

The Measurement of 'Muslim Religiosity Index' in Islamic Economic Consumption

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Abstract: The relationship between religion, income and consumption have been explored in several studies. In this study, we extend this inquiry by arguing that religion variable plays an important role in influencing the patterns of income and consumption among the household. According to Bank Negara Malaysia the ratio of household debt to Gross Domestic Product (GDP) for 2013 is above the level of 86.8% in order to accommodate family life in nowadays situation. Therefore, this study is expected to serve as a preliminary study to see how the religious factor in the Islamic economy can educate the Muslims on how they manage income and expenses wisely. This study also discussed on the construct validity and reliability of 'Muslim Religiosity Index' on household consumption pattern by using religious dimension and spending pattern dimension. The instrument was developed based on past literature, expert opinion and research objectives. Expert interview has been done to validate the instrument construct and content while Cronbach's alpha coefficient has been used to identify the value and level of internal consistency. Based on the result, some improvements on the instrument item need to be done for the next research.

Key words: Religious dimension, spending pattern dimension, 'Muslim Religiosity Index' (MRI), coefficient, GDP

INTRODUCTION

Knowledge of the pattern of household expenditure and income is very important to understand in order to achieve the quality of life. Now a days, the influence of materialism has now permeated into the soul of every community by offering a variety of goods and services prevalent in the market (Ghani, 2003). Malaysian Research Institute Economics (MIER) expressed concern on debt level of households from Gross Domestic Product (GDP) that increasing to 76.6% of 2009 compared to 63.9% in 2008. The press also expressed that there is three key contributors to household debt increases, these are insufficient household income, affluent lifestyle and the weaknesses in credit management (Laldin, 2010). Latest development reported by Mingguan Malaysia, 3rd of June 2012, shocked the society with the topic "Mad Spends On Internet" involved 16.9 mln. consumers for online spending compared to 3.7 mln. (2000). Sharp increased within this 10 years proves that the Malaysian spending habit has changed in fulfilling their personal desire and materialism. Now, recent statistics show that the ratio of

household debt to Gross Domestic Product (GDP) for 2013 stood at 86.8% and Malaysia as a country which has the highest household debt in the Asia Pacific region for the year.

Religion plays an important role in influencing the patterns of income and consumption among the household. Religious factor is attempting to influence an individual (consumer) in terms of shop signs and the decision to buy (Essoo and Dibb, 2004). While, Moschis and Ong (2011) found that religion plays an important role in the formation of well-being of society and can change the value of a person's life. The influence of the present material has been diffused into the soul of every community by offering a variety of goods and services prevalent in the market (Ghani, 2003). Aulia 'consumeristic' attitudes is one phenomenon that indicates that a society has a very high level of usage in their goods or services Rosbi and Sanep in their study, applying the principles of the Maqasid Shariah as according to Imam Ash-Syatibi which includes five things: preservation of religion (al-Din) preservation of soul (al-Nafs) preservation of intellect (al-'Aql)

preservation of descent and finally the preservation of property (al-Mal) on Maslow's theory that encompasses the needs of self-perfection, the need for self-respect, love and social needs, security needs and finally physiological needs.

In order to answering all the above questions, this study is expected to serve as a preliminary study to see how the religious factor in the Islamic economy can educate the Muslims on how they manage income and expenses wisely. This study also discussed on the construct validity and reliability of 'Muslim Religiosity Index' on household consumption pattern by using religious dimension and spending pattern dimension. The instrument was developed based on past literature, expert opinion and research objectives. Expert interview has been done to validate the instrument construct and content while Cronbach's alpha coefficient has been used to identify the value and level of internal consistency.

Literature review: It has been argued that religion and economic behaviour are strongly related since the last two decades of the 20th century with explosion of empirical and theoretical research. The research mainly focusing on behavioural differences associated with different religious identities whereby the causation runs both ways. Firstly, some studies analyse the effects of religious identity on various economic activities and secondly, analyse the effects of economic incentives on religious observances and institutions (Laldin, 2010). Religion is an important aspect of the individual that will affect consumer behaviour. The magnitude of its effect will depend on individual's level of religious commitment or the importance placed on religion in their life (Mokhlis, 2006). In terms of economic and individual consumer perspective, religious expression is an economic good that must compete with all other goods for a share of the resource budget. It is a good with an intangible sense rather than materialism for which people express a preference by their willingness to spend time and money on its acquisition. It belongs to the category of economic goods that must be self-produced by each individual (Free, 2010). Religion is the best thought of as a bundle of three distinct but interrelated goods which is first, spirituality (spiritual good) second collective dimension (social good) and the third is human mortality (afterlife good) (Azzi and Ehrenberg, 1975).

MATERIALS AND METHODS

Analysis in this study is based on cross sectional data obtained from questionnaires distributed to 500 Muslim households in Selangor (which the highest

percapita of GDP in Malaysia) and Kelantan (which the lowest percapita of GDP). Petaling and Sabak Bernam district were chosen to be representative urban and rural areas in Selangor while Kota Bharu and Jeli representative to Kelantan respectively. The sample was chosen using stratified random sampling. The questionnaires were set in the Malay language and contained eight major groups of questions. The section A elicited demographic information, section B was about family members profile, section C income source by the household head while the section D was consumption item allocation, section e was saving portion, section F was religious aspect, section G was household consumption pattern and the last section H was quality of life among the households. Likert scales responses varying from strongly agree to strongly disagree were employed.

The formation of 'Muslim Religiosity Index' (MRI): The formation of MRI covered both Religious Index and Spending Pattern Index that have been designed to describe the religious dimensions and spending pattern dimensions. The following general equation can be used for calculating the index for each component (Ismail *et al.*, 2010) and can be shown as:

$$RI = \sum_y w_y Z_{iy} \quad (1)$$

Based on previous studies Abdullah and Majid (2003) use the religiosity index to measure the level of religious on savings behaviour among students in the UIA. Religious index takes into account the obligatory deeds, recommended deeds and prohibited deeds by their weightage 0.64, 0.01 and 0.35, respectively. However, in this study, the weightage value is 0.6 for religious dimension and 0.4 for spending pattern dimension by applying the Maqasid Shariah concept. Dimensions of the spending pattern takes into account the aspect of daruriyyat (basic needs/essential) hajiyyat (complement) and tahsiniyyat (embellishment) as a measurement of the spending priorities in Islam. Kurnia (2010) in their study, applying the principles of the Maqasid Shariah as according to Imam Ash-Syatibi which includes five things: preservation of religion (al-Din) preservation of soul (al-Nafs) preservation of intellect (al-'Aql) preservation of descent and finally the preservation of property (al-Mal) on Maslow's theory that encompasses the needs of self-perfection, the need for self-respect, love and social needs, security needs and finally physiological needs. In that regard, this study aims to analyse the influence of MRI on household consumption pattern by using religious variable which covers three things namely, daruriyyat (essentials) hajiyyat (complements

Table 1: Religious dimension and spending pattern dimension

Component (I)	Indicator (k)	No. of construct
Religious dimension		
Religious	Preservation of religion	8
	Preservation of life	5
	Preservation of progeny	11
	Preservation of intellect	8
	Preservation of wealth	5
Spending pattern dimension		
Spending pattern	Daruriyyat (essential)	8
	Hajjiyat (complement)	5
	Tahsiniyyat (embellishment)	7

Table 2: The scale of Muslim religiosity index

Scale	Index value
Very weak	<0.2000
Weak	0.2001-0.4000
Moderate	0.4001-0.6000
Good	0.6001-0.8000
Very good	>0.8001

the essentials) and tahsiniyyat (embellishment or adorn) as adopted by Chik (2007) in describing the basic principles of fiqh consumer spending in Table 1.

The index value will be in the range 0 to 1 with a value approaching 1 indicates that the value of religious at a very good level while values close to 0 is just the opposite. Index scale can be summarized as follows (Table 2).

Data collection, sampling and research instruments:

MRI instrument was conducted among the 441 Muslim households in Selangor (which the highest percapita of GDP in Malaysia) and Kelantan (which the lowest percapita of GDP). Petaling and Sabak Bernam district were chosen to be representative urban and rural areas in Selangor while Kota Bharu and Jeli representative to Kelantan, respectively. The sample was chosen using stratified random sampling. The instruments consisted of 53 items statements (Research Instrument in 'Muslim Religiosity Index'). The instrument was developed based on past literature, expert opinion and research objectives. Expert interview has been done to validate the instrument construct and content. The expert panel comprised of active researchers in the area of consumer behaviour. As the study of this questionnaire is to preserve the concept and theory under Maqasid Shariah, the expertise required to examine each item in order to represent the items related to the concept and the actual theory. The focus of the study will be easily achieved and meets the requirements of the research objectives (Piaw, 2006).

Research Instrument in 'Muslim Religiosity Index' Elements and items number

Religion (37 items)

Preservation of religion (8 items):

- Definition of 'shahadah' is important to be believed
- I pray five times a day

- I fast the whole of Ramadhan
- I perform 'solat fardh' in congregation in the mosque
- I regularly perform my recommended prayer (i.e .,solat rawatib)
- I perform Friday prayer every week (for men only)
- Quran and Sunnah guided my life much better
- I intend to go for Hajj if enabled

Preservation of life (5 items):

- I will make sure the food and drinks were picked clean and not harmful
- I do not practice a cigarette
- I will ensure that my home state is safe for families
- I will ensure the safety of my car is better each time on the way
- I choose takaful as a guarantee of protection against a member of my family

Preservation of progeny (11 items):

- My relationship with colleagues is good
- Family happiness is a determinant of quality of life
- The relationship between family intimacy is important in a family institution
- The need for social, economic and psychological need to be addressed in a family institution
- My neighborhood relationship is good
- My participation in community activities strengthen family ties
- I keep social boundary between men and women
- I never committed adultery
- I never retreat
- I have never been caught committing adultery
- I have never been involved in immoral activities

Preservation of intellect (8 items):

- I read the Quran every day and try to understand its contents
- I prefer to buy reading materials to increase knowledge
- I will allocate time to think and meditate for a moment on something
- I love to watch TV shows Islamic elements
- I love to listen to the Islamic radio
- I will ensure the selection of food consumed is good for my mind
- I used to take wine or beer
- I never took drugs, ecstasy pills, glue unreasonable and so on

Preservation of wealth (5 items):

- I pay the 'zakat fitrah' every year
- I pay zakat income compared to income tax

- I am sure the property is managed well for the future of the family
- I try to take care of public property anywhere although it is not mine
- I intend to have many possessions in order to gain public acclaim

Daruriyyat (Basic needs/essential) (9 items):

- Shopping in Islam should be coordinated with the Islamic Shari'a
- I understand the purpose of the needs and requirements
- I spend affordably
- I understand the purpose of shopping in accordance daruriyat (basic), hajiyat (needs) and tahsiniyat (complementary)
- The style of my spending is planned
- I give priority to the purchase of goods and pure dietary needs
- I attach great importance to the quality of goods compared perishable goods
- I am comfortable with the simple style of living expenses
- I am prioritizing Muslim-made goods

Hajiyat (complement) (5 items):

- The insufficiency of income caused me to have to owe
- Effect of the advertisement encourage my shopping
- Pressure desire encourage my shopping
- Encouragement of friends and family encouraged my shopping
- I do not have a plan in shopping

Tahsiniyyat (embellishment) (4 items):

- I bought a luxury car to get comfortable with the existing capabilities
- I buy updated computer equipment to improve knowledge
- I spent part of the income to purchase certain assets for convenience life
- I prefer to make profitable investments (gold, land, houses and so on)

RESULTS AND DISCUSSION

Validity and reliability of 'Muslim Religiosity Index' instrument: In general, the study on the influence of religion with consumer behavior less emphasized by the researchers especially from the Islamic dimension (Khraim, 2000). This deficiency is evidenced by the number of associate researcher with the religious aspects

of consumer behavior is only about five theses only in Malaysia (Adnan, 2010). However, specific studies linking religion with the expenditure pattern is not found instead that figure is only about the expenditure pattern study alone without religious elements are included. According to Hirschman there are three factors that explain why religion itself is not a major focus among researchers last year. The first factor is researchers of consumerism are not aware of the relationship between religion and spending patterns. Secondly, the study of religion is too sensitive and should not be discussed while the third is a religion available anywhere in the lives of individuals and in fact the researcher have overlooked the importance of the study of religion in the daily lives of the individuals.

In order to identify the value and level of internal consistency, Cronbach's alpha coefficient has been used reliability analysis using the Cronbach's alpha test revealed the result whereby the items added and deleted comes from constructs of "preservation of intellect", "preservation of wealth", "preservation of progeny", "essentials" and "embellishment" after revisions. Based on the result, the analysis of this data provided good result by generating relevant factors that are consistent with the literature even though the value for Maslahah items is relatively small, greater than 0.50. Pallant disclosed 0.50 according to those items <10 while 0.70 according to those items greater than 12. The value of alpha is often used as a benchmark is 0.60 (Sekaran, 1992) 0.65 (Millan and Schumacher, 2006) and 0.70. However, 0.70 alpha value is more suitable for studies that measure personality characteristics, attitudes and views (Crowl, 1996; Millan and Schumacher, 2006). According to Nunnally (1967) the alpha of 0.5 or 0.6 is sufficient to assess the reliability of the questionnaire. Overall, the instrument has internal consistency and value of the questions in the questionnaire used was appropriate.

In this study, the final version of the instruments provided good results by generating relevant factors that are consistent with the theory in literature with Cronbach alpha coefficient for "religion dimension" and "spending Pattern" 0.86 and 0.70, respectively (Table 3). Ilyas *et al.* (2009) using the terms 'intrapersonal religiosity' and 'interpersonal religiosity' in measuring religiosity. These terms produced Cronbach alpha coefficients of 0.85 and 0.68, respectively indicating high internal consistencies and reliability. Besides, Ilyas *et al.* (2011) in the study of Islamic religiosity and the consumer purchase behaviour, shows that no significant relationship with Cronbach alpha 0.54 for the reliability of the instruments item. As compared to the previous research, this study revealed the same results

Table 3: Reliability test for Muslims religiosity index

Construct	Dimension	Cronbach's alpha coefficient
Religion (37 items)	Preservation of religion (8 items)	0.854
	Preservation of life (5 items)	0.705
	Preservation of progeny (11 items)	0.855
	Preservation of intellect (8 items)	0.802
	Preservation of wealth (5 items)	0.621
Spending pattern (18 items)	Overall	0.859
	Daruriyyat (Basic needs/essential) (9 items)	0.887
	Hajiyyat (Complement) (5 items)	0.785
	Tahsiniiyyat (Embellishment)(4 items)	0.579
	Overall	0.700

as mentioned by above researchers. Although, this religious issue is a bit sensitive but these studies could at least contribute towards the understanding of personality through their religious practice over the years.

CONCLUSION

It is important to form developing Muslim personality through MRI as interpretation in al-Quran and al-Sunnah. Good personality means that he/she can benefit to the society as a whole and closed to Allah. The best Muslim can performed himself/herself from particular angle by knowing their strength especially in the aspect of consumption. Thus, the measurement of MRI can be as a tool or benchmark on how far the understanding of Islamic knowledge is. By implementation of the principles of Maqasid Shariah in MRI measurement, it is expected that this concept can protect the individual Muslims in maintaining five things: religion, life, intellect, wealth and progeny.

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