Zakat Compliance Intention among Self-Employed People: Evidence from Punjab, Pakistan

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Abstract

Objective of this study is to explore the determinants of Zakat compliance intention among self-employed people in Punjab, Pakistan. To achieve this objective, the current study carried out a survey in Punjab, Pakistan. A questionnaire was used to collect the data from self-employed people. By using the area cluster sampling, 384 questionnaires were distributed. Data were analysed by using Partial Least Square (PLS)-Structural Equation Modelling (SEM). PLS-SEM outcomes revealed that subjective norms, perceived behavioural control (PBC), attitude and trust are the major determinants of zakat payment intention among self-employed people. It is found that subjective norms and PBC has significant positive effect on Zakat payment intention and attitude of individual Zakat payers. Attitude of individuals has significant role in Zakat payment. Additionally, it is found that trust strengthen the positive relationship between attitude and Zakat payment intention. The findings of this study will help the government especially the zakat collectors on how to encourage zakat compliance amongself-employed and to collect zakat from this group of people.

Keywords: Zakat compliance, subjective norms, PBC, attitude, trust, intention to pay Zakat.

1. Introduction

Zakat can be divided into two types which is Zakat al-Fitrand zakat on properties. Based on Sunnah's of Prophet(PBUH), the fuqaha' group has divided properties on which zakat can be imposed into five types, namely: al-'ayn which is gold and silver; al-tijarah which is businesses; al-harth which is agricultural produce; al-mashiyyah which is livestock's; and a-rikaz which refers to whatever produce that comes from the earth. Zakat payment on these properties has great importance for Muslim Ummah (Mahfuzha et al., 2019). As the Zakat is one of the world's top instruments to reduce poverty among Muslim nations (Miah, 2019). It has significant influence on economic growth and welfare of societies (Khasandy & Badrudin, 2019).

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The importance of Zakat can be assessed from below mentioned Ḥadīth, in which the Prophet (PBUH) said that Zakat is the bridge of Islam.

"رُوِيَ عَنِ النَّبِي أَنَّهُ قَالَ: أَلزَّكَاةُ قَنْطَرَةُ الإسْلاَمِ، فَمَنْ أَدَّاهَا جَازَ الْقَنْطَرَةَ وَمَنْ مَنَعَهَا إِحْتَبَسَ دُوْنَهَا وَهِيَ تُطْفِئُ غَضَبَ الرَّبِّ."

"It has been narrated from the Noble Prophet (blessings of Allah be upon him and his family), that he said: Zakat is the bridge of Islam; so, whoever performs it can cross the bridge and whoever withholds it will be detained beneath it. And it (Zakat) extinguishes the anger of the Lord. Bihar al-Anwar, Volume 74, Page 405"

"رُوِيَ عَنْ أَبِي عَبْدِ اللهِ الصَّادِقِ أَنَّهُ قَالَ: مَا فَرَضَ اللهُ عَلى هَذِهِ الأُمَّةِ شَيْئاً أَشَدُّ عَلَيْهِمْ مِنَ الزَّكَاةِ، وَفِيْهَا تَهْلِكُ عَامَّتُهُمْ."

"It has been narrated from Abi {Abdullah (Imam) al-Sadiq (peace be upon him), that he said: Allah has not imposed anything more serious than Zakat upon this nation – and due to it, many of them shall perish.Al-Kafi, Volume 3, Page 497, and Bihar al-Anwar, Volume 93, Page 22"

Therefore, Zakat has great importance for Muslims in respect to ad-dunya (ٱلدُّنْيَا) and al-akhira (الآخرة). However, most of the self-employed people are not from the benefits zakat and punishment for those who did not pay Zakat. The employment income which includes salaries, wages, allowance, bonus etc. is subject to zakat. All these types of income one receives from one's employer. Incomes are also generated through the rendering of various services and expertise. This includes fees for lawyer's consultation and service, consultancy, showmanship and others. Regardless of whether the income is given by the employer or self-generated, it is subject to zakat. The self-employment sector in Punjab, Pakistan has contributed significantly to the state economic growth.

At present, the rate of zakat charged on self-employment income and on other income is 2.5%. This is because zakat on employment income has been found to be comparable (qiyas) to zakat on gold. The basis for such qiyas is that, since the employment income in the form of salaries and wages is received in terms of currencies or money value, it is functionally no different from gold, which was traditionally used as money as well. In other words, the

application of qiyas in this case has been made on the basis of currency being the common denominator. For the collection of Zakat, Zakat compliance is most important. Therefore, this study emphasized on various determinants of Zakat compliance which effect in the intention pay Zakat. These determinants include; subjective norms, perceived behavioural control (PBC), attitude and trust.

Theoretically, Zakat compliance may be influenced by intention to pay Zakat. Thompson and Panayiotopoulos (1999), using the Reasoned Action theory established by Fishbein and Azjen in year 1975 to forecast that intention to perform behaviours from individual attitudinal and normative belief. In 1986, Ajzen and Maden extended the reasoned action theory by offering the theory of planned behaviour (TPB), in which they added PBC as another element to predict intention. The theory of TPB has yet to be tested on zakat compliance of self-employed individuals. Hence, this study will discuss the intention of self-employed individuals towards Zakat on income using TPB as the underlying theory. This study also will find out the elements that are most likely to impact the intention to pay zakat. Therefore, objective of this study is to explore the determinants of Zakat compliance intention among self-employed people in Punjab, Pakistan.

Additionally, the moderating role of trust is also examined. Understanding the donors is significant to the *zakat* organisations (Islamic charities) because numerous Muslims with negative presumption think political agenda always attached to charitable organizations. Ultimately these Muslims do not trust them at all (Benthall & Bellion-Jourdan, 2003). Therefore, trust has central importance for Zakat payers (Mat Jusoh, 2016). These this study considered subjective norms, PBC, attitude and trust as the determinants of Zakat compliance intention. Figure 1 highlighting the association between subjective norms, PBC, attitude, trust and zakat payment intention.

Motivation of this study is based on the lack of studies on Zakat compliance among self-employed people. Various studies are available on Zakat compliance on educators and employed (Andam & Osman, 2019; Azman & Bidin, 2015; Farouk, Md Idris, & Saad, 2018; Haji-Othman, 2016; Othman & Fisol, 2017: Javed & Basheer, 2017: Basheer et al., 2018), however, literature is not well development on self-employed people, particularly in Pakistan. In Pakistan, self-employed people likebusiness manare those people having high income. Maximum part of Zakat comes from the self-employed people in Pakistan. There is hardly any literature which emphasized on attitude, subjective norm, PBC, trust and zakat compliance among self-employed individuals in Punjab, Pakistan. Because of this gap, it is imperative that a study is conducted to scrutinize Zakat compliance among this group of people.

2. Literature Review
2.1 Theory of Planned Behaviours (TBP)

TPBpresented by Ajzen (1991)was established as an extension to the Ajzen and Fishbein (1880)theory of reasoned action. According to Ajzen and Fishbein (1880), volitional behaviour as being understandable by individual attitude to the behaviour as well asspecific subjective norms. Generally, attitude to the behaviour is assessed by an individual belief that the behaviour is centrals to various outcomes as well as the individualassessment of those outcomes, favourable as well as unfavourable.

The TPB signifies analteration of the previous reasoned actiontheory, whichsuggests that intentions are directed not only by attitude toward the different types of behaviour including various subjective norm,additionally it is also because ofPBC, that is, anindividual's observation of how easy or tough it is to involve in the certain behaviour. Favourable subjective normas well as attitude of a person regarding a behaviour have positive effect on intention.

Generally, TPB has been employed in variousenvironments to comprehend a number of diverse behaviours of various people. For instance, I. Ajzen and Driver (1992)employed the theory toforecastthe leisure intentions as well as behaviour for a certain group of students in a college. It is found that attitudes, subjective norms as well as PBCare the strongdeterminants of leisure intentions.

The current study has used TBP as the underpinning theory which suggests that Zakat compliance may be affected by Zakat payment intention. In line with TBP, the current study proposed that subjective norms, PBC and attitude has significant predictor of Zakat payment intention. In addition, this study added trust which is another element effecting intention to pay Zakat. Consistent with TBP, the theoretical framework of the study is highlighted in Figure 1.
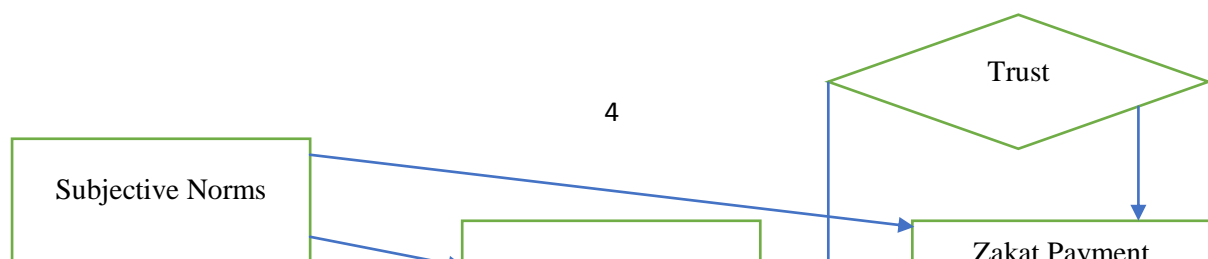
Figure 1. Theoretical framework of the study showing the relationship between subjective norms, PBC, attitude, trust and Zakat payment intention

2.2 Subjective Norms

It denotes to the belief for an individual which include; siblings, parents,peer,teachers and other individuals close to the person. This important person is called a referent group. If referent group feels that certain behaviour is significant, there is possibility that a person might execute the behaviour. This is because the person will search for support, opinion or advice that motivates the individual in acting on such behaviour(Bidin, Idris, & Shamsudin, 2009) which effect on attitude to pay Zakat. Social learning theory supports subjective norm that focuses on environmental factors(Bandura & Walters, 1977). It clarifies that human decision making is developed by personal as well asvarious environmental factors. But the key factor that influence a behaviour is derived from peers or any other social influences. For example, 'X' is asking the opinion of his or her peers about 'B' supplement for his health. „X‟ would not buy the product if his or her peers not suggesting it. This theory is based on one's observation on the other individual (Bandura & Walters, 1977). Therefore, the strength in performing the behaviour will be influenced by this referent group (Ajzen, 1991).

Besides that, behaviour also will be influenced by social belief. Aronson, Wilson, and Akert (1999) they found that societal belief depends on what is right, accepted and can be done by the people. Thus, the culture in the country also will influence individuals in performing a behaviour. Several authors found that subjective norms can be divided into several related groups (Hanno & Violette, 1996; B Zainol & Kamil, 2007). For instance,Chu and Wu (2004) noted that a reference group can be classified into two types i.e. primary normative belief and secondary normative belief. Primary normative belief refers to the persons that have close connection with the individual such as parents, siblings and friends. In contrast, secondary normative belief relates to individual's supervisor or peers. Their study highlighted that

secondary normative belief is positively related to intention to perform the desired behaviour. Various other studies also found that subjective norms have significant link with attitude and intention to pay Zakat (Huda, 2018; Huda, Rini, Mardoni, & Putra, 2012).

H1: Subjective norms has positive relationship with Zakat payment intention.

2.3 Perceived Behavioural Control

PBC is another type of belief which is linked with control. It is the belief on the resources accessibility that enables the person to achieve the desired behaviour(Ajzen, 1991). Internal and external factors are the factor that influences the behaviour. Among the factors being considered are such as whether the person has money to pay, knows how to pay, it is easy to pay, and so on. It has significant role on attitude to pay Zakat (Huda et al., 2012).

Perceived behaviour control shows the perceived capability to perform a targeted behaviour which effect on attitude with significant intention to pay Zakat. It reflects the degree of easiness or difficulty theory of TPB has yet to be tested on self-employed individuals in performing such behaviours (I. Ajzen & Driver, 1992). Previous research studies have revealed a significant relationship between PBC and behavioural intention (Krueger Jr, Reilly, & Carsrud, 2000; B Zainol & Kamil, 2007). For example, B Zainol and Kamil (2007) has shown that PBC is comparatively significant to intention towards zakat compliance behaviour on employment income. Similar finding is also reported by I. Ajzen and Driver (1992) who found a significant effect of PBC on performance in various activities. A study by Krueger Jr et al. (2000) also found that PBC is the most significant influence on intention towards entrepreneurship. It is also revealed by the previous studies that PBC has significant role in intention and attitude (I. Ajzen & Madden, 1986; Billari, Philipov, & Testa, 2009; Norman & Smith, 1995).

H2:PBChas positive relationship with Zakat payment intention.

2.4 Attitude

Attitude which contribute tobehaviour is the degree in which a person has positive as well as negative assessments on that behaviour(Ajzen, 1991). Ajzen (1991) mentioned evaluations of behaviour and its outcome reflects attitude towards behaviour. Hence, it is also called behavioural belief. Attitude comes from the belief of each individual hold based on the object of the attitude. It shows that believe connected with attributes or outcomes. A few theorists support that attitudes are an evaluative mediating response, as considered by the current study. It will strongly affect individual behaviour through the intentions if it is positively reinforced. Various studies have been carried out by applying decomposition approach. According to Lau (2002), there are five categories of attitude concepts which are perceived

usefulness, perceive ease of use, perceived advantages, observability and compatibility. All these five categories have significant effect on intention to pay Zakat.

As it is revealed by the literature that attitude has relationship with intention (Jahn, Tsalis, & Lähteenmäki, 2019; Zulfiqar, Sarwar, Aziz, Ejaz Chandia, & Khan, 2019). Moreover, Saad, Nasir, and Kadir (2018) revealed that attitude is one of the instrument of Zakat payment. A positive attitude of people lead to Zakat payment intention which is also supported by S. A. Muhammad and R. A.-J. Saad (2016).

H3: Attitude has positive relationship with Zakat payment intention.

H4: Attitude mediates the relationship betweensubjective norms and Zakat payment intention.

H5: Attitude mediates the relationship betweenPBC and Zakat payment intention.

Additionally, from above discussion, below hypotheses are proposed;

H6: Subjective norms has positive relationship with attitude.

H7:PBC has positive relationship with attitude.

2.5 Trust

Most of the people do not trust on Zakat collection institutions while Zakat payment, which effect on the Zakat payment intention (Mat Jusoh, 2016). There are several different definitions of trust explained by a few researchers. Trust is seen as the confidence level that other firm will execute actions resulting in optimistic outcomes for the company in the view of marketing aspect. In the same way, people are not encouraged to take actions that would lead to negative consequences for the organization (Anderson & Narus, 1990). As explained by previous researchers, trust is seen from different perspectives in organizational, economic and sociological theories. In organizational theory, trust is seen as an intentional resources to protectvarious resources (Gulati & Sytch, 2007). For instance, resource dependence theory suggests that a deficiency of company's resources gives rise to its organizational engagement and resource dependence with other businesses. Sociological theories defined trust as reciprocal and relational. Recurring transactions with resource exchanges between companies bring expectations and relational norms that go beyond short-term limits (Heide & Miner, 1992). In contrast, economic theories view trust in relation to perceived gain and losses (Bromiley & Harris, 2006). Forinstance, transaction cost economics (TCE) stresses the importance of trust between firms in term of costs and the benefits. The theory suggests that a firm will not trust another firm unless they benefit more than cost incurred.

In case of Zakat, trust on Zakat collection firms has important for Zakat payment. Understanding the donors is most important to the *zakat* organisations because numerous Muslims with negative presumption think political agenda always attached to charitable organizations. Mat Jusoh (2016) found that trust has significant effect on intention for Zakat payment. Various other studies also found that trust has relationship with intention (S. Muhammad & R. A. J. Saad, 2016). S. A. Muhammad and R. A. J. Saad (2016) found that trust is a moderating variable in case of Zakat payment intention. Consistent with S. A. Muhammad and R. A. J. Saad (2016), the current study using trust as moderating variable.

H8: Trust has positive relationship with Zakat payment intention.

H9: Trust moderates the relationship between attitude and Zakat payment intention.

3. Research Methodology

There are several types of self-employed people such as owners of business enterprises, lawyers, doctors, auditors, fishermen and other individuals, who have the potential to perform their zakat, especially zakat on employment income. However, this study is focusing on business men. The reason to select these three self-employed people is that, business men have high income as compared to the other employed people. Moreover, according to the pre-survey for this study, in spite of the high income, these people are paying less Zakat according to their income.

This study focused on Punjab province of Pakistan. The business men were selected to get response. Only those business men were selected having sufficient income which comes under the Zakat. The number of business who have sufficient income to pay Zakat are more than 100,000. According to the Krejcie and Morgan (1970), for more than 100,000 respondents, the sample size must not be less than 384. Therefore, a questionnaire was used to collect the data from self-employed people. By using the area cluster sampling, 384 questionnaires were distributed. Survey instrument was based on the 7-point Likert scale.

Area cluster sampling was used because it is appropriate to collected the data from wide spread population (UL Hameed, Nisar, Abbas, Waqas, & Meo, 2019). In the current study, the data collection was based on three major steps;

1. Various clusters were formed based on major cities of Punjab, which include; Lahore, Faisalabad, Rawalpindi, Multan, Gujranwala, Bahawalpur andIslamabad.
2. Out of seven clusters, four clusters were selected randomly which include; Lahore, Faisalabad, Multan and Bahawalpur.
3. Data were collected randomly from each selected cluster.

From 384 distributed questionnaires 195 were returned, 02 were missing with significant part of survey and excluded from the study. Thus, 193 were used to analyse the data. Table 1 shows the data screening in which missing value, outlier and standard deviation and normality of the data is presented.

3.1 Measures

Attitude was measured based on five questionnaires adapted from Mat Jusoh (2016). Four questionnaires were asked to measure subjective norm. Intention was measured by using five items. Measures for both subjective norm and intention was measured from Bidin Zainol (2008) andFarah Mastura (2011). Measures for PBC was adapted from Siswantoro and Nurhayati (2012)and it was measured by using 6 items. Finally, trust was measure by using seven items which are adapted from Siswantoro and Nurhayati (2012). All the measures are shown in Table 2.

Table 1. Data Screening

	Missing	Mean	Median	Min	Max	SD	Kurtosis	Skewness
SN1	0	5.106	6	1	7	1.773	-0.232	-0.817
SN2	0	5.503	6	1	7	1.686	0.059	-1.021
SN3	0	5.43	6	1	7	1.737	0.538	-1.172
SN4	0	5.179	6	1	7	1.734	-0.368	-0.784
PBC1	0	5.251	6	1	7	1.775	-0.014	-0.912
PBC2	0	5.128	6	1	7	1.651	-0.443	-0.68
PBC3	0	4.922	6	1	7	1.922	-0.825	-0.607
PBC4	0	4.983	5	1	7	1.732	-0.363	-0.742
PBC5	0	4.922	5	1	7	1.738	-0.645	-0.445
PBC6	0	5.212	5	1	7	1.781	-0.375	-0.755
ATT1	0	4.961	5	1	7	1.782	-0.764	-0.466
ATT2	0	5.346	6	1	7	1.705	0.509	-1.111
ATT3	0	5.274	6	1	7	1.736	-0.336	-0.803
ATT4	0	5.123	6	1	7	1.71	-0.002	-0.883
ATT5	0	5.123	6	1	7	1.733	-0.134	-0.854
TRU1	0	5.078	6	1	7	1.686	-0.176	-0.815
TRU2	0	3.978	4	1	7	1.92	-1.215	0.218
TRU3	0	5.43	6	1	7	1.664	0.792	-1.16
TRU4	0	5.458	6	1	7	1.631	0.239	-0.976
TRU5	0	5.402	6	1	7	1.709	0.446	-1.084
TRU6	0	5.425	6	1	7	1.664	0.071	-0.989
TRU7	0	5.413	6	1	7	1.684	0.443	-1.081

ZPI1	0	5.402	6	1	7	1.653	0.254	-0.983
ZPI2	0	5.235	6	1	7	1.734	-0.036	-0.905
ZPI3	0	4.045	4	1	7	1.887	-1.162	0.101
ZPI4	0	5.089	5	1	7	1.795	-0.581	-0.55
ZPI5	0	5.335	6	1	7	1.727	-0.241	-0.837

4. Data Analysis

This study employed Structural Equation Modeling (SEM) to analyse the collected data. SEM was carried out by using Partial Least Square (PLS). PLS-SEM is one of the recommended method by various previous studies (Henseler, Ringle, & Sinkovics, 2009: Basheer et al., 2019: Hafeez et al., 2018: Bahseer et al., 2018: Hameed et al., 2018:Hameed et al., 2019). It is most prominent and reliable technique to analyse primary data. This study followed W. Hameed and Naveed (2019); W. U. Hameed, Basheer, Iqbal, Anwar, and Ahmad (2018) to apply PLS-SEM. Generally, it is based on two major steps. Figure 2 shows the first step of PLS-SEM.
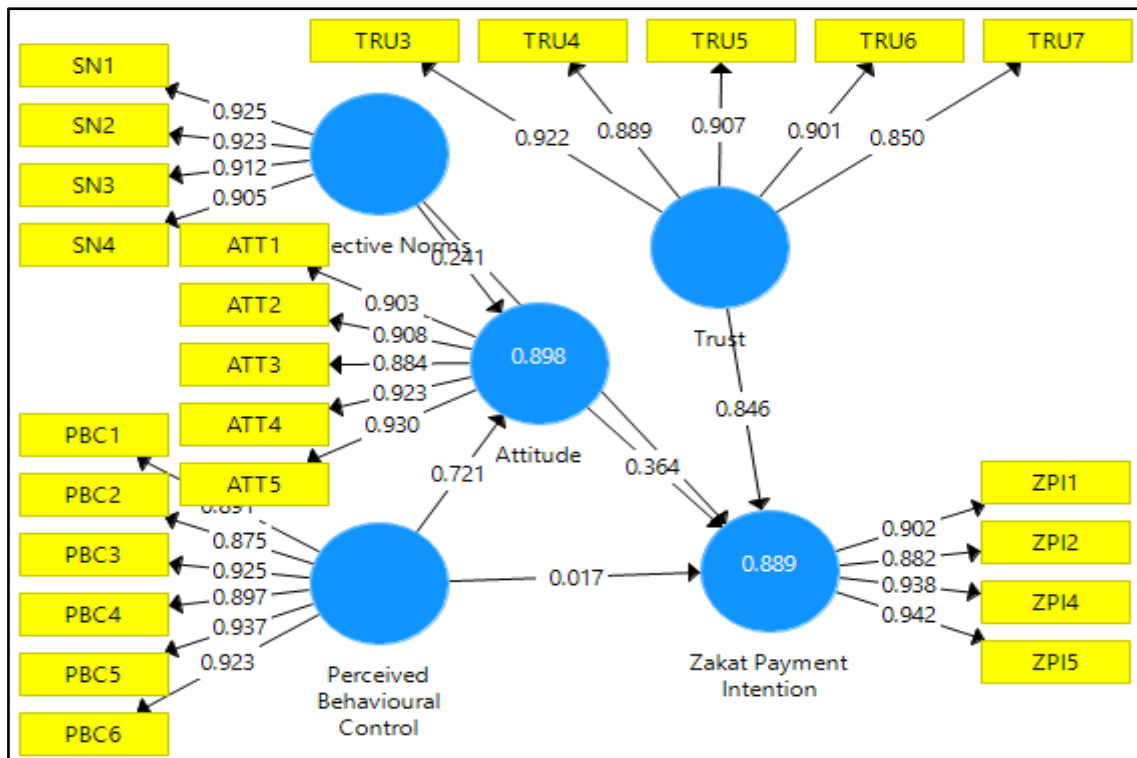

Figure 2. Confirmatory Factor Analysis

Table 2. Internal Consistency, Alpha, CR and AVE

Construct		Items	Loadings	α	CR	AVE
Subjective Norms (SN)	1.	My parents are in my favor to pay zakat on saving.	0.925	0.936	0.954	0.839
	2.	My spouse agrees that we should pay zakat on my saving.	0.923			
	3.	My friends always think that we all should pay zakat on saving.	0.912			
	4.	My teacher believe that we should pay zakat on saving.	0.905			
Perceived Behavioral Control (PBC)	1.	I understand the zakat system.	0.891	0.958	0.966	0.825
	2.	I am aware of the most zakat regulations and guidelines about zakat on saving.	0.875			
	3.	I understand most of the zakat regulations relating on my saving.	0.925			
	4.	I am able to interpret zakat regulations when computing zakat payable.	0.897			
	5.	I do not have any problem with the zakat calculation on saving computing and payment.	0.937			
	6.	I know what all the requirement from me in respect of zakat on saving.	0.923			
Attitude (ATT)	1.	Paying zakat on saving is my importance.	0.903	0.948	0.960	0.828
	2.	I think that paying zakat on my saving is a responsibility.	0.908			
	3.	I think that zakat on saving should be pay if it fulfills the requirements.	0.884			
	4.	I know the place to pay my zakat on saving.	0.923			
	5.	I know about the procedure to pay zakat on saving.	0.930			
Trust (TRU)	1.	Zakat organization can be trusted for zakat funds.	Deleted	0.937	0.952	0.800
	2.	Zakat organization has distributed zakat fund to the right beneficiaries.	Deleted			
			0.922			

	3. Zakat organization has high credibility.	0.889				
	4. Zakat organization is trusted by society.	0.907				
	5. We believe on zakat organizations.	0.901				
	6. Zakat organization has been transparent in various financing activities.	0.850				
	7. Zakat organization officer can manage zakat fund well.					
Zakat Payment Intention (ZPI)	1. I will pay zakat on saving for this year.	0.902	0.936	0.954	0.840
	2. I will pay zakat on saving in the future.	0. 882				
	3. I will pay zakat on saving at zakat collection center.	Deleted				
	4. I will increase payment of zakat on saving if my saving increases.	0.938				
	5. I will contact zakat collection center for the payment of zakat on saving.	0.942				

Table 3. Discriminant Validity

	Attitude	PBC	Subjective Norms	Trust	Zakat Payment Intention
Attitude					
PBC	0.888				
Subjective Norms	0.859	0.87			
Trust	0.683	0.657	0.674		
Zakat Payment Intention	0.733	0.683	0.667	0.892	

In first step of PLS-SEM, reliability as well as validity was examined by using the confirmatory factor analysis (CFA). Table 2 and Table 3 illustrates the outcomes of CFA. It is revealed that items of all constructs have factor loading above 0.7, composite reliability (CR) above 0.5 and average variance extracted (AVE) above 0.5 (Hair, Hollingsworth, Randolph, & Chong, 2017). AVE overhead 0.5 approves the convergent validity. Discriminantvalidity is shown in Table 3 which is assessed by using the heterotrait monotrait

ratio in which none of the value should be greater than 0.9. Moreover, Figure e shows the structural model in which hypotheses were tested.
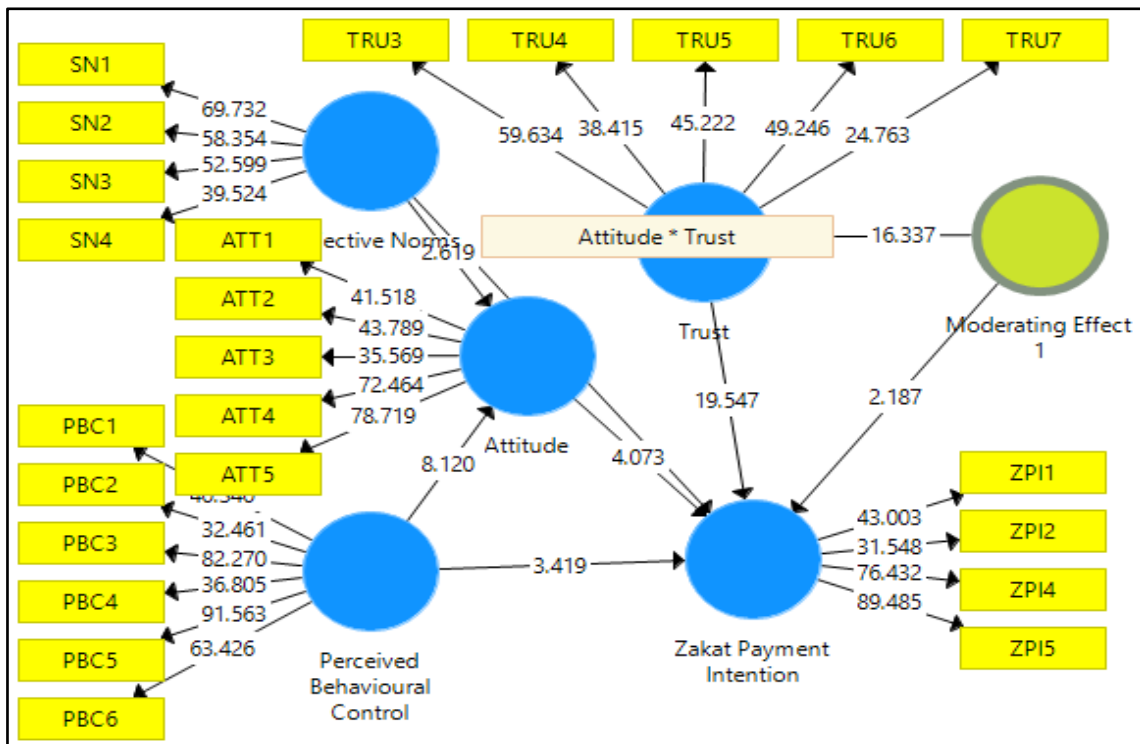

Figure 3. Structural Model

In this study, nine hypotheses were formed based on previous studies. Results of these hypotheses are highlighted in Table 4 and Table 5. Table 4 shows the direct and moderation effect. The hypotheses having t-value below 1.96 were considered as not supported. In case of direct hypotheses, it is found that subjective norms and PBChas significant positive effect on attitude with t-value 2.619 and 8.12, respectively. Subjective norms and PBC also have significant positive effect on Zakat payment intention with t-value 1.996 and 3.419, respectively. Consistent with these results, attitude and trust found significant positive role to enhance Zakat payment intention with t-value 4.070 and 19.547, respectively. Hence, these results supported all the direct hypotheses (H1, H2, H3, H6, H7, H8). The moderation effect of trust between attitude and Zakat payment intention was also examined. It is found that moderation effect is significant with t-value 2.187 which supported H9.

Table 4. Path Coefficient Results (Direct and Moderation Effect)

	β	M	SD	T Statistics	P Values

Attitude -> Zakat Payment Intention	0.382	0.381	0.094	4.073	0
Moderating Effect 1 -> Zakat Payment Intention	0.041	0.043	0.019	2.187	0.029
PBC -> Attitude	0.721	0.727	0.089	8.12	0
PBC -> Zakat Payment Intention	0.044	0.041	0.013	3.419	0.001
Subjective Norms -> Attitude	0.241	0.235	0.092	2.619	0.009
Subjective Norms -> Zakat Payment Intention	0.198	0.191	0.099	1.996	0.046
Trust -> Zakat Payment Intention	0.861	0.853	0.044	19.547	0

Finally, the in-direct effect (mediation effect) of attitude is shown in Table 5. It is found that mediation effect is significant (t-2.032) between subjective norms and zakat payment intention. Second mediation effect between PBC and Zakat payment intention was also found significant (t-3.99). These results supported H4 and H5. Moreover, r-square (R^2) value is shown in Figure 2 which is 0.889. Chin (1998) described that this r-square (R^2) is substantial. Itdesignates that subjective norms, PBC, attitude and trust areexpectedto bring 88.9% change in Zakat payment intention. Finally, quality of the model was examined by using predictive relevance (Q^2) shown in Table 6. It must be higher than zero (Chin, 1998) which is confirmed by the current study.

Table 5. In-Direct Effect

	β	M	SD	T Statistics	P Values
PBC -> Attitude -> Zakat Payment Intention	0.275	0.275	0.069	3.99	0
Subjective Norms -> Attitude -> Zakat Payment Intention	0.092	0.092	0.045	2.032	0.043

Table 6. Predictive Relevance (Q^2)

	SSO	SSE	Q² (=1-SSE/SSO)
Attitude	895	277.146	0.69
Zakat Payment Intention	716	215.896	0.698

5. Discussion and Conclusion

Objective of this study was to explore the determinants of Zakat compliance intention among self-employed people in Punjab, Pakistan. To achieve this objective, the current study carried out a survey in Punjab, Pakistan. Data were collected from the business men. Data were analysed by using Partial Least Square (PLS)-Structural Equation Modeling (SEM).

It has revealed that Zakat payment intention has four major determinants. These determinants include; subjective norms, PBC, attitude and trust. It is found that subjective norms have significant positive effect on attitude and Zakat payment intention. Better subjective norms

lead to the increase in Zakat payment intention. These results are consistent with previous studies (Haji-Othman, Alwi, Sheh Yusuff, & Mohd Saufi, 2017; Huda et al., 2012; Sareye & Haji-Othman, 2017). Therefore, development of subjective norms is required to increase Zakat payment intention among business men.

Moreover, PBC also has positive role in Zakat payment intention. PBC also has positive effect on attitude to pay Zakat. Along with the direct effect of PBC on Zakat payment intention, it also effect in directly by increasing the attitude to pay Zakat. It is also revealed by the previous studies that PBC has significant role in intention and attitude (I. Ajzen & Madden, 1986; Billari et al., 2009; Norman & Smith, 1995). Therefore, PBC has significant role to expediate attitude to pay Zakat and Zakat payment intention among the business men of Punjab, Pakistan.

Hence, both subjective norms and PBC has direct and indirect effect on Zakat payment intention. Attitude to pay Zakat reflect the positive effect of subjective norms and PBC on Zakat payment intention. Along with the positive effect of subjective norms, PBC and attitude, trust also has significate role in Zakat payment intention. It is also evident from prior studies that Mat Jusoh (2016) found that trust has significant influence on intention to pay Zakat. Various other studies also found that trust has relationship with intention (S. Muhammad & R. A. J. Saad, 2016). The effect on trust is shown in Figure 4. In the current study, it is found that trust strengthen the positive relationship between attitude and Zakat payment intention. Therefore, business men should have significant level of trust on Zakat collection organization to pay Zakat.
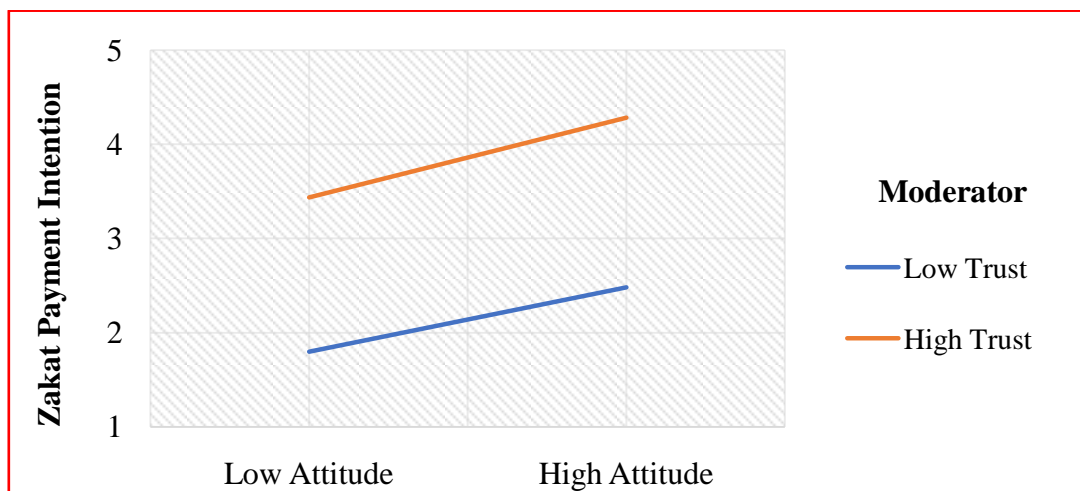

Figure 4. Trust strengthen the positive relationship between attitude and Zakat payment intention

5.1 Implications of the Study

The study is important in at least two ways – practically and theoretically. From the practical point of view, the findings of this study will help the government especially the Zakat office and zakat officers (i.e. zakat collectors) on how to encourage zakat compliance amongst self-employed and hence to effectively collect zakat from this group of people. From the theoretical point of view, this study adds further to the existing literature on zakat compliance with the application of the theory of planned behaviour, by focusing on self-employed people. By doing so, the study will be able to confirm whether such theory is also validly applicable to a different group of people, who have not yet been examined before. Additionally, this study extended the literature by introducing trust as a moderating variable.

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