Waqif preference of waqf-based qardhul hassan financing in Malaysia using a maqāṣid approach

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Abstract
Purpose – The purpose of this study is to develop a new framework to measure waqif preference of waqf-based qardhul hassan financing in Malaysia.
Design/methodology/approach – Using a maqāṣid approach, this study’s data were drawn from 286 valid usable questionnaires to examine the effects of consumer, family, ummah and humanity factors on the preference.
Findings – The study found that the said factors sourced from Attia’s maqāṣid al-Shariah were instrumental in determining waqif preference to donate in waqf-based qardhul hassan financing.
Research limitations/implications – Like others, this study’s findings are limited in terms of their generalisations and applications. The theory, context and variables used should be expanded in future works.
Practical implications – The results obtained are useful as a yardstick to enable the offered waqf-based qardhul hassan financing for improved mutual well-being among different classes of the wealth of societal groups in Malaysia. Furthermore, the results provide valuable insights into the direction for practitioners mainly managers involved in introducing waqf-based qardhul hassan financing as a new Islamic social financial instrument for poor and needy folks, at best.
Originality/value – This study is novel in terms of the proposed conceptual framework, where the waqif perspective comes into play.

Keywords Islamic social finance, Waqf, Qardhul hassan, COVID-19, Malaysia

Paper type Research paper

1. Introduction
Through the deliberated contemporary development in which an increased numeral of new COVID-19 cases has been observed since October 2020, the labour market was slightly affected and encountered future uncertainties. This is shared by the statistical figure reported by the Department of Statistics Malaysia (DOSM), in which Malaysia’s unemployment rate rose by 0.1% points to 4.8% in November 2020 (DOSM, 2021). Simultaneously, alterations are occurring within the various income classification groups. According to the DOSM (2021), as much as 20% or about 580,000 households from the middle 40% (M40) households with incomes between RM 4,850 and RM 10,959 have shifted to the income limit of the bottom 40% (B40) group. Folks with insufficient savings resulting from this changing trend find the
movement control order (MCO) has made their living difficult in fulfilling the basic needs of their family members, mainly on foodstuff, health care and equipment for online learning, to mention some. Hence, this sparked a mental health issue sourced from the fact that they are extremely anxious, depressed and pressured as the situation does not get any better. Addressing this teething issue, the government introduced several stimulus economic packages. The government unveiled the first financial support package to address it called Prihatin, valued at RM 250bn. Later Prihatin Plus (RM 10bn), Penjana (RM 35bn), Kita Prihatin (RM 10 bn), Permai (RM 15 bn), Pemerkasa (RM 20bn), Pemerkasa+ (RM 40 bn) and Pemulih (RM 150bn) — the latest of which was announced last week. Together, the eight economic packages are worth RM 530bn (DOSM, 2021).

These packages provide important financial assistance for those affected, but the segments affected are also quite selective and focused on the well-being and, importantly, sustainability of living by those affected. Alternative to the government’s cogent economic packages, there is a need to introduce financial assistance to those who need extra financial attention. At best, one of the solutions to address this issue is ensuring the inculcated well-being and developed peace of mind of individuals, qardhul hassan financing is of utmost importance to tap into social responsibility and ethical potentials to address those affected by the crisis through the provision of riba free loan funded by waqf funds (Amin, 2022a, 2022b).

The current Islamic banks’ financing is not recommended as it requires collateral (ar-rahnu financing) and involves multiple lending procedures, which are difficult to meet by individuals, especially in the time of COVID-19. Unlike Islamic banks’ financing, waqf-based qardhul hassan financing is, to a certain extent, suitable to address the welfare of individuals affected by the pandemic because of its closer value to maqasid al-Shariah. Therefore, by receiving, waqf-based qardhul hassan financing, one feels safe and secure to obtain financial resources that can be used to meet individuals’ needs instead of wants.

Today, however, there exists limited evidence confirming the practice of waqf-based qardhul hassan financing in Malaysia. This is somehow related to the previous assertion by Bank Negara Malaysia (BNM) that qardhul hassan financing is not suitable for commercial purposes of Islamic banks to generate profit, and it is merely suitable for social purposes to generate balanced well-being among folks in our social circle. In 2005, BNM asserted that qardhul hassan financing was unfitting as a mode of financing for the commercial dealings of Islamic banking. The facility deems it inappropriate to meet social needs instead of business needs. It is zero-return financing, which is not meant to generate profits; rather, it is essentially benevolent.

Previous studies on waqf-based qardhul hassan financing discuss four primary topics. Firstly, several studies examine Islamic microfinance institutions that offer qardhul hassan financing (Prijadi et al., 2020; Wulandari, 2019; Wulandari and Kassim, 2016). Secondly, there exists limited work examining qardhul hassan financing from empirical investigations’ context (Abubakar Zauro et al., 2016; Amin et al., 2010). Thirdly, qardhul hassan financing has been used as a poverty alleviation tool, considered it is as a beautiful loan where the debtor does not pay any extra sourced from the lending activity (Muneer and Khan, 2019; Zainal Abidin et al., 2011; Ismail and Possomah, 2010). Fourthly, some studies are based on waqf and its uses including qardhul hassan financing (Musari, 2016). These studies of qardhul hassan are growing in the literature; however, there is scant research on consumer preference measures in the context of waqf-based qardhul hassan financing. Our review of these works is not limited to Prijadi et al. (2020), Muneer and Khan (2019), Wulandari and Kassim (2016) and Amin et al. (2010) has indicated that no single study examines the waqf-based qardhul Hassain financing.

If offered, the facility will bring more merits for the disadvantaged who faced financial difficulties during the pandemic. This waqf-based qardhul hassan financing model helps to
improve the quality of life among the poor and needy to protect their privacy and family
development in the time of COVID-19. It also helps to transform an interplay social industry
where the emphasis is given on a true and real financing facility as needed by society at large
in the time of COVID-19 that brings ummatic transformation to those in need without
depending too much on the government economic stimulus package to make a living. The
government has multiple roles and duties to perform, and our proposed waqf-based qardhul
hassan financing is of value to extend a helping hand to reduce the financial difficulty among
those affected as well as to light the burden of the government to extend financial aid.

Based on the context of this study, the waqif and maqasid approach is an important key
component to prove the superiority of waqf-based qardhul hassan financing. This is because
both components can ensure that the financing is rooted in Islamic values, meets the
charitable intentions of the waqif, contributes to community development and aligns with
the broader ethical objectives of Islamic law. Hence, this study tends to examine the waqif
willingness to donate if waqf-based qardhul hassan financing is offered to the public at
large, leading to increased competitiveness of the Islamic social finance industry.

2. An overview of the waqf-based qardhul hassan financing model (wqafm)
This model of this facility is based on the social “intermediary” concept in which those with
surplus will donate waqf funds, which in turn can be used to generate waqf-based qardhul
hassan financing via return on investment (ROI). Following Kahf and Mohomed (2017), this
means the collected waqf funds are invested in halal sectors that generate returns used to
finance qardhul hassan financing. In the banking sector, sources of funds are emanated from
depositors and shareholders while uses of the fund are for various types of financing
products. As for our model, the sources of funds are not considered liabilities but instead
trust from Muslims for the blessings of the Almighty. The returns obtained are used for the
benefit of the qardhul hassan financing in which a small monthly repayment is considered
for the benefit of beneficiaries (e.g. needy folks for medical expenses). Figure 1 shows the
model.

To ensure its feasibility, this model needs to consider these issues but are not limited to
them.

2.1 Shariah issues of waqf/zakat for economic empowerment purposes
There are at least two issues considered when offering waqf-based qardhul hassan
financing. First is ownership – the funds generated from this facility should be managed by
the trustee and sourced from joint management. The funds do not belong to the state or
Islamic banks, but instead, they are belonged to Allah SWT, and man should use them for
the benefit of mankind. We borrowed Abdullah and Yaacob’s (2012) assertion in that the
waqf ownership went to Allah SWT. According to Cizakca (1998), the donors that contribute
to the funds do not own the waqf funds as their perpetuity rests in Allah SWT’s hands. The
joint committee can be considered as the trustee to manage the funds for the ummah benefit.
Secondly, it is related to the additional implication added to the facility that is viewed to be
impermissible out of riba al-qard. The facility is for welfare purposes, and for that the
addition if any should be minimal and used to compensate the customer’s account instead of
treating it as revenue. Clear standard operating procedures should be established for
improved messages communicated to the donors, public and customers for improved
understanding of the offered. The addition if any somewhat viewed to be marginal, but the
impact is seen as big due to its similarity to the addition of riba in conventional lending. At
best, proper pricing practice can minimise this issue where research and development are
brought into play.
2.2 Governance
Governance of the trustee or the JMC is indeed a key imperative to ensuring the decision-making process, reporting mechanisms and accountability are managed properly and align with Shariah principles. Generally, this facility should be provided through collaboration between Islamic banks and the State Islamic Religious Councils (SIRCs). Such an approach...
is realistic given the fact that the two can combine their merits. The bank has financial expertise whilst the SIRC has social expertise in terms of managing funds to assist the poor and needy in society. This partnership should appoint a person in charge who could manage the routine operations of the facility should it be made accessible to qualified customers.

2.3 Sources of funds – how to ensure sustainability?
Based on their research for the Islamic Social Finance Report (2015), Obidullah and Shirazi (2015) claim that Islamic social finance includes organisations with roots in Islamic generosity like zakat, awqaf and sadaqah, among others. This shows that the zakat and awqaf are the major sources of suitable funding for Islamic social finance. Only the ROI used to finance qardhul hassan financing, enabling financial access for needy folks as well as low- and middle-income households throughout the COVID-19 period. Zakat is not included because it has a set list of beneficiaries (asnaf) and must be paid to them immediately to ensure the constancy of basic need assistance (such as food) for ongoing well-being (Anwar, 2003).

The funds obtained for this purpose can be sustained at least using these three strategies.

2.3.1 Optimising e-wallet donation. With millennials using smartphones at an unprecedented rate, the potential for technology-based donations to support waqf-based qardhul hassan funding is superior and ongoing. Using an e-wallet is the fastest way to make peer-to-peer donations of money.

2.3.2 Integration with fast food restaurants. To ensure that numerous contributions can come from various classes of people, collaboration with fast food outlets is expected. Despite being little, it has stronger continuity and is undoubtedly wonderful. The procedure is straightforward; after meeting with the top management concerned, a letter of intent is signed that allows the joint management to perform actions for welcoming donations from the customers who buy products from the partnered outlets. Customers who purchase the goods are requested voluntarily to donate any sums at their discretion. For instance, customers can opt to pay RM 8.00 for a burger that costs RM 7.80, of which at most RM 0.20 is deemed a contribution.

2.3.3 Monthly debit deduction from donors. Potential donors who wish to donate a percentage of their pay may choose to do so through a debit deduction, which may speed up the donation process, but only if the donors are ready and willing to take part. This approach’s exhibition and campaign might be carried out on weekends at any reliable and appropriate malls to raise awareness among potential donors and afterwards inspire them to make a donation based on their capacity and financial freedom.

2.4 Uses of funds – selection and monitoring issues
Waqf is one of the Islamic social finance instruments that could help to minimise the pandemic’s impact in addressing the financial hardships of many (Ascarya, 2021). This financing facility should be provided through the collaboration between Islamic banks and state governments. The facility should come up with objectives for the financial investments that are connected to individuals’ basic needs. The facility is best offered to meet four specific objectives: (1) foodstuff, (2) emergency, (3) education, (4) marriage and (5) petty trader’s capital. Beyond these objectives should not be entertained. The model introduced should meet three assumptions (Askari et al., 2009). The first assumption is that organisations should promote social objectives that enhance human well-being where the welfare of society as a whole is improved. The second assumption is that the prospective clients are Muslims, who allow their faith to control their debt, taking the decision. They are the group of needy, poor and students, to mention some. Non-Muslims, however, are prioritised on a case-by-case basis. The third assumption is that the model introduced has
the sources of funds from Muslims who have a large amount of surplus to be converted into waqf when participating in the system. The waqf funds are invested first, and the returns obtained will be the source of funds for qardhul hassan financing. \textit{Waqf-based qardhul hassan} financing is used to meet goal-based basic needs covering education, marriage, emergency and working capital, among others. Extending the facility to a family who celebrates the new arrival of a child can also be considered.

There are three justifications leading to the offered waqf-based \textit{qardhul hassan} financing in our society: firstly, there exist a group of bottom-40 and medium-40 (M1, M2) households in all states in Malaysia that include Sabah, Negeri Sembilan dan KL/Selangor. The mean value for the monthly income of the group is RM 2,537, where income gaps between the group and middle and top classes remain in existence. Secondly, the financial assistance alternatives for tertiary students are confined to the National Higher Education Fund Corporation, scholarships and parents’ financial support. Not all of the students are financially sound and are supported by these units. There is a need, therefore, to provide a benevolent loan to help the continuity of the students’ studies. Thirdly, there exists evidence indicating that local institutions have an aptitude to breed more sources of funds from various means, where “positive and voluntary measures” are extended. The funds generated can be used to finance the \textit{qardhul hassan} financing to those who are qualified. In all, the facility is of course needed.

2.5 \textit{Repayment mechanism}
Repayment is contingent upon the consumers’ ability and accessibility to employment. Six months after the loan is granted, the payback will begin for the debtor’s health. The following mechanisms are included in this system but are not limited to [1]. The payback can be made in instalments and scheduled at the end of each month, giving the debtors “sufficient time” to make the instalment payment [2]. To improve the customer’s ability to make timely payments, the payback can be done quarterly, with the fourth instalment being paid instead of monthly basis [3]. The payback can also be made after a year when the “bulk” repayment of all amounts is taken into account.

2.6 \textit{Risk mitigation}
Risk mitigation relates to the process of planning and developing methods to reduce risks to protect the sustainability of the facility. Trustees go through this procedure in an attempt to maximise the number of possible users while optimising the financial model. At least three risk management techniques. Firstly, “education-based financing” is provided for qualified customers. Potential customers who are seeking financial assistance under this product should be given sound financial education pertinent to the financing facility obtained, ranging from monthly expenditure management, debt management and the related financial literacy that secures improved financial skills for improved personal finance management. Secondly, “established risk assessment criteria” are developed cogently to allow those who are qualified with the genuine intention to help themselves financially and their families. Thirdly, “debt forgiveness” is given on an individual basis due to death, emergencies and financial hardships sourced from proper investigations made and analyses. Insurance for the financing given is also made possible to reduce the adverse effects of these occurrences.

This study has at least three differentiators when compared with earlier works in this area. Firstly, this study is aimed at integrating \textit{qardhul hassan} and to be funded by waqf funds generated from public and private donations. The importance of the \textit{qardhul hassan} and its link has been viewed as important by Ascarya (2021). However, other works reviewed, like Umar \textit{et al.} (2021), did not acknowledge the importance of this integration.
similar to Azman et al. (2021) assertion. Secondly, this work has considered a pragmatic approach in its research design, begins with the formulation of the framework from the literature, and then proven by the Shariah scholars and tests the instrument developed among the potential donors for feasibility and usability. Our approach is in contrast sharp with studies by AbdulKareem et al. (2021) and Shuaib and Sohail (2021) due to different research paradigms, leading to different objectives and outcomes, at best. Thirdly, this study is developed in the context of Malaysia, where two jurisdictions prevail when it comes to banking practices and Islamic social finance. Islamic banks are under the purview of the federal government whilst Islamic social finance is under the purview of the state government (see Abdullah and Yaacob, 2012). This point has defined that waqf is administered by the SIRC in each state in Malaysia, whilst qardhul Hassan is offered at its discretion. Earlier, qardhul hassan was offered by Bank Islam Malaysia Berhad, but due to its welfare nature, BNM ceased its operation, and the bank ceased it in 2016.

There are at least four reasons to consider the introduction of waqf-based qardhul hassan financing, but are not limited to:

- The current pandemic requires a special waqf-based qardhul hassan financing, which is offered continuously to cater to the financial needs of those affected, mainly poor and needy folks. The concept of the facility is better and outstanding given the fact that no extra payment is compensated by the debtor, which explains why no further is created by financial assistance per se. Accordingly, Machfudz and Kamila (2019) assert that the loan drawn from it will be returned with an equivalent return value without extra to help or ease others.

- Lending and borrowing are found in our society. A formal waqf-based qardhul hassan will generally promote altruistic behaviour or prosocial values among individuals in helping others, and it is best developed should the facility be offered and managed by the collaboration between Islamic banks and state government. Hence, this helps improve the social gaps that existed between the rich and poor/ needy in terms of wealth possessions.

- The current pandemic has affected small businesses or simply SMEs to generate capital from a bank, which is not an option when financial hardship comes into play. If waqf-based qardhul hassan financing is offered, SMEs or at least petty traders will have an Islamic way of obtaining funding to maintain their business operations during the time of COVID-19. Obtaining a loan from loan sharks is not a good option owing to a high-interest rate that limits individual financial freedom (Prijadi et al., 2020). Obtaining loans from family members is not also an option due to the shared financial condition sourced from the pandemic.

3. Literature review

3.1 Studies related to waqf-based qardhul hassan financing

This study considers waqf-based qardhul hassan financing. It is best described as a qardhul hassan financing facility in which the sources of funds for the facility are drawn from waqf funds collected from individuals, private entities and public organisations. In Malaysia, the first effort to develop this facility was by Amin (2022a, 2022b), suggesting a theoretical perspective for qardhul hassan based on waqf. Following Kahf (1999), waqf refers to the behaviour of holding a property like land and cash in which the benefits are extracted from the assets/properties for the benefits of the many sourced from the transfer of ownership from donors to the Almighty. As time passes, waqf has emerged from the land and property
but now it appears in the form of cash. When waqf takes place, the ownership is transferred from the donor to the Almighty Allah (SWT). In our case here, the use of waqf funds for *qardhul hassan* financing has been distinctive and serves as a viable solution to improve well-being and quality of life among low and middle-income households in the time of COVID-19 (Abubakar Zauro et al., 2016; Amin et al., 2010). Hence, waqf-based *qardhul hassan* financing can benefit many. The reasons are threefold:

1. This facility allows the collection of *waqf* funds among qualified and affluent *Muslims* who are driven by Islamic altruism or *ihsan* (Rizal and Amin, 2017). If properly administered, the funds generated can be huge and quite enough to help Malaysians from financial hardship in the time of COVID-19.

2. *Waqf-based qardhul hassan* financing can be offered to those qualified mainly low and middle-income households, at reasonable amounts, and it is not tied up with the base rate (BR). This occurs because there exists no liability in managing the funds, but a trust transferred by the donor to the receiver.

3. *Waqf-based qardhul hassan* financing can promote value-based intermediations in Islamic banks as well as state governments, which aim to offer the facility on a joint basis.

On the same note, waqf-based *qardhul hassan* financing allows customers to repay monthly instalments according to their affordability without compromising the blessing brought by the facility. Social obligation is a priority over profit. This can improve well the social programmes that allow actualising *maqāṣid al-Shariah* where five elements (life, religion, property, lineage and intellect) are brought into play. Following Abdul-Rahman (2010), this can help to improve Islamic bank shareholders’ commitments to improving their relationship with the Almighty (*Habluminallah*), and out of this blessing of relationship, their relationship with customers is guaranteed (*Habluminannas*). Islamic banks also help the state government in improving the Islamic redeployment of wealth balancing the scale for both haves and have-nots.

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

This innovation, if properly offered, can be better off than earlier ones out of the presence of value-based intermediation and a strong tie to *maqāṣid al-Shariah*. Waqf-based *qardhul hassan* financing can meet and cater to the financial needs of the needy or low-income, whatever they want in times of financial hardships sourced from COVID-19. Worth mentioning, it addresses financing for the underserved market where this facility offers a low-cost financing solution to underserved markets using the waqf fund as an alternative source of funds (Amin et al., 2010). Yet, this study intends to propose a workable model that reflects the economic reality of this facility, and based on this model, we intend to propose
new measures that can help it grow to benefit *ummah* at large. For this purpose, the Qardhul hassan financing scale (QAFSCALE) drawn from Amin (2022a, 2022b) is proposed to explain the success of this facility from the context of users.

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

### 3.2 The theory of *maqāṣid al-Shariah* used

Currently, *maqāṣid al-Shariah* has assumed a more significant role in safeguarding against potential hazards and attaining maximum benefits through the establishment of a higher purpose of *Shariah*. Understanding and applying the *maqāṣid al-Shariah* is crucial in various aspects of Islamic finance, including the structuring and management of waqf (endowment) based on *qardhul hassan* (i.e. benevolent loan). Therefore, the current study considers the theory of *maqāṣid* in understanding *maqāṣid* consumer index of consumer preference for waqf-based *qardhul hassan* financing.

Auda (2008) defined *maqāṣid al-Shariah* as a principle that provides an answer to human rights and Islamic law. In more detail, the term can be simplified as enhancing the proliferated contribution of social welfare and fairness, where the benefits created are earned by *ummah* at large rather than private characters. Auda (2008) remarked that in today’s current life, *maqāṣid al-Shariah* has redefining Islamic theory into universal human values, such as benefit, justice and equality in the lives of Muslims in this world. Therefore, the considered topic of *maqāṣid al-Shariah* as elaborated by Auda (2008), has a clear priority in ensuring human dignity can be shaped to a high rank, where justice and welfare are developed properly for all layers of individuals in society at large. In short, the true spirit of brotherhood and cooperation can be enhanced in our society, like in the case of waqf-based *qardhul hassan* financing, where the spark of altruistic behaviours by qualified characters can be jacked up mainly affluent folks in ensuring the cake of wealth can be shared with those less fortunate to improve the quality of life mainly when facing the current pandemic.

Likewise, Ibn Ashur (2006) provided a clear definition of the term *maqāṣid al-Shariah*. In more detail, *maqāṣid al-Shariah* is of utmost importance to maintain stability and harmony among individuals in society through the prevention of any negative lists whilst promoting the shaped formation of improved human welfare. This idea has been supported by
Choudhury (2019b) studied as it shows that maqasid al-Shariah is inseparable from maslahah. Unlike Ibn Ashur (2006), Auda (2008) believed that maqasid al-Shariah is related to three specific hierarchies. The first relates to the human body, where necessities and needs are brought into play to promote justice and facilitation. The second relates to the welfare of the family, which includes the welfare of family members and children and includes the avoidance of monopoly in financial transactions. When considering the last point, Islamic banks have been prioritising profit objectives, and for that, all financing products are profit-oriented at reduced welfare earned by needy and poor folks. The third considers the truth discovery, difficulty alleviation and the promotion of good intentions. Jointly, Ibn Ashur (2006) and Auda (2008) shared the same objectives in promoting the well-being of individuals in difficult times. Promoting waqf-based qardhul hassan financing in the hard times may meet the intents promoted by Ibn Ashur (2006) and Auda (2008), and therefore, extends new generalisations and extensions, where waqf-based qardhul hassan financing comes into play.

Likewise, a work by Khan and Ghifari (1992) has confirmed the appropriateness of maqasid al-Shariah when examining consumer preference or user selection of certain behaviours. Unlike Auda (2008), Khan and Ghifari (1992) explained maqasid al-Shariah based on the hierarchy of needs extending the ideal dimensions captured by the former. It is worth noting that one’s consumption and spending are broken down into three echelons of needs. These include the essential or daruriyyat, complementary or hajiyyat and embellishment or tahsiniyyat. Equally, Khan and Ghifari (1992), Ibn Ashur (2006) and Auda (2008) have examined maqasid al-Shariah and its link to human behaviour or consumer behaviour specifically and discovered the latter and the former in tandem to promote well-being in folks’ consumption and spending. Though useful, these works have paid little attention to the understanding of waqif preference on waqf-based qardhul hassan financing and in fact, the construction of scales representing such preference has been marginal and fallen short. This relatively warrants further empirical tests to reveal its contribution – be it theory or practice.

Even the earlier works have examined qardhul hassan financing, but the emphasis is confined to Islamic banking as well as theoretical extensions sourced from conventional theories. For instance, an attempt by Amin et al. (2010) discovered noteworthy effects of subjective norm, pricing and attitude on the preference for qardhul hassan financing. A study by Abubakar Zauro et al. (2016) extended Amin et al. (2010) work where the considered new geography is defined. Jointly, no efforts are documented from these works pertinent to the interplay of waqf-based qardhul hassan financing, and subsequently, the empirical evidence is limited.

3.3 Theories related to the willingness to donate
Kasri and Chaerunnisa (2022) examined cash waqf donation in Indonesia using the theory of planned behaviour (TPB), in which a total of 418 respondents were selected. They found out that knowledge, trust and religiosity play a positive role in explaining the intention to donate cash waqf online among Indonesia’s millennials. Of these, religiosity is found to be the most powerful factor in influencing attitude, whereas knowledge is the least significant factor influencing the attitude, which subsequently influences the intention to engage in online cash waqf. Social norms and perceived behavioural control are also positively influencing such intention.

Abdul Shukor et al. (2016) examined cash waqf-giving behaviour in Selangor and Klang Valley, Malaysia. Based on 386 samples, the results indicate that demographic variables and individual perceptions of cash waqf are useful to explain and predict donors/non-donors. In more detail, knowledge, marital status, income and convenience factors are the reasons.
Unlike Amin (2022a, 2022b), Abdul Shukor et al. (2016) found attitude is insignificant out of the poor development of altruistic behaviour and may also be sourced from donors’ fatigue or burnout from continuous giving as well as poor institutional effectiveness in giving communication.

Amin (2016) examined drivers of internet-giving behaviour in Malaysia using the theory of interpersonal behaviour (TIB) and the innovation diffusion theory (IDT) as a baseline theory. Data from the 372 usable questionnaires are analysed using partial least squares. He discovered that affective factors, social factors, facilitating conditions, relative advantage, complexity and compatibility are significantly related to internet-giving behaviour, revealing the appropriateness of the TIB and the IDT in the context of internet-giving in Malaysia. The proposed relationship between internet-giving behaviour and religious satisfaction is also fruitful, extending the theories to include religious satisfaction for improved novelty.

Amin (2022a, 2022b) examined online sadaqah acceptance among university graduates in Malaysia using the theory of reasoned action. He found out that altruism, empathy, attitude and subjective norms are significantly influential in shaping the formation of acceptance. Of these, attitude has a great influence on the development of acceptance, followed by subjective norms whilst the least important is empathy, followed by altruism. The combined effects of these factors can lead to the impactful acceptance and, therefore, actual behaviour of online sadaqah.

Unlike these studies, the present study is different in terms of the theory used as well as the constructs’ items, introducing a fresh perspective of consumer research using maqasid al-Shariah.

### 3.4 Conceptual framework and hypotheses development

Research on waqf-based qardhul hassan financing is missing in the literature because of poor conceptualisation and operationalisation of the measurement items or battery items. Developing items measuring Islamic banking performance using a maqāsid approach has been initiated by Mohammed et al. (2008) through the construction of indexes that can gauge the performance of Islamic banks. Three dimensions developed covering education, justice and welfare are instrumental in determining Islamic banks’ performance and therefore lengthen the generalisation of the maqāsid to comprise Islamic banks’ performance, which has received poor attention from previous researchers when examining Islamic banks’ performance. However, developing items measuring consumer preference from the context of maqāsid has been marginal, and to our knowledge, a study by Amin et al. (2014) revealed a beautiful finding pertinent to maqāsid’s element extended from Abu-Zaharah (1997) and learned from Mohammed et al. (2008) in that education, justice and welfare are instrumental factors. However, the examinations have been limited to the said factors, whilst the consideration of the current COVID-19 and consumer well-being are limited. The factors examined should be profound and holistic to reflect the effects of COVID-19 that affect the majority of individuals in Malaysia. Given this assertion of clarified justification, we select Attia’s (2010) maqāsid theory. The reasons are twofold:

1. Attia (2010) considers maqāsid al-Shariah into four realms, which also constitute all the five dhāruriyyat elements listed by Al-Ghazali. These include the following:
   1. realm of individual;
   2. realm of the family;
   3. realm of the ummah; and
   4. realm of humanity.
The perspectives of these realms are to their best generalisable to the context of waqf-based *qardhul hassan* financing because of their abilities to meet the *dharruriyat* elements (i.e. life, religion, property, lineage and intellect) to meet the basic need (i.e. shelter, affordable houses) mainly in the current pandemic, which requires more works on welfare rather than profit; and

(I) Attaia (2010) considers holistic measures in representing the four realms and those measures have pinpointed the relevance of the preservation of human life and honour (individuals), which are in tandem with the current situation. Ismail and Possumah (2010) argued that *qardhul hassan* financing is considered due to personal needs where welfare is prioritised in importance. Yet, the considered family values are prioritised mainly when we can relate the need for financial backup according to the order or level of necessity. In terms of the realm of *ummah*, the measures introduced are relevant to our current context. For instance, the importance of cooperation, solidarity and shared responsibility. Concerning humanity, Attiia (2010) suggested the importance of the realisation of vicegerency as well as protection for human rights. The approach is rather comprehensive and relevant to promote brotherhood and justice to individuals who are facing financial hardship.

Hitherto, modifications are needed to ensure compatibility and context are maintained. Such a modification has been directed by scholars of *qardhul hassan* financing (Machfudz and Kamila, 2019; Shahwan et al., 2013). Machfudz and Kamila (2019) propose *qardhul hassan* financing to improve micro-businesses’ welfare and well-being in the city of Malang, Indonesia. Shahwan et al. (2013), who have extended Attiia’s (2010) theory, examined the pricing model of Islamic home financing products and found they are feasible and extendable. Both of them have paid minimal attention to the waqf-based *qardhul hassan* financing sourced from different research designs and paradigms. Of course, it is considered a research drawback for these departures. To the best of our knowledge, the notion of waqf-based *qardhul hassan* financing is somehow defined as a missing dimension in Islamic social finance research, perhaps sparked by the metamorphosis in research scope and paradigm, as noted earlier. One notable study conducted by Kahf (2008) demonstrated that zakat and waqf can serve as a type of micro-funding to assist the impoverished. This predicament arises because of the inherent purpose of zakat and waqf, which aligns with the idea of *maqasid*, aiming to achieve social justice and prevent the exploitation of fairness and usury. Nevertheless, Citatingati et al. (2022) restricted the utilisation of zakat and waqf through *qardhul hassan* financing, as these methods serve as a means of funding that is subject to stringent prohibitions in Islam. The reason for this is that zakat is designated for specific beneficiaries, who are the eight *asnafs* mentioned in the *Al-Quran*, whereas waqf funds are allocated for specified objectives, such as covering administrative expenses. This scenario demonstrates that the utilisation of zakat is unsuitable, whereas waqf is regarded as possessing inherent adaptability. Therefore, we offer modifications to the realms to reflect a new proposed framework, where waqf-based *qardhul hassan* financing is brought into play. Given Attiia’s (2010) theory of *maqasid al-Shariah*, the current study’s conceptual framework is presented in Figure 2 as follows.

Thus, this study will define its conceptual framework according to Attiia (2010) in which we anticipate that the consumer factor, family factor, *ummah* factor and humanity factor can impact the success of waqf-based *qardhul hassan* financing. Success is defined here as consumer receptiveness. Having said that, those factors are prescribed in the *Quran*. Allah says: “Help ye one another in righteousness and piety but help ye, not one another in sin and rancour” (*Quran*, 5:2). It is acknowledged that waqf-based *qardhul hassan* financing is a great platform to help low and middle incomes households in facing the difficult time of COVID-19. Hence, Shahwan et al. (2013) examined home financing using Attiia’s (2010) theory
of *maqasid al-Shariah* and found significant effects of the consumer factor, family factor, *ummah* factor and humanity factor for the demand for Islamic home financing. We anticipate extending these results and extending the generalisability of Attia’s (2010), at best.

### 3.5 Consumer factors

Scholars in Islamic economics have asserted the importance of being fair to Islamic banks when transacting with their customers to actualise *maqāṣid al-Shariah* (e.g. Chapra, 2000; Dusuki, 2008). Chapra (2000) considered Islamic banks to be more social-oriented to meet the objectives of *Shariah*, and for that, the betterment of the individual is achieved. According to Choudhury (2019a), one’s preference for good things stems from *maqāṣid al-Shariah* because it is termed as functional rules that guide human behaviour to attain *tawhid* as a guiding law for improved well-being. Conventional theories have been embraced by the non-*tawhīdīc* science of rationalism, which may be difficult to explain their aptness when explaining behaviours in the realm of Islamic society and *halal* consumption, jointly determining the well-being of mankind to live better now and always. *Tawhid* is the Islamic concept of the oneness and unity of Allah, whereas non-*Tawhid* refers to beliefs and ideologies that do not adhere to this principle and involve polytheism or a denial of the concept of a singular, supreme deity. Considering Chapra’s (2000) and Choudhury’s (2019a) work, the present study develops a consumer factor as a construct to measure donors’ receptiveness to waqf-based *qardhul hassan* financing. Based on this discussion, *H1* was postulated as follows:
3.6 Family factors
Based on the result of Shahwan et al. (2013) study, Ab Rahman et al. (2023) also verified that family plays an important role in motivating individuals to persist in practising a waqf. This phenomenon occurs because of the family’s traditions that persist in carrying out philanthropic endeavours and passing on the responsibility to their descendants to perpetuate or even enhance such practices. Nevertheless, the tradition of waqf is gradually diminishing in most Muslim countries as a result of poor property management. Although in Malaysia, families could practice this waqf, the beneficiaries must not be the donor’s descendants. Hence, the objective of waqf should be driven by a sincere intention to set aside our wealth to benefit others and improve their quality of life, thereby enabling us to resume our efforts in healing hearts, minds and communities (Rashid, 2021). In the current study, adapting the qardhul hassan financing to the waqf practices may fulfil adherence to Shariah as both objectives are focused on assisting individuals in need. Based on this discussion, H2 was postulated as follows:

**H2.** Family factor has a significant influence on waqif preference to donate cash waqf for qardhul hassan financing.

3.7 Ummah factors
Ibrahim (1991) asserted that the ummah is our driving force to be more active and is a voice in building the sanity that the world needs, especially in the field of international aid. This happens when Dusuki (2008), who is influenced by Chapra (2000), also concurred with the significance of the social welfare objective to uphold the significant character of Islamic banks in improving the well-being of society. In his study, Dusuki (2008) discovered that the social welfare objective is influential in determining the existence and survival of Islamic banking. In turn, the relevant parties including banks’ staff, customers and society will extend their support towards Islamic banking products and services that ensure the continuity of Islamic banks’ operation is preserved without compromising the interest of shareholders of the banks. Having said that, the quality of public perception can be improved once these stakeholders’ welfare is prioritised, which in turn, can improve donors’ receptiveness of waqf-based qardhul hassan financing, and the welfare of the low and middle-income households can be jacked up. In other words, during times of crisis, the sense of belonging to the wider ummah fosters a spirit of Islamic solidarity (Majeed, 2019). It is their responsibility to support any initiatives that contribute to the well-being of the community, especially when this financing is implemented. Furthermore, both Attia (2010) and Auda (2008) emphasised the value of the ummah when presenting a system that may alter a person’s way of life for the better and sustainable. Although these works do not depict the ummah factor in its operationalised form, the idea that it is important to consider is deeply ingrained in their writing (Attia, 2010; Auda, 2008). Based on this discussion, H3 was postulated as follows:

**H3.** The ummah factor has a significant influence on waqif preference to donate cash waqf for qardhul hassan financing.

3.8 Humanity factor
According to Kahf’s (2016) study, waqf itself is an idea as old as humanity by holding certain property and preserving it for the good of society. On the same note, Limpo and Yaacob (2014)
stated that an individual’s adherence to humanitarian values and their concern for the well-being of others would prompt them to make a sound decision by carefully examining all areas of human interest. However, developing confidence for the waqif to donate cash waqf-based qardhul hassan could not only depend on their adherence to compassion and interest. Some works like Muneer and Khan (2019), Musari (2016) and Obidullah and Shirazi (2015) argued that the humanity factor is embedded in the qardhul hassan in which the benefit that this facility can offer to society is superior and consequently can provide an alternative for needy and disadvantaged folks to get financing without interest and profit rate, at best. In addition, a trustee is needed to make sure the modus operandi of the offered aligns with Shariah principles. Choudhury (2019b) developed an integrative methodology pertinent to maqasid al-Shariah and tawhidic paradigm by giving birth to the term maqasid al-Shariah al-tawhid, which describes the maqasid concept from the context of the reality of tawhid as governing law that benefits human interpretations and activities. This theory provides a departure from the current work by optimising the functional rules on the choice of good things, which are referred to as waqf-based qardhul hassan financing in our present work. It is an effort in compliance with tawhid as the law. Therefore, the establishment of views on the significance of waqf-based qardhul hassan can be effectively constructed because it holds the greatest impact on an individual’s perception of the humanity factor. Based on this discussion, H4 was postulated as follows:

H4. The humanity factor has a significant influence on waqif preference to donate cash waqf for qardhul hassan financing.

This study differs crucially from previous studies. Firstly, this study examines new measurement dimension items to measure waqif preference of waqf-based qardhul hassan financing from the context of Malaysia and draws useful inferences for Islamic social finance industries. Secondly, this study is one of the first to test the Attia (2010) model of maqasid al-Shariah chiefly from the perspectives of donors/waqifs in the context of a waqf–based qardhul hassan financing perspective. Our study seeks to develop proper constructs’ items capturing our framework and later, they are used to gauge waqif preference of waqf-based qardhul hassan financing. Thirdly, the present study is conducted during the time of COVID-19 in which the emphasis is more on social welfare to measure waqif preference of waqf-based qardhul hassan financing, which in turn, can contribute to improving needy and poor folks’ financial well-being sourced from cogent waqf funds linked to the facility.

Two interesting works in this area by Zainal Abidin et al. (2011) and Ismail and Possumah (2010) have examined qardhul hassan financing, but discussions on measurement items that can measure the donors’ participation in the facility are fallen short; perhaps they are driven by a different research paradigm of inquiry and also the gaps in the studies that they are examined in. Amin et al. (2010), on the other hand, examined qardhul hassan financing by presenting some significant measurement scales, but the items developed are not related to waqf-based qardhul hassan financing and are merely a theory testing study. These studies suggest the items representing directly the framework, to the best of our knowledge, remain virgin and inconclusive. If we can establish the measures of donors’ receptiveness properly, waqf-based qardhul hassan financing can be a new source of funding that promotes Islamic social science, and therefore, it is of utmost importance in helping the nation in terms of the provision of financial aid to those affected. Besides, it can become a source of funding in alleviating the poverty crisis via the provision of low-cost fund that improves access to financial resources among the needy. This may occur before, during and after post COVID-19 crisis.
4. Methodology

4.1 Research scope

Waqifs’ participation in donating funds for waqf used for qardhul hassan financing has been marginal and viewed as a missing dimension in Islamic social finance. It is worth noting that waqif priorities and interest in donating cash for waqf can shift over time. They may become passionate about new causes or organisations, leading them to redirect their donations. This can result in inconsistent contributions to previously supported causes. Besides, waqifs might experience fatigue or burnout from continuous giving. Over time, they may feel overwhelmed by the number of requests for donations or become desensitised to the impact of their contributions, leading to a decline in consistency. In another context, waqifs may feel disconnected or unengaged with the organisations they support. If they do not receive meaningful communication or updates about the impact of their contributions, they may lose motivation and contribute less frequently.

Kashif and De Run (2015) examined money donations by donors in Pakistan. The results indicated a strong relationship between TPB dimensions of attitude, subjective norms, past behaviour and perceived behavioural control on the behavioural intentions among donors in Pakistan. All the independent variables bring about a 63% change in behavioural intentions among Muslim donors in Pakistan. The dimensions of the TPB model studied here strongly relate to each other and are useful to philanthropists to better able to understand Muslim donor behaviour.

Unlike Kashif and De Run (2015), Hou et al. (2021) examined online donation and forwarding intention in China. In their work, online donation contributes significantly to marginalised and vulnerable people. Donors donate their money influenced by trust factors along with peer influence and enjoyment. This enjoyment is related to helping others, which determines the forwarding intention. All relationships have proven to have a different impact in which peer influence has a great impact on online donation-sourced social acceptance and raised confidence levels.

4.2 Developing the measures

Following Auda (2008), maqāsid al-Shariah is defined as a goal, objective or principle in the Shariah for the concern of humankind. This definition is also extended by a great work by Mohammed et al. (2015) with an improved simplicity. The term maqāsid al-Shariah means the purposes, goals or objectives of Shariah (Mohammed et al., 2015). The present study used a quantitative method to conduct empirical investigations through the use of a questionnaire survey. There are two steps taken to develop the QAFSCALE explained in the following sections.

4.2.1 Step #1 – literature analyses and theory identification. This study examined significant works pertinent to maqāsid al-Shariah. Shahwan et al’s (2013) work which extended Attia’s (2010), has been examined meticulously. After careful consideration, Attia (2010) was used due to growing empirical support, mainly as firstly proven by Mohammed et al. (2008). In more detail, the authors have taken an innovative measure when introducing new measurement items to measure the pricing issue of waqf-based qardhul hassan financing products using the maqāsid approach, in which it is discovered to be valid and reliable though there exists limited work in supporting their work. Extending this work to include waqf-based qardhul hassan financing in its spectrum can improve its visibility to the body of knowledge and become a benchmark to make waqf-based qardhul hassan financing a success. Because this study adapted Attia’s (2010) theory of maqasid al-Shariah,
the conceptual framework was prepared and presented in Figure 2 found in the literature review. In this framework, we hypothesised that the consumer factor, family factor, ummah factor and humanity factor are instrumental in determining waqif preference.

4.2.2 Step #2 – operationalisation of the battery items. Three items each were identified in the literature as discussed earlier and proven by expert judges. As for expert judges, three Shariah scholars were invited to assess the research constructs’ items. They were selected using a statistical package of social science (SPSS) application that allows the selection of the scholars at the expense of personal bias. For this purpose, a written invitation through email is undertaken. In more detail, the purpose of this work was to seek their views pertinent to the research instrument, which, in turn, can validate our measurement items under contemplation. Besides, we also sought their opinions about any additional points that can be included in the research instrument for improved operationalisation and conceptualisation.

During the actual survey, the model of the study was explained to respondents for familiarity for improved participation. The definitions of the variables used in the framework are provided as follows including their operationalisation:

- **Consumer factor** refers to the individual’s perception of the likelihood that individual belief leads to the formation of a given behaviour. In this study, consumer factor is gauged using three battery items covering Muslim’s life, Muslim’s honour and Muslim’s material wealth.

- **Family factor** refers to the individual’s perception of the likelihood that family views lead to the formation of a given behaviour. In this study, the family factor is gauged using three battery items covering happiness in the family, family peace of mind and family’s basic needs acquisition.

- **The ummah factor** refers to the individual’s perception of the likelihood that ummah visions lead to the formation of a given behaviour. In this study, the ummah factor is gauged using three battery items covering justice in society, preservation of moral and shared responsibility.

- **The humanity factor** refers to the individual’s perception of the likelihood that the impact of humanity leads to the formation of a given behaviour. In this study, the humanity factor is gauged using three battery items covering the vicegerency role in charitable giving, human rights in the community and support to those less fortunate.

To validate, we select three Shariah scholars from the list provided Bank Negara Malaysia Website (2021) that can be accessed at www.bnm.gov.my/. This work selected Shariah scholars to validate that the research instrument is driven by their well-balanced experience for theory and practice of the issue concerned, along with their research activities built in the area of Islamic social finance. The validation was conducted using online interviews via a Google Form and adapted three responses, namely, 3 = perfect match, 2 = moderate match and 1 = poor match.

Consumer factor, family factor, ummah factor and humanity factor the waqif willingness to donate in waqf-based qardhul hassan financing. Those respondents tend to be selected using judgmental sampling for an improved target of respondents.

4.3 Sample and sampling method

The unit of analysis of this study was potential donors (waqif) for waqf-based qardhul hassan financing. The study sample is collected in Sabah, Malaysia, due to its urban development and poverty level. The mean monthly household income is among the lowest for Sabah, with
a score of RM 5,745 compared with the national, RM 7,901, implying the financial hardships among its people during the time of MCO during the pandemic (DOSM, 2019).

Although Malaysians in Sabah had lower monthly household incomes than Malaysians overall, waqf donations were significantly influenced by the donors’ feelings of kinship with other underprivileged people and their level of belief that the impoverished are unfairly treated. Our assertion is somewhat supported by Bennett (2012), who claimed that a participant’s sense of affinity with other low-income individuals exerts a significant impact on giving behaviour. It is also sourced from an expression of donors’ personal beliefs and values.

The existing banking financing products are unable to address low and middle-income households’ affordability out of their reliance on market-rate when charging customers as well as the banks’ profit orientation. Though new, waqf-based qardhul h Hassan financing is a viable solution to improve households’ financial access in the time of COVID-19.

Considering judgmental sampling, three criteria are established in choosing our respondents in this study:

- We select a respondent who has built one year of experience in charitable giving not only confined to family members but also to the public at large for various good purposes.
- We select a respondent who has the willingness to donate waqf funds used to make qardhul h Hassan financing in the future.
- We select a respondent aged 25 years which indicates sufficient maturity sourced from rationality and attained legal status to conclude proper participation in waqf-based qardhul h Hassan financing.

At least two reasons for choosing those 25-year-old respondents in this work. Firstly, by the age of 25, many individuals have completed their tertiary education and secured stable employment, enabling them to allocate a portion of their income towards charitable causes. Secondly, by the age of 25, individuals have likely been exposed to a variety of societal challenges and may feel a stronger desire to make a positive impact through charitable giving. A work by Harden et al. (2015) discovered that 52% of the respondents aged 25+ donate to charity more frequently than other age groups. A study by the Charities Aid Foundation (2019) reported that those aged 25–34 are significantly more likely than others to donate money.

In determining sample size, we used Freedman et al. (2002) formula, which is depicted as follows:

\[
\sqrt{\mu} = tx \frac{s}{e}
\]

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

\(\sigma = 0.5\)

\(e = 0.06\)

Besides, we also retain 6% of the error margin in the abovementioned, and for that, the final calculation is presented as follows:
This method in determining sample size has been proven appropriate in the case where non-probability sampling is brought into play. As far as our sample size is concerned, the collected 286 respondents of *waqif* exceed the threshold value, and therefore, our sample is deemed appropriate.

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

### 4.4 Data analysis

#### 4.4.1 Step 1 – QAFSCALE as new measurement

As new measures were proposed, the evaluation of inputs from *Shariah* scholars was analysed using QAFSCALE, which covers nine elements and the *waqif’s* preference measure (WPM) each. QAFSCALE was an index used to gauge donors’ or *waqifs’* preferences to donate funds for *waqf*, which later be invested that generate returns used to finance *qardhul hassan* financing or benevolent loans. In more detail, the *waqf* funds obtained are invested in *halal* and permissible sectors, and the proceeds ROI is used to finance *qardhul hassan* financing. This concept has been examined by Mohsin (2013), the fund obtained is invested in *halal* sectors, and the returns from the investment are used as a source of funds for *qardhul hassan* financing, in which a little monthly payback is assumed for the benefit of the beneficiaries. This has influenced Saiti et al. (2021), who studied the global cash *waqf* obtains funds from donations from various sectors, which later used the proceeds to be invested in Islamic banks, *sukuk*, equity and gold for return. In turn, the return is used to finance *qardhul hassan* financing.

<table>
<thead>
<tr>
<th>Demographic item</th>
<th>Description</th>
<th>Result</th>
<th>Percentile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>139</td>
<td>48.6</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>147</td>
<td>51.4</td>
</tr>
<tr>
<td>Education</td>
<td>SPM/Certificate</td>
<td>6</td>
<td>2.1</td>
</tr>
<tr>
<td></td>
<td>STPM/Diploma</td>
<td>74</td>
<td>25.6</td>
</tr>
<tr>
<td></td>
<td>Bachelor</td>
<td>170</td>
<td>59.4</td>
</tr>
<tr>
<td></td>
<td>Master and higher</td>
<td>36</td>
<td>12.6</td>
</tr>
<tr>
<td>Marital status</td>
<td>Single</td>
<td>72</td>
<td>25.2</td>
</tr>
<tr>
<td></td>
<td>Married</td>
<td>214</td>
<td>74.8</td>
</tr>
<tr>
<td>Income</td>
<td>&lt;3,000</td>
<td>12</td>
<td>4.2</td>
</tr>
<tr>
<td></td>
<td>3,001–3,500</td>
<td>37</td>
<td>12.9</td>
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<tr>
<td></td>
<td>3,501–4,000</td>
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<tr>
<td></td>
<td>4,001–4,500</td>
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<tr>
<td></td>
<td>&gt;5,500</td>
<td>34</td>
<td>11.9</td>
</tr>
</tbody>
</table>

*Source: Table by authors*
In the context of decision-making and expertise, Amin (2022a, 2022b) stated that Shariah scholars were assigned weights to individual attributes and intra-attributes to validate the specific dimension being examined. Given that the evaluation of the WPM depends on the replies provided by participants in this study, the present study proposed the general equation of the model as can be described below:

\[ WP_i = \alpha + \sum_{k=1}^{3} \beta_k CF_{ki} + \sum_{\ell=1}^{3} \gamma_\ell FF_{\ell i} + \sum_{k=1}^{3} \psi_M UF_{Mi} + \sum_{N=1}^{3} \phi_M HF_{ni} + \epsilon_i \]  

(1)

Where:
- \( WP_i \): waqif preference;
- \( CF_{ki} \): consumer factor;
- \( FF_{\ell i} \): family factor;
- \( UF_{Mi} \): ummah factor;
- \( HF_{ni} \): humanity factor; and
- \( \epsilon_i \): error.

Notes. \( WP_i \): waqif preference; \( CF \): consumer factor, \( FF \): family factor, \( UF \): ummah factor and \( HF \): humanity factor.

Equation (1) indicates that waqif preference could be influenced by “consumer factor”, “family factor”, “ummah factor” and “Humanity factor.” \( WP_i \) is waqif preference, \( CF_{ki} \) is a vector of “consumer factor,” \( FF_{\ell i} \) is a vector of the “family factor,” \( UF_{Mi} \) is a vector of the “ummah factor” and \( HF_{ni} \) is a vector of the “humanity factor.”

4.4.2 #Step 2 – statistical package of social science. The current study used the SPSS 21 to appraise the data obtained. SPSS is chosen because of its flexibility to handle multiple sources of data derived from Excel and online questionnaires, and data adjustments are easily made via SPSS for conversion and analyses (e.g. Pallant, 2005; Sekaran and Bougie, 2010). Data obtained were keyed in to produce manageable and systematic responses under the application of the SPSS. The scales developed are analysed accordingly.

5. Results and analysis

Evaluation of the WPM and the waqif preference of Waqf-based qardhul hassan financing.

Based on three series of interviews, the Shariah scholars are asked to determine the face validity of the scales developed. The validation was done to ensure the identified items were in tandem with the factor that they were supposed to gauge. When Table 2 is examined, all identified items sourced from literature analyses were found to be relevant, and for that, they were retained for the further analysis of the data.

For improved contribution to the literature, we also asked the scholars to validate the battery items representing the waqif preference of waqf-based qardhul hassan financing termed as a dependent variable, whilst the factors identified in Table 2 were independent variables. The results of the validation were reported in Table 3 as follows:

5.1 Evaluation of the factor analysis for the elements
All items retained in the interviews were taken for further analysis of the data, where factor analysis was conducted separately for both independent and dependent variables. Table 4 presents the result of the factor analysis for the independent variables covering four constructs’ items.

Generally, proper conceptualisation and operationalisation established and sourced from the literature analyses and approval by the Scholars involved have been the contributing
<table>
<thead>
<tr>
<th>Concepts</th>
<th>Elements</th>
<th>The QAFSCALE</th>
<th>Your assessment</th>
<th>Retained</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consumer factor</strong></td>
<td>E1. <em>Muslim’s life</em></td>
<td>Helping folks via <em>waqf</em>-based <em>qardhul hassan</em> financing can preserve a <em>Muslim’s life</em> (adapted from Choudhury, 2019a; Shahwan <em>et al.</em>, 2013; Attia, 2010; Chapra, 2000)</td>
<td>3 (100%)</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>E2. <em>Muslim’s honour</em></td>
<td>Helping folks via <em>waqf</em>-based <em>qardhul hassan</em> financing can preserve a <em>Muslim’s honour</em> (adapted from Choudhury, 2019a; Shahwan <em>et al.</em>, 2013; Attia, 2010; Chapra, 2000)</td>
<td>3 (100%)</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>E3. <em>Muslim’s material wealth</em></td>
<td>Helping folks via <em>waqf</em>-based <em>qardhul hassan</em> financing can improve the blessing of <em>Muslims’ material wealth</em> (adapted from Choudhury, 2019a; Shahwan <em>et al.</em>, 2013; Attia, 2010; Chapra, 2000)</td>
<td>– 3 (100%)</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Family factor</strong></td>
<td>E1. Happiness in family</td>
<td>I agree that helping a breadwinner via <em>waqf</em>-based <em>qardhul hassan</em> financing can promote happiness between himself and his family members (Adapted from Choudhury, 2019a; Shahwan <em>et al.</em>, 2013; Attia, 2010; Chapra, 2000)</td>
<td>2 (66.67%) 1 (33.33%)</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>E2. Family peace of mind</td>
<td>I agree that helping a breadwinner via <em>waqf</em>-based <em>qardhul hassan</em> financing can promote peace of mind between himself and his family members (adapted from Choudhury, 2019a; Shahwan <em>et al.</em>, 2013; Attia, 2010; Chapra, 2000)</td>
<td>1 (33.33%) 2 (67.33%)</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>E3. Family’s basic needs acquisition</td>
<td>I agree that helping a breadwinner via <em>waqf</em>-based <em>qardhul hassan</em> financing can improve basic needs acquisition that promotes the well-being of himself and his family members (adapted from Choudhury, 2019a; Shahwan <em>et al.</em>, 2013; Attia, 2010; Chapra, 2000)</td>
<td>2 (66.67%) 1 (33.33%)</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Ummah factor</strong></td>
<td>E1. Justice in society</td>
<td>I believe that helping individuals via <em>waqf</em>-based <em>qardhul hassan</em> financing can improve the establishment of justice in society (Adapted from Choudhury, 2019a; Shahwan <em>et al.</em>, 2013; Attia, 2010; Chapra, 2000)</td>
<td>3 (100%)</td>
<td>Yes</td>
</tr>
</tbody>
</table>

(continued)
<table>
<thead>
<tr>
<th>Concepts</th>
<th>Elements</th>
<th>The QAFSCALE</th>
<th>Your assessment</th>
<th>Retained</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>E2. Preservation of moral</td>
<td>I believe that helping individuals via <em>waqf</em>-based <em>qardhul hassan</em> financing can improve the preservation of morals in society (adapted from Choudhury, 2019a; Shahwan et al., 2013; Attia, 2010; Chapra, 2000)</td>
<td>3 (100%)</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>E3. Shared responsibility</td>
<td>I believe that helping individuals via <em>waqf</em>-based <em>qardhul hassan</em> financing can improve the shared responsibility from people to people (adapted from Choudhury, 2019a; Shahwan et al., 2013; Attia, 2010; Chapra, 2000)</td>
<td>3 (100%)</td>
<td>Yes</td>
</tr>
<tr>
<td>Humanity factor</td>
<td>E1. Vicegerency’s role in charitable giving</td>
<td>I believe that my participation in <em>waqf</em>-based <em>qardhul hassan</em> financing can improve my vicegerency role in the community (adapted from Choudhury, 2019a; Shahwan et al., 2013; Attia, 2010; Chapra, 2000)</td>
<td>–</td>
<td>3 (100%)</td>
</tr>
<tr>
<td></td>
<td>E2. Human rights in the community</td>
<td>I believe that my participation in <em>waqf</em>-based <em>qardhul hassan</em> financing can improve my support towards human rights in the community (adapted from Choudhury, 2019a; Shahwan et al., 2013; Attia, 2010; Chapra, 2000)</td>
<td>–</td>
<td>3 (100%)</td>
</tr>
<tr>
<td></td>
<td>E3. Support to those less fortunate</td>
<td>I believe that my participation in <em>waqf</em>-based <em>qardhul hassan</em> financing can improve my support to help those less fortunate (adapted from Choudhury, 2019a; Shahwan et al., 2013; Attia, 2010; Chapra, 2000)</td>
<td>3 (100%)</td>
<td>Yes</td>
</tr>
</tbody>
</table>

**Source:** Table by authors
factors to the validated battery items, as reported in Table 4. All constructs’ items were found to have belonged to the factor that they were supposed to gauge, implying the items were appropriate to support their factors under contemplation. For instance, HF3, HF2 and HF1 were allocated to the “Humanity factor” resulting in a conclusion that they were valid and appropriate. The rest were in the same outcomes of the pattern at best.
Table 5 reports factor loadings for three items representing *waqif* preference. The factor analysis was conducted at one stage because there was no cross-loading discovered in the items examined. The Kaiser–Meyer–Olkin measure of sampling adequacy was 0.717, denoting that the sampling adequacy was greater than 0.5 and, therefore, met the threshold of satisfactory. Bartlett’s test of sphericity was significant where $X^2 = 658.004$, df = 3, Sig. = 0.000.

Eigenvalues Variance explained Cronbach alpha
2.561 85.381 0.813

Table 6. Results for correlations

Table 5 reports factor loadings for three items representing *waqif* preference. The factor analysis was conducted at one stage because there was no cross-loading discovered in the items examined. The Kaiser–Meyer–Olkin was 0.717, denoting that the sampling adequacy was greater than 0.5 and, therefore, met the threshold of satisfactory. Bartlett’s test of sphericity was significant where $X^2 = 658.004$ and significant at a 5% significance level.

We also conducted correlation analysis to observe the presence of multicollinearity between constructs under contemplation. This analysis is not used to meet the research objective, but it is done to avoid the multicollinearity issue, which occurs if one factor has a significant correlation of 0.80 with other factors. In our case, however, as examined in Table 6, no serious multicollinearity issue was reported because all analysed correlation

Table 7. Multiple regression analysis

Notes: * $p < 0.05$; ** $p < 0.01$; ns = not significant

Source: Table by authors

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Variable</th>
<th>Standardised $\beta$</th>
<th>t-value</th>
<th>p-value</th>
<th>Supported</th>
</tr>
</thead>
<tbody>
<tr>
<td>$H_1$</td>
<td>Consumer factor score</td>
<td>0.454</td>
<td>9.475</td>
<td>0.000**</td>
<td>Yes</td>
</tr>
<tr>
<td>$H_2$</td>
<td>Family factor score</td>
<td>0.254</td>
<td>5.266</td>
<td>0.000**</td>
<td>Yes</td>
</tr>
<tr>
<td>$H_3$</td>
<td><em>Ummah</em> factor score</td>
<td>0.121</td>
<td>2.773</td>
<td>0.006**</td>
<td>Yes</td>
</tr>
<tr>
<td>$H_4$</td>
<td>Humanity factor score</td>
<td>0.146</td>
<td>2.834</td>
<td>0.005**</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>F-value</td>
<td>125.885 (0.000)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>R-square</td>
<td>0.653</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Adjusted R-square</td>
<td>0.648</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes: * $p < 0.05$; ** $p < 0.01$; ns = not significant

Source: Table by authors
values between variables were less than 0.80. Thus, all variables were retained for further analyses of data.

5.2 Multiple regression results
Furthermore, we attempt to illustrate the relationships between the proposed indexes covering the “consumer factor”, “humanity factor”, “ummah factor” and “family factor” with the waqif preference, whilst the first four mentioned were independent variables.

When Table 7 is examined, consumer factor was found to have a significant effect on the waqif preference to donate in waqf-based qardhul hassan financing (t = 9.475, p-value = 0.000) at a 1% significance level. This simply demonstrates that the greater the consumer factor, the more likely the waqif preference to donate in waqf-based qardhul hassan financing. Besides, family factor was also found to have a significant effect on the waqif preference to donate in waqf-based qardhul hassan financing (t = 5.266, p-value = 0.000) at a 1% significance level. This simply demonstrates that the greater the family factor, the more likely the waqif preference to donate in waqf-based qardhul hassan financing. As also depicted in Table 7, the ummah factor was also significantly associated with the waqif preference (t = 2.773, p-value = 0.006), implying when the extent of the ummah factor is greater, the inclination of the waqif to consider waqf-based qardhul hassan financing will be greater. Table 7 shows that the “consumer factor”, “humanity factor”, “ummah factor” and “family factor” have beneficial effects. Similarly, the humanity factor also yields the same result. This makes H4 confirmed as it demonstrates a significant positive correlation towards the waqif preference to contribute in waqf-based qardhul hassan (t = 2.834, p-value = 0.005). Consequently, the higher the level of humanity factor, the greater the preference of the waqif to donate in waqf-based qardhul hassan financing.

In comparison, the “consumer factor” has the strongest influence than other variables examined, which indicated that the willingness to consider the waqf-based qardhul hassan financing was related firstly by the “consumer factor”, followed by “family factor”, “humanity factor” and “ummah factor” sourced from their reported beta found in Table 7. This finding has shown us that Muslim life, honour and material wealth are important to be protected even during times of financial hardship as the ones encountered with the pandemic of COVID-19. However, other variables were relevant in predicting the receptiveness of the system in terms of significance and importance. This leads us to the conclusion that the action plans are multiple when practitioners are aiming to offer this facility to a large scope of individuals mainly in Malaysia.

6. Discussion
Following Abu-Zaharah (1997), Auda (2008) and Attia (2010), this study introduced a new approach sourced from the maqāsid theory and applied to a newly proposed waqf-based qardhul hassan financing for the improved well-being of those affected by the pandemic. It is a known fact that during the pandemic, the whole world witnessed the sufferings of human beings, more specifically, the needy and those affected by COVID-19. Many people were affected by the pandemic in one way or another, and for that reason, those who can afford it approached banks for financing to rebuild themselves.

This study was conducted to facilitate by developing measures sourced from the maqāsid theory that is responsible for waqif preference. As discussed in the previous sections, the consumer factor is the most prominent among all the other factors, which are family, humanity and ummah factors. The waqf-based qardhul hassan financing framework proposed in the current study is a novel idea. Our findings are consistent with what has been hypothesised by Ismail and Possumah (2010), who argued that qardhul hassan financing is
considered due to personal needs where welfare is prioritised in importance. The framework in the current study is designed with the intention towards improving the well-being of those affected by the pandemic using the waqf-based *qardhul hassan* financing.

If we look closely, the consumer factor was found to be more influential than other evaluated factors. This finding is consistent with previous findings by Choudhury (2019a) and Chapra (2000), who found the importance of consumer factors built based on Muslim life, honour and material wealth. This finding suggests that individual need is profoundly important when meeting basic needs during the times of pandemic for peace of mind. In other words, this finding demonstrates three important lessons drawn from three battery items formulated. Firstly, the introduced waqf-based *qardhul hassan* financing can jack up and maintain the quality of Muslim life from being abandoned out of the negative effects brought by the pandemic, like acute financial hardships that lead to starvation and criminal activities. Secondly, if it is properly introduced, we are pretty sure that this facility can help elevate and maintain honour, and it is always important to maintain dignity (Attia, 2010). Thirdly, this study demonstrates the importance of new alternatives for new channels of obtaining financial assistance that can appreciate the role of *waqif* in helping the disadvantaged when the outcome of negativity from the pandemic is greater.

Our finding is also in tandem with earlier works, namely, Shahwan *et al.* (2013), Attia (2010) and Ab Rahman *et al.* (2023). Our investigated research found that family factor was associated significantly with the *waqif* preference in contributing towards waqf-based *qardhul hassan* financing. Well, if we look into the result, the attributes of family factors like happiness, peace of mind and basic needs acquisition were instrumental in shaping the “family factor” and thus contributed better to the new formation of new knowledge related to the context and setting under contemplation. One of the interesting findings sourced here is that waqf-based *qardhul hassan* financing can help improve the breadwinner’s way of obtaining alternative funding to generate mutual well-being between himself and the dependents. This outcome is also in consonance with the work by Ismail and Possumah (2010), who argued that *qardhul hassan* financing can help improve need fulfilment mainly foodstuff. Though this work is from a demand perspective (recipients), its inclusion is supported by the context that it supports. Yet, Kashif and De Run (2015) argued social influence that includes family influence shapes the donors' donation to help disadvantaged folks.

In the case of the *ummah* factor, the statistical testing was found to be significant and ranked #4 in importance, but its role is relevant for theoretical contributions. This finding is also consistent with findings in maqasid studies by Attia (2010), Auda (2008) and Majeed (2019), who claimed the importance of *ummah* when offering a system that can change the way of living for improvement and sustainability. Of course, these works have not directly captured the operationalisations of the ummah factor but generally, the idea that suggests the factor is important to consider is found in their writing profoundly (Attia, 2010; Auda, 2008). In particular, we extend the perspective of the *ummah* factor from Shahwan *et al.* (2013) and conclude the new inclusion of waqf-based *qardhul hassan* financing in the context of maqasid al-Shariah.

Our finding also suggests support for the works highlighted by Muneer and Khan (2019), Musari (2016) and Obidullah and Shirazi (2015), who argued that the humanity factor is embedded in the *qardhul hassan*, and for that, our study extends the generalisability of these works but from an empirical investigation driven from proper conceptualisations and operationalisations. The humanity factor was associated with the *waqif* preference, and for that, we expect when the humanity factor is prioritised, the *waqif’s* willingness to donate in waqf-based *qardhul hassan* financing is likely greater. The reasons for this significance are at least two. Firstly, humanity is found as a pillar for the overall blessing from *waqif* in total
to donate to waqf-based qardhul hassan financing to gain a new way of Pahala generation (mardhatillah). Secondly, humanity is connecting the waqif and the beneficiaries, who need help rather than extra hardships if they approach Islamic banks or conventional money lenders to sustain their livelihood during the pandemic’s times. The waqif shows concern and compassion to the disadvantaged whilst the beneficiaries show respect to the waqif for mutual brotherhood and love.

7. Research implications
This study leads to these contributions or implications as follows.

7.1 Theoretical and methodological contributions
To date, there is no standard measurement for the variables sourced from the maqasid al-Shariah, specifically from Attia (2010), Auda (2008) and Abu-Zaharah (1997) on the consumer factor, family factor, ummah factor and humanity factor. Our study is considered a first of its kind that provides new conceptualisations and operationalisation of the said factors developed in this study. Most of the factors explaining consumer acceptance or willingness are shaped from the context of Westernised theoretical foundation and very little is known about a framework that can explain waqif preference to donate funds in waqf-based qardhul hassan financing. Besides, this study adds new knowledge to the literature related to QAFSCALE (Amin, 2022a, 2022b; Amin et al., 2023). Unlike Amin (2022a, 2022b), this present study examined the effects of the factors identified on waqif preference. The current used multiple regressions whilst the latter is an index development using mean score and standard deviation. In more detail, at least three theoretical contributions that this study can offer. Three theoretical contributions are defined but are not limited to:

1. Firstly, we developed three battery items for the factors considered in this study, proven through face validity by Shariah scholars appointed to evaluate the appropriateness of the measures developed in this work.

2. Secondly, we also developed specific battery items that capture the willingness of the waqif to donate in waqf-based qardhul hassan financing.

3. Finally, we developed significant relationships between the independent variables identified through the role of these factors and the willingness of the waqif or donors.

7.2 Practical contributions
The results obtained in this study will enable the JMC, covering Islamic banks and SIRCs identify strategies that can enhance waqif contributions in qardhul hassan financing at least as follows:

- **Awareness and education**: The JMC can conduct awareness campaigns and educational programs to inform the public about the concept and benefits of waqf and qardhul hassan financing. By raising awareness about the social impact and religious significance of waqf, individuals may be encouraged to contribute more towards qardhul hassan financing.

- **Customised waqf packages**: The JMC can develop specialised packages that align with the preferences and needs of potential waqifs. The JMC should communicate to waqifs the benefits of their donations to individuals, family, ummah and humanity at large. These products can provide attractive features such as flexible repayment terms, certifications and transparent processes. By tailoring offerings specifically
for *waqif* contributions, financial institutions can incentivise participation in *qardhul hassan* financing.

- **Engaging religious scholars and community leaders:** Collaborating with religious scholars and community leaders can help promote the concept of *waqf* and encourage *waqif* contributions. The JMC can involve these influential figures in campaigns and public forums to disseminate information about the importance of *waqf* and its connection to *qardhul hassan* financing.

### 7.3 Societal contributions

Previous studies by Amin *et al.* (2016) and Shaikh *et al.* (2022) argued that there is still debate concerning customers’ perceptions related to Islamic bank products. That is to say, conventional banks’ products look similar to that of Islamic banks. From the authors’ viewpoint, the supplied personal finance facility, which draws on the potential of the destitute and needy, is no longer on the financial set of choices of Islamic banks. As a consequence, the purpose of personal financing is not met, and bank clients have little choice left but to continue with the service available, which is expensive during the COVID-19 pandemic. Furthermore, the current study took into account all of the different classes of the wealth of socioeconomic groupings in the setting of Malaysia. Such a unique *waqf*-based *qardhul hassan* finance may help society as a whole to improve the well-being of the poor.

### 8. Conclusion and recommendation

This paper evaluated the *waqif* willingness to donate in *waqf* (endowment) based on *qardhul hassan* financing (benevolent loan) if implemented towards the public. The result reported that there are significant effects of consumer factor, family factor, *ummah* factor and humanity factor on *waqif* preference in all of these variables are sourced and modified from Attia’s (2010) theory of *maqasid al-Shariah*. The findings indicate that consumer factor influence more than *ummah* factor as *waqf* involves individual property rights, which has their values and priorities. This is due to the individual sense of control and visibility over the impact of their contributions and it enhances enough satisfaction and willingness to contribute. Family factors come in second by influencing *waqif* to donate cash *waqf* as there is an impact of responsibilities and personal connection towards their family members’ ties and welfare. Although humanity factors and *the ummah* factor also show a significant positive relationship, it has less impact on *waqif* preference compared with consumer factors and family factors to donate in *waqf*-based *qardhul hassan* financing. This is due to the broad scope and long-term goals needed when it is focused on humanitarian or *ummah* initiatives, as it involves many stakeholders to implement it. Therefore, extending the applicability of this theory to include *waqf*-based *qardhul hassan* financing is important because it allows individuals to contribute to community development without depleting their wealth, aligning with the objective of wealth preservation for the benefit of society. However, owing to the lack of a thorough investigation into the goals of financing products, there is a misconception regarding the major reasons for the given. When it comes to selling their products, most Islamic banks prioritise profit over well-being. As a result, many stakeholders are unable to distinguish Islamic finance solutions from their conventional counterparts. Specifically, the supplied personal finance facility, which taps into the potential of the impoverished and needy, is now absent from Islamic banks’ financial menus. Because the goal of personal financing was not addressed, bank clients were left with little alternative but to use the existing facility, which was costly at the time of COVID-19.
The model developed is related to the *waqif* preference for at least three reasons. Firstly, the model developed provides a clear picture to the *waqif* to have a better understanding of the working procedure and the standard operation procedure that allows them to donate funds cogently and confidently. Secondly, the model developed motivates *waqif* to donate funds to help those needy and therefore suggests his family members of the social circle donate funds to ensure its sustainability not only during the health pandemic but also financial pandemic in the future. Thirdly, the model developed becomes a yardstick for *waqifs* to increase their contribution to Islamic social instruments using multiple channels and one of them is sourced from this study.

Hence, this research is aimed at introducing *waqf*-based *qardhul hassan* financing via the construction of a new framework to facilitate its implementation in Malaysia using a *maqasid* approach. This study, however, earned three limitations that need further research. Firstly, this research is our first attempt to examine the interlinkages between the variables sourced from the *maqāṣid* al-Shariah, and therefore, some flaws are predicted accordingly. Future works should extend the framework of this study to contrast the findings. Secondly, the contributions of this study are confined to the four variables that may explain that this work has a generalisation issue at hand. Other factors like awareness, understanding, trust and confidence are not studied. Further works are required to include these factors to confirm further the validity and reliability in the context of *maqāṣid*. Thirdly, this study is confined to the context of Sabah, one state in East Malaysia, which indicates the result can only be generalised to the state whilst others are not in tandem. Future investigations require further revision of this geographical constraint for improved contributions.

Despite these shortcomings, the findings obtained provide new perspectives into factors determining *waqif* preference at best.

References


Further reading


Al-Quran (1997), English Translation of the Meaning of al-Quran, Translated from Arabic by Muhammad Farooq-i-Azam Malik Houston, The Institute of Islamic Knowledge, TX.


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