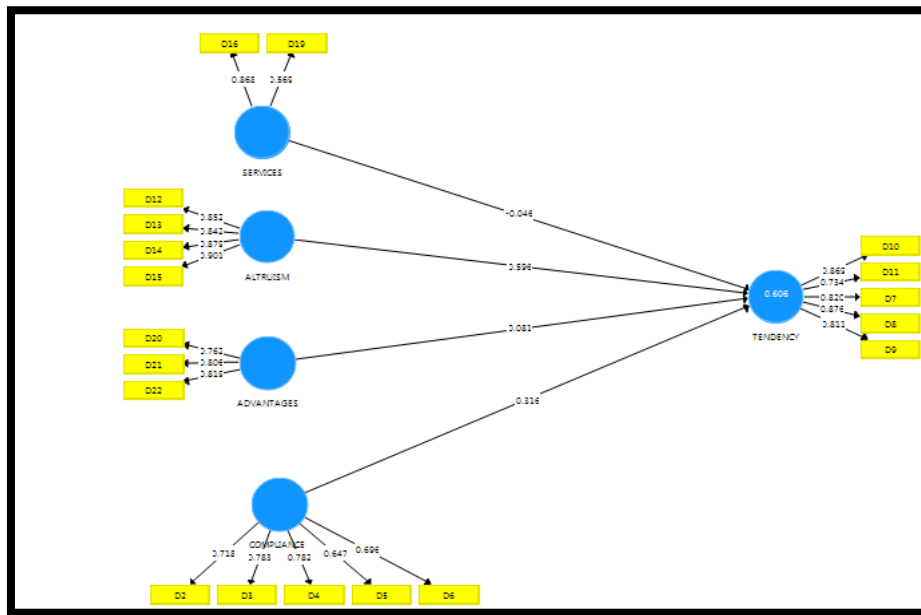


Figure 2: The Final Research Model

Table 3: Measurement Model

| Construct | Items | Loadings | AVE | Composite Reliability |
|-------------------|-------|----------|-------|-----------------------|
| Tendency | D7 | 0.820 | 0.678 | 0.913 |
| | D8 | 0.876 | | |
| | D9 | 0.811 | | |
| | D10 | 0.869 | | |
| | D11 | 0.734 | | |
| Services | D16 | 0.868 | 0.539 | 0.692 |
| | D19 | 0.569 | | |
| Altruism | D12 | 0.852 | 0.775 | 0.925 |
| | D13 | 0.842 | | |
| | D14 | 0.879 | | |
| | D15 | 0.901 | | |
| Advantages | D20 | 0.762 | 0.634 | 0.838 |
| | D21 | 0.806 | | |
| | D22 | 0.819 | | |
| Compliance | D2 | 0.718 | 0.529 | 0.848 |
| | D3 | 0.783 | | |
| | D4 | 0.782 | | |
| | D5 | 0.647 | | |
| | D6 | 0.696 | | |

Discriminant Validity

The Fornell and Lacker analysis was used to determine discriminant validity. Discriminant validity may be confirmed by applying the square root of AVE for every dormant variable. Amongst all

dormant variables, the highest measure should be that of discriminant validity compared to other correlation values. In Table 4, the square root of AVE was computed manually, after which it was recorded diagonally in bold font.

Table 4: Fornell-Lacker Criterion Analysis for Checking Discriminant Validity

| | Advantages | Compliance | Altruism | Services | Tendency |
|------------|--------------|--------------|--------------|--------------|--------------|
| Advantages | 0.796 | | | | |
| Compliance | 0.286 | 0.727 | | | |
| Altruism | 0.273 | 0.396 | 0.869 | | |
| Services | 0.522 | 0.377 | 0.592 | 0.734 | |
| Tendency | 0.310 | 0.558 | 0.716 | 0.469 | 0.823 |

In Table 4, the values in bold represent the AVE’s square roots. The results show successful establishment of discriminant validity of this study, given that the vertical and horizontal values are less than the square roots of AVE for all variables, which means that the correlations of the other constructs is less than the extracted AVE. Hence, these results show that the measurement model’s consistency and significance has been established. Each value meets all the criteria that have been set earlier for the following constructs: validity, reliability, convergent validity and discriminant validity. With that, the second stage may thus commence, which is an assessment of the path coefficient’s significance by analyzing the structural model.

Structural Model

The objective of the next step is the testing of the structural model, which will test the hypothesis. Figure 3 shows the final research model PLS-SEM results. The method known as Bootstrapping can generate T-statistics to test confirmation for both inner and outer models. In this research, 5000 subsamples had been derived from the initial sample with a proxy to provide for typical Bootstrap errors. The regularity of the information is approximated by the Bootstrap findings. Upon completion of the Bootstrapping process, the values under “T-statistics” are checked to determine the significance of the inner model’s path coefficients. By applying the two-tailed t-test, the path coefficient is of note if the T-statistics exceed 1.96 (Hair et al., 2017). Table 5 displays the findings of the Bootstrapping procedure.

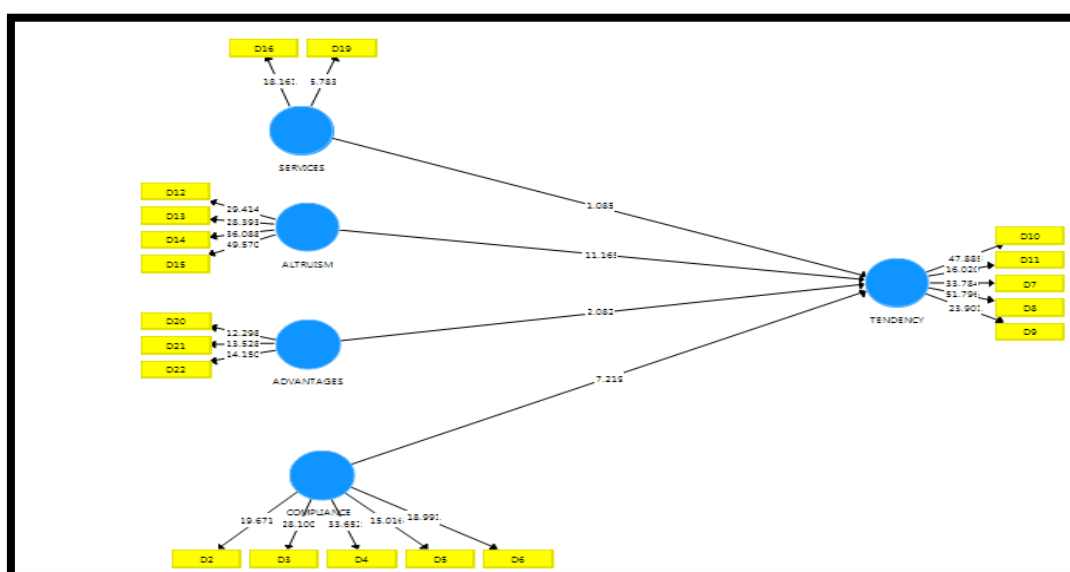


Figure 3: Structural Model of Tendency towards Estate Planning

Meanwhile, Table 5 displays the findings of the Bootstrapping procedure. Table 5 depicts that the value of path coefficient for ADVANTAGES, COMPLIANCE and ALTRUISM measures of the inner model are higher than the acceptable measure of 1.96, shown as follows: 1.9708 (T-stat = 1.9708 > 1.96), 7.3665 (T-stat = 7.3665 > 1.96) and 11.7639 (T-stat = 11.7639 > 1.96) respectively. Based on the results, there are only three supported hypotheses, which are ADVANTAGES, COMPLIANCE and ALTRUISM.

It can therefore be determined based on the results that ADVANTAGES, COMPLIANCE, as well as ALTRUISM are significantly related to TENDENCY for Muslims in estate planning. Table 5 illustrates that ALTRUISM has the largest measure of beta or path coefficient, meaning that the most important factor among them all is ALTRUISM. In other words, ALTRUISM has the biggest impact on TENDENCY among Muslims in estate planning. From the inner model, it may be suggested that ALTRUISM (0.5956) strongly affects TENDENCY the most in estate planning, followed by COMPLIANCE (0.3158), ADVANTAGES (0.0812) and SERVICES (-0.0456).

Table 5: Path Analysis Result

| Relationship/effect | Path coefficient (β) | T statistic | P values | Decision |
|----------------------------------|------------------------------|-------------|----------|---------------|
| Advantages -> Tendency | 0.0812 | 1.9708 | 0.04930 | Supported |
| Compliance -> Tendency | 0.3158 | 7.3665 | 0.0000 | Supported |
| Altruism -> Tendency | 0.5956 | 11.7639 | 0.0000 | Supported |
| Services -> Tendency | -0.0456 | 0.9849 | 0.3252 | Not Supported |

Note: significant at *t-value >1.96

Table 6 displays the values for effect sizes (f^2), coefficient of determination (R^2) and predictive relevance (Q^2). From Table 6, it can be observed that the effect sizes (f^2) for ADVANTAGES (0.0120) and SERVICES (0.0027) are small in generating R^2 meant for TENDENCY. Further, the findings show Compliance (0.2023) had close to an intermediate result in generating the R^2 used for TENDENCY. Lastly, 0.5500 indicates that ALTRUISM greatly affects production of R^2 for TENDENCY.

Table 6: Effect Sizes (F^2), Coefficient of Determination (R^2) and Predictive Relevance (Q^2)

| Relationship/effect | Effect Sizes (f^2) | Coefficient of Determination (R^2) | Predictive Relevance (Q^2) |
|----------------------------------|------------------------|--|--------------------------------|
| Advantages -> Tendency | 0.0120 | | |
| Compliance -> Tendency | 0.2023 | | |
| Altruism -> Tendency | 0.5500 | | |
| Services -> Tendency | 0.0027 | 0.678 | 0.3589 |

Additionally, the findings also show that the coefficient of determination (R^2) is 0.678. This means that the variables in the modelled variables in the analysis explain 67.8% of the variance in tendency towards Islamic estate planning. This 67.8% is clarified by the independent variables as follows: SERVICES, ALTRUISM, ADVANTAGES, and COMPLIANCE; whereas the rest may be explained by the other variables.

The results of this study revealed that three factors significantly influence the tendency of Malaysian Muslims to take part in Islamic estate planning. This is supported by the high explanatory power explained by the independent variables ($R^2 = 67.8$ percent). This study utilized empirically validated measurements which consist of four dimensions. The outcome of this study revealed that the tendency of Malaysian Muslims to participate Islamic estate planning is influenced by three factors, namely Advantages, Compliance and Altruism.

The advantages of *hibah* and will (*wasyyah*) became important determinants of tendency of Malaysian Muslims in estate planning as seen in this research. This is parallel to former researches (eg. Hasan & Mohamad Zaizi, 2020 and Kamarudin et al., 2020) that discuss the benefits of *hibah* or will, whereby the ability for an individual to distribute their property according to whomsoever he or she chooses increases the tendency to be involved in estate planning. This implies that if Muslims know of these advantages, they are more likely to have the tendency to plan for the distribution of their property. Hence, the authorities need to promote these tools to be well-known to every Muslim in Malaysia. The introduction of courses related to Islamic estate planning at the university level would help to improve knowledge and awareness on Islamic estate planning. This topic of Islamic estate planning should be regarded as important as other obligations such as *zakat*, *haji*, etc.

As expected, the factor of altruism is shown to be an important determinant of tendency of Malaysian Muslims towards estate planning in this study. Being a Muslim who wants to keep his family members in a safe and sound condition, this behavior is anticipated as an important factor in influencing the tendency of Muslims in Islamic estate planning. This is in line with Barro's (1974) altruism model and Becker (1974, 1991), which suggest the implication of parents' bequeathing wealth to their children due to inter-generational altruism directed at their offspring.

This study surprisingly found that 'services' was not an important factor in influencing the tendency of Malaysian Muslims to conduct Islamic estate planning. This factor reflects that cost and documentation issues are no longer an impediment to Islamic estate planning. Consumers may turn to other multiple firms and sources available in the market other than those with high cost and tedious documentation that are somehow troublesome to consumers. Furthermore, there are emerging platforms which can be chosen by Muslims for Islamic estate planning such as trustee and agents, besides existing institutions such as Amanah Raya Berhad, the courts and lawyers. Innovative products offered by these new institutions may enhance the likelihood of Muslims making Islamic estate plans in Malaysia.

CONCLUSION

Planning one's estate in Islam is an important facet of a Muslim's financial plan, but is regularly overlooked. Therefore, the purpose of this research is to investigate Muslims' tendency in Malaysia to make estate planning. Another objective of this paper is to study the relationship between Malaysian Muslims' tendencies regarding Islamic estate planning and its determinants. This study shed some light on the important factors that would lead to an increment in the tendency of Malaysian Muslims to participate in Islamic estate planning. It revealed that advantages of Islamic estate planning, the religiosity factor and the respondents' altruistic nature towards their offspring are the most important factors that contribute to enhancing the tendency of Malaysian Muslims to make Islamic estate planning. This means that the relevant authorities should take action in promoting the available tools in Islamic estate planning and equip the tools with efficient and effective features. With the development and advancement of technology in this Fourth Industrial Revolution (IR 4.0), it may provide innovative ways of making Islamic estate planning tools more efficient and effective. The importance of having more professionals in this area is also an added value to enhance the Islamic estate planning among Malaysian Muslims.

This study is not without limitation. Firstly, this study was conducted at one specific point of time. Hence, it may be less general as compared to having a mixed approach such as interview, focus group etc. Hence, future research may need to include focus groups or interviews as part of the data collection procedure as it may provide a more comprehensive perspective instead of a fully qualitative approach. Nevertheless, the contribution of this research to the existing literature has its own significance as it provides empirical support to tendencies of Muslims in Islamic estate planning.

ACKNOWLEDGEMENT

This research was supported by Ministry of Higher Education (MoHE) of Malaysia through Fundamental Research Grant Scheme (FRGS/1/2016/SS01/UUM/02/8).

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