

# Acceptance of islamic hire purchase facility

Finance



Acceptance Of Islamic Hire Purchase Facility: A Case Study among staff In  
Jabatan Pelajaran Negeri Kelantan, Kota Bharu 2012 CHAPTER ONE: 1. 0

INTRODUCTION OF THE STUDY INTRODUCTION The Islamic concept of Al-Ijarah Thumma al-bay' refers to lease or hire or rent ending with purchase. It is a type of lease which concludes with option to buy back which concludes the legal title of the leased asset and will be passed to the lessee at the end of the period.

It is one of the contemporary innovative products which are design to meet the public demand at the same time, securing long term competitiveness in the financial market. AITAB comprised two contracts which are al-ijarah (leasing or renting) and followed by al-bay' (sale) contract. Al-Ijarah: a contract whereby the lessor (Islamic bank) will rent the assets to the lessee (customer) over a certain period and at the end monthly rental amount as agreed by both parties. (Khir et al. 2008) Al-Bay': upon completion of the rental period or upon the early settlement the lessor will then enter into the sale contract with the lessee to sell the asset at a pre-agreed selling price. (Khir et al. , 2008) Al-ijarah and al-bay' are both categorised under the contract of exchange. The former relate to the exchange of usufruct for money, while latter involves the exchange of good for money. In AITAB the contract of al-ijarah runs separately from the contract of al-bay'. Since both contracts are executed in a sequence.

A new contract AITAB can be used to describe the process of converting an Ijarah into a sale contract. (Khir et al. , 2008) AITAB is one of the contemporary innovative approaches in the Islamic hire purchase instrument which is an alternative product to conventional hire purchase. The significant

difference between the two is that Islamic hire purchase is a unique contract involving a combination of two different contracts, thus involving a number of legal and shariah issues. It 1

Acceptance Of Islamic Hire Purchase Facility: A Case Study among staff In Jabatan Pelajaran Negeri Kelantan, Kota Bharu 2012 calls for special rules on leasing and sale at different stages of the transactions in the light of shariah. It refers to owning the benefit of certain assets for a specific period of time, by paying an agreed sum of rental, with an agreement that the owner will transfer the rented asset to the hirer at the end of the agreed period or during the period, provided all rental payments or instalments have been made in entirety.

The transfer of ownership is affected by a new and independent contract, either by giving the asset as a gift, or selling it at an agreed price. (AlZuhayli, 2002) Conventional hire-purchase, the product is considered as a loan to which interest rate and hiring charges would be applicable and in case of late payment of instalment price, interest would accumulate. But in Islamic hire-purchase, the product is considered as a mode of financing, not a loan and the product would have a profit rate and a mark-up and for late payment of instalment price, only late payment charge pre-agreed would be applicable. Billah) Based on the statements above, the researcher conduct the study among staff in Jabatan Pelajaran Negeri Kelantan to identify the most significantly criteria's such as perception, competency among car dealers and bank officer and awareness can influence them in order to accept Islamic hire purchase facility. The result for the acceptance of Islamic hire

purchase facility will be collected by distributed the questionnaire to 200 staff in Jabatan Pelajaran Negeri Kelantan.

After that, the analysis will be interpreted by using the SPSS 20.0 program.

2 Acceptance Of Islamic Hire Purchase Facility: A Case Study among staff In Jabatan Pelajaran Negeri Kelantan, Kota Bharu 2012

### 1. 1 BACKGROUND OF COMPANY JABATAN PELAJARAN NEGERI KELANTAN ESTABLISHMENT HISTORY

Jabatan Pelajaran Negeri Kelantan history start when the director first (formerly called Penguasa Pelajaran) namely Encik Mohd Ghazali B. Mohd Ariffn designate at year 1992. He then awarded with the title Dato' Bentara Luar and work until year 1930.

The office first located in building known by the name of "Pejabat Panjang", namely a building nearby Istana Kota Lama. Then in year 1930 an on the other hand Pejabat Pelajaran move on the other hand to other building known by the name of "Pejabat Pohon Celagi" namely Kelantan State Secretary building, nearby old office building. In year 1965 the office move on the other hand to new building namely Bangunan Persekutuan that is today. From year 1922 to 18 august 1998 there are 25 people Director.

They are made up 13 people noble Malay, 10 people noble English and 2 people that noble Chinese. Director Encik Saw Chee Ling had given his service for 12 years. Since colonial era until today, Jabatan Pelajaran Negeri Kelantan has been expanding rapidly him in effort increase this qualityeducationin accordance with EducationPhilosophypolicy country. Today, Jabatan Pelajaran Negeri Kelantan has owned 10 sectors that include Sektor Khidmat Pengurusan dan Pembangunan, Sektor Pengurusan Sekolah, Sektor Pengurusan Akademik and Sektor Pendidikan Islam.

<https://assignbuster.com/acceptance-of-islamic-hire-purchase-facility/>

Under this department also be established State Educational Technology Division. While at district level on the other hand was constituted ten parts of Pejabat Pendidikan Daerah namely Pejabat Pendidikan Daerah Kota Bharu, Pejabat Pendidikan Daerah Pasir Mas, Pejabat Pendidikan Daerah Tumpat, Pejabat Pendidikan Daerah Pasir Puteh, Pejabat Pendidikan Daerah Bachok, Pejabat Pendidikan Daerah Tanah Merah, Pejabat Pendidikan Daerah Machang, Pejabat Pendidikan Daerah Kuala Krai, Pejabat Pendidikan Daerah Gua Musang and Pejabat Pendidikan Daerah Jeli.

Acceptance Of Islamic Hire Purchase Facility: A Case Study among staff In Jabatan Pelajaran Negeri Kelantan, Kota Bharu 2012

## 1. 2 PROBLEM STATEMENTS

Dual banking system imposes by Bank Negera Malaysia affecting the demand for Islamic financial product. This situation has influenced some staff in Jabatan Pelajaran Negeri Kelantan to choose Islamic or conventional hire purchase loan for buying car. In this study, staff perception toward Islamic hire purchase facility implies whether they are really known about the AITAB operation itself.

Researcher also identify common perception toward AITAB contract which is profit charge are too costly, penalty charge for late payment, accordance with syariah guideline and more Researcher also knows car dealers and bank officers also as importance key player toward acceptance of Islamic hire purchase facility. Thus, researcher also identify common problem about competency among car dealers and bank officer whether among them are lack of knowledge about Islamic financial product.

Others problem that researcher identify is awareness among staff in Jabatan Pelajaran Negeri Kelantan itself whether they aware about Islamic Hire

Purchase facility or not. The common problem on awareness among staff is what Islamic Hire Purchase have compared to conventional, the existence of Islamic financial product, the modus operandi of the AITAB contract itself and more.

### 1. 3 OBJECTIVES OF THE STUDY

There are several objectives that have been developed in this research as the following:

- I. II. III. To examine staff perception toward Islamic hire purchase facility.

To identify competency among car dealers and bank officers. To evaluate effects of awareness among staff in Jabatan Pelajaran Negeri Kelantan. In this research, researcher identifies the most contributing factor of acceptance of Islamic Hire Purchase facility among staff in Jabatan Pelajaran Negeri Kelantan is awareness. This had be proven by Pearson correlation relationship at  $r = 0.8374$

### 4 Acceptance Of Islamic Hire Purchase Facility: A Case Study among staff In Jabatan Pelajaran Negeri Kelantan, Kota Bharu 2012

### 1. 4 SCOPE OF THE STUDY

This study will focus on the acceptance towards Al-Ijarah Thumma Al-Bay', Islamic hire purchase facility among staffs in Jabatan Pelajaran Negeri Kelantan. In this research, researcher had pick up about 200 staff from the population of 460 staff in Jabatan Pelajaran Negeri Kelantan as are respondents to complete the questionnaire. The respondent of this study are all staff in Jabatan Pelajaran Negeri Kelantan which are mostly involve in hire purchase facility that offered by Islamic and conventional bank. The researcher has chosen this area because of high population.

### 1. LIMITATIONS OF THE STUDY

The first limitation is that the probability of absenteeism of the respondent due to leave or outstation since all respondents is the staff of Jabatan Pelajaran Negeri Kelantan. The second limitation is lack of

knowledge. Researcher does not have experience and never been exposed in making a complete research in the university. Researchers will facing difficulties to understand the word using by the respondent. The third limitation is uncooperative respondent. In process of gathering the information, researcher will need to collect data through the questionnaire.

However, it can be difficult to gain full cooperation and commitment from the respondent and they may think that it does not give any advantage to them. Respondent also will take a very long time to answer the questionnaire and it also will make the researcher take a long time to analysis the data. Corporate constraint also can be a limitation in this study because the respondent cannot give hundred percent performances in answer the questionnaire. 5 Acceptance Of Islamic Hire Purchase Facility: A Case Study among staff In Jabatan Pelajaran Negeri Kelantan, Kota Bharu 2012 1. 6

#### SIGNIFICANT OF STUDY

To the Manager Help the manager to identify the behaviour of his subordinates and how they react towards the acceptance of Al-Ijarah Thumma Al-Bay' Islamic Hire Purchase Financing as their source of car financing. To the researcher It will provide better understanding and can give new knowledge to the researcher. The study will be conducted to give a clear picture on the staff's awareness and acceptance on the Alljarah Thumma Al-Bay' Islamic Hire Purchase Financing. The result of the study will help the researcher to know the stuff's perceptions towards factors that influence stuffs decisions in accepting Islamic Financing Product.

To the public The data gathered in this study can help the individual to gain more knowledge about the important and benefits of accepting Al-Ijarah  
<https://assignbuster.com/acceptance-of-islamic-hire-purchase-facility/>

Thumma Al-Bay' Islamic Hire Purchase Financing as part of their source of car financing. This study may increase the level of awareness and create acceptance among public about Al-Ijarah Thumma Al-Bay' Islamic Hire Purchase financing as their source of car financing decisions. To others The information may be used by the financial institution to improve the services related with Islamic Car Financing product. This study may provide useful information for further research in this area of interest.

The findings of this study could provide some form of empirical data for future research in this area. It could perhaps also help in the more effective implementation of Al-Ijarah Thumma Al-Bay' Islamic Hire Purchase Financing.

6 Acceptance Of Islamic Hire Purchase Facility: A Case Study among staff In Jabatan Pelajaran Negeri Kelantan, Kota Bharu 2012 To the bank There are a lot of benefits of this research to the bank. From this research, it will provide information to the bank on the real scenario. Therefore, the bank can use this information and results to improve its management, services, efficiency and etc.

In fact, with this research it will help the bank to come out with new strategies and solutions to monitor its profitability and can improve its performance. Thus, the bank can also use the recommendations suggested by the researcher to improve its performance and position. 7 Acceptance Of Islamic Hire Purchase Facility: A Case Study among staff In Jabatan Pelajaran Negeri Kelantan, Kota Bharu 2012 1. 7 DEFINITION OF TERM Al-Ijarah Thumma Al-Bay' In the context of Islamicfinance, the ijarah concept is usually applicable in financing contracts such as in real property financing, vehicle financing, project financing and personal financing.



There are also financing products that enable customers to lease assets from Islamic financial institutions with an option to acquire the leased assets at the end of the lease tenure based on the concept of ijarah muntahia bi al-tamlik or al-ijarah thumma al-bai (Bank Negera M. , 2010) Perception Customers' perceptions are often identified by their level of satisfaction towards particular products or services. (Nurdianawati I. A, 2006) Competency More competent, knowledgeable employees are more likely to design processes and deliver services that conform to customer needs. (Ahmad, 2010).

Awareness Research on bank patronage in Malaysia find that almost 100 per cents of Muslims and 75% of non-Muslims were aware of the existence of Islamic banks. Most of them wished to have a relationship with these banks if they had a complete understanding of this system. (Sudin Haron N. A. , 1994) Acceptance AITAB is a name which capture a public acceptance because it provides better features compared to conventional hire-purchase. Muslim customers, who accept and understand its operation, request it as an alternative to conventional hire-purchase. (Nurdianawati I. A, 2006) 8

Acceptance Of Islamic Hire Purchase Facility: A Case Study among staff In Jabatan Pelajaran Negeri Kelantan, Kota Bharu 2012 CHAPTER TWO: 2. 0 INTRODUCTION LITERATURE REVIEW Literature review is important as references and as a guideline to the researcher in conducting research and to search the information. It also used as the supporter to the study that will be conducted. This chapter will discuss about the literature review which relevant to the topic of the study. The purpose is to ensure that no important variable that has in the past been found repeatedly to have had an impact

on the problem is ignored. . 1 Acceptance AITAB is a name which capture a public acceptance because it provides better features compared to conventional hire-purchase. Muslim customers, who accept and understand its operation, request it as an alternative to conventional hire-purchase. They will come to an institution which they know offering such Islamic product. For example, many corporate customers come to Bank Pembangunan to purchase machinery through AITAB facility, because they know the benefits that the facility has to offer, for example, full margin of financing and lower penalty for late payment. Nurdianawati, 2006) Other finding shown AITAB also gains support from the non-Muslims. In some institutions, 60% of their customers are non-Muslims, comprising the Chinese in majority. They can see the advantage of signing up AITAB, which is 1% penalty for late payment, as compared to conventional hire-purchase which imposes 8% penalty. (Bank Negara, 1998) A survey in United Kingdom found the demand for Islamic financing will grow in future if Islamic banks practice the correct marketing measures. In the research, five (5 %) percents of muslim in United Kingdom are loyal customers to the Islamic financial services.

Majority of muslim are still comfortable with the conventional financial services, while only a quarter of muslims tend to show preference for Islamic finance. (Humayon, 2004) 9 Acceptance Of Islamic Hire Purchase Facility: A Case Study among staff In Jabatan Pelajaran Negeri Kelantan, Kota Bharu 2012 2. 2 Perception Nowadays, in the dual banking system that had been practice by Malaysia giving an effect to the consumer to choose either Islamic Hire Purchase or Conventional hire purchase. Mostly Muslim

customers claim that there are no differences between Islamic Hire-Purchase and Conventional Hire Purchase.

Islamic banking products are available at two full pledged Islamic banks and at all commercial and merchant banks in Malaysia. However, these products are still not fully accepted by customers. According to Norafifah Ahmad and Sudin Haron (2002), at the end of 2000, total deposit at conventional banks was RM381 billion while total deposit in Islamic Financial Institution was RM31 billion. In the case of loans, RM416 billion was extended by conventional system, and RM21 billion was given by Islamic system. This results indicates that perception of Conventional System were far good than Islamic financial system.

Islamic Hire purchase (AITAB) provides better features compared to conventional hirepurchase. Muslim customers, who accept and understand its operation, request it as an alternative to conventional hire-purchase. They will come to an institution which they know offering such Islamic product. Moreover AITAB also gains support from the non-Muslims. In some institutions, 60% of their customers are non-Muslims, comprising the Chinese in majority. They can see the advantage of signing up AITAB, which is 1% penalty for late payment, as compared to conventional hire-purchase which imposes 8% penalty. Nurdianawati, 2006) Perceptions of Malaysian corporate customers of Islamic banking products and services indicated that Islamic banks were not the main choice because of the lack of knowledge. More than half of the respondents (65 %) said they had limited knowledge of the Islamic banking system. This study shows that Islamic banks have not conducted enough programmes to educate people or promote their products

to the public. (Norafifah Ahmad, 2002) 10 Acceptance Of Islamic Hire Purchase Facility: A Case Study among staff In Jabatan Pelajaran Negeri Kelantan, Kota Bharu 2012

They showed that 63 % of Muslim respondents possess limited knowledge of IBF. They do not fully understand the operation of IBF even though Islamic banking has been established in Malaysia for more than twenty years. This factor has led to low usage of Islamic banking facilities among the Muslim respondents. (Sudin Haron N. A. , 1994). A similar situation occurred in Singapore, where only 22. 6 percent of Muslims deposit money in Islamic banks solely because of religion (Gerrard, 1997) Another important indicator determining customers' positive or negative perception is their patronage criteria towards the service provider.

In one of the earliest patronage studies on Islamic banking, Erol and El-Bdour (1989) discovered that the most important criteria considered by customers in patronising Islamic banks are provision of fast and efficient services, the bank's reputation and image, and confidentiality. Others study found that religion is not the main factor encouraging Muslims to choose Islamic banks to hold their funds. Their findings also indicate that bank customers perceived no difference between the services offered by Islamic and conventional banks, the former being perceived as merely duplicating the latter. Erol C. K. -B. , 1990). In addition, many of muslim also doubt of shariah permissibility on the Islamic banking instrument. (Humayon, 2004) In Malaysia, customers' positive perception towards Islamic banking is far more crucial mainly due to the fact that Islamic banks have to compete with the long established conventional banks in a dual-banking system. Since 1983,

Malaysia to date has a dual banking system, whereby the Islamic banking system operates in parallel with the conventional system.

The former is currently represented by 27 banking institutions, comprising nine Islamic banks and 18 conventional banking institutions (eight commercial banks, four merchant banks and six discount houses) offering Islamic banking products and services under the Islamic Banking Scheme (IBS), also known as Islamic windows. (Bank Negera, 2005) 11 Acceptance Of Islamic Hire Purchase Facility: A Case Study among staff In Jabatan Pelajaran Negeri Kelantan, Kota Bharu 2012 2. 3 Competency Customers also may not to choose Islamic Hire Purchase facility for their car financing due to lack of competency among car dealers and bank officers.

Most car dealer claimed there is no differences between Islamic and conventional thus give impact to costumer's decision. The misleading view of AITAB among the customers is partly contributed by the lack of experience and knowledge among bank officers in giving correct and satisfactory explanation about AITAB. Some of these bank officers do not even understand the distinction between AITAB and conventional hire-purchase. Many proclaim that both products are similar especially with regards to its documents, procedures and governance.

Hence, they are unable to highlight the advantages and benefits of AITAB as compared to conventional hirepurchase. (Nurdianawati, 2006) More competent, knowledgeable employees are more likely to design processes and deliver services that conform to customer needs. (Ahmad, 2010). In addition, development of appropriate employee skills and competencies is important determinant of better service quality and favorable consumer

perceptions about service delivery (Chung, 2002) Furthermore, a dealer acts as a middleman between a financial institution and a customer.

In Malaysian context, the customer usually approaches the dealer first for the purpose of purchasing a particular vehicle before applying hire-purchase facility from a financial institution. In fact, the customer's choice between conventional and Islamic financing facility depends mostly on the dealer's explanation and recommendation. Ideally, a dealer with a high Islamic conscience proposes AITAB to the customer and able to explain how the facility works, its advantages and differences from conventional facility. However, not all dealers are equipped with in-depth understanding of AITAB facility.

Thus, it is expected that they would not be able to educate their customers accordingly. In reality these dealers even tend to propose conventional facility either because their understanding of AITAB is limited or they 12 Acceptance Of Islamic Hire Purchase Facility: A Case Study among staff In Jabatan Pelajaran Negeri Kelantan, Kota Bharu 2012 do not want to expose their customers to an unnecessarily complicated situation. (Nurdianawati, 2006). In addition, many dealers that are lack in understanding of AITAB facility assume the facility offered by Islamic and conventional bank are totally same.

They only concern with their commission for their sales. 2. 4 Awareness. Haron et al. (1994) who pioneered in the research on bank patronage in Malaysia find that almost 100 per cent of Muslims and 75% of non-Muslims were aware of the existence of Islamic banks. Most of them wished to have a relationship with these banks if they had a complete understanding of this <https://assignbuster.com/acceptance-of-islamic-hire-purchase-facility/>

system. In Singapore, a study by Gerrard and Cunningham (1997) revealed that the Singaporeans, Muslims or non-Muslims, are generally unaware of the principles of Islamic banking.

Study in Humayon (2004) shown some of the muslims may not aware of the Islamic financial instrument in the financial market. Others study on Singapore by Haron, Ahmad and Planisek (1994) revealed that only 40 percent of Muslim customers consider religion as an important factor in patronizing banks. Similarly, there is general lack of awareness of Islamic banking system among Singaporean communities, be they Muslims or non-Muslims. These results suggest that Islamic banks do not need to rely on the religious factor as a strategy in attracting customers, but they should focus more on provision of quality and efficient services.

One of the contributing factors to this absence of awareness among Muslims is the lack of understanding of Islamic banking. A study conducted in Singapore showed that only 20.7 percent know the meaning of 'Riba' and 31 percent know the meaning of Shari'ah. The study also showed that only 3 percent can explain accurately the meaning of Ijarah, Mudarabah 13 Acceptance Of Islamic Hire Purchase Facility: A Case Study among staff In Jabatan Pelajaran Negeri Kelantan, Kota Bharu 2012 and Musharakah.

Surprisingly, no one could explain accurately the meaning of Murabaha (Gerrard, 1997) Rammal and Zurbruegg (2006) found that it is important for financial institution to understand the dynamism of customer segmentation, build customer relationship and address requirement and preferences of specific segments. By doing so, it will boost up customer identification and create awareness among consumers. This finding then supported by Harun

<https://assignbuster.com/acceptance-of-islamic-hire-purchase-facility/>

et al. (1992) where there is no significant difference between Muslims and Non-Muslims in their selection criteria.

Islamic banking product used different names for their product and it has cause several difficulties and misunderstanding by customers, some claimed that it is a religious product that only meant for Muslims, and some just find it too difficult to learn the names therefore they stay away (Nordin, 2001). According to them again, what is actually taught to the Malaysians since their pre-school period is aqidah and understanding of Islamic principles but little emphasis is given to the mu'amalat or the daily transaction activities according to Islam.

In another study of Malaysian commercial customers and their views of Islamic financial services, Haron et al. (2002) noted that 65% of the respondents admitted to having limited knowledge of Islamic banking, while at the same time indicating that they believed the concept had good potential in the Malaysian market. Bley and Kuehn (2004) found a high level of ignorance among the 300 interviewed Muslim with regard to what constitutes acceptable Islamic finance principles. He reported that the higher the religious commitment and the lower the level of general education, the stronger the preference for Islamic over conventional finance.

His study also revealed that overall; students' knowledge of conventional and Islamic finance terms and concepts was surprisingly low among students in United Arab Emirates. 14 Acceptance Of Islamic Hire Purchase Facility: A Case Study among staff In Jabatan Pelajaran Negeri Kelantan, Kota Bharu 2012 CHAPTER 3: RESEARCH METHODOLOGY 3. 0 INTRODUCTION In this chapter, it will focus on the research methodology that will use in this study.

<https://assignbuster.com/acceptance-of-islamic-hire-purchase-facility/>



In essence, research methodology will provide researcher the needed information that guides researcher to make informed decisions to successfully deal with the problems.

The information gathered could be the result of the analysis of data gathered firsthand or the data that are already available. Research methodology will presents the nature of study, data sources, pilot study and reliability test, data collection and data analysis technique.

### 3. 1 POPULATION AND SAMPLING DESIGN

According to Sekaran, (2006), population is a complete group of entities sharing some common set of characteristics. For this research the population is among staff In Jabatan Pelajaran Negeri Kelantan, Kota Bharu.

This research is using sampling frame; meaning is concerned with the selection of a subset of individual from within a population to estimate characteristics of the whole population. (Malhotra, 2004) in his writing define sample frame as a lists of elements from which a sample may be drawn for identifying the target population. A sampling frame is a representation of the elements of the target population. In this research, the sampling frame is the staff at Jabatan Pelajaran Negeri Kelantan. The populations taken are 200 from 460 staff.

### 3. 2 SAMPLE SIZE

Sample is a subset, or some part, of a large population.

In research, sampling is important because the researcher intend to come up with accurate and reliable findings in order to be able use for further research. The sample size for this study is the actual number of subjects chosen as a sample to represent the population characteristics, which is according to Sekaran, (2006). Refer to Roscoe (1975), sample size larger

than 30 and less than 500 are appropriate for most research. So, the researcher decided that the sample of 200 15 Acceptance Of Islamic Hire Purchase Facility: A Case Study among staff In Jabatan Pelajaran Negeri Kelantan, Kota Bharu 012 respondents is appropriate to represent the population of staff in Jabatan Pelajaran Negeri Kelantan. 3. 3 SAMPLING METHOD Sampling is the process of selecting items from the population so that the sample characteristics can be generalized to the population. Sampling involves both design choice and sample size decisions (Sekaran, 2006). The idea of sampling is to select a few samples from a bigger group known as population, so that it becomes a basis for estimating or predicting a fact, situation or outcome regarding the actual number of group under study.

The method used for this study is convenience sampling. It is the method of drawing samples that does not impose any restrictions. This is also the least reliable sampling that is cheap and convenience. 3. 3. 1 Convenience Sampling Technique Convenience sampling refers to the collection of information from members of the population who are conveniently available to provide it (Sekaran, 2006). Meanwhile, Cooper and Schindler (2006), defined convenience sampling is non-probability sampling where researchers use any readily available individuals as participants.

It is the most often used during the exploratory phase of the research project and it is perhaps the best way of getting some basic information quickly and efficiently. 3. 4 METHOD OF DATA COLLECTION In this research, the data gathered parallel to the objectives of the study. The methods of data collection that the researcher used to collect the data were primary data and

secondary data. 16 Acceptance Of Islamic Hire Purchase Facility: A Case Study among staff In Jabatan Pelajaran Negeri Kelantan, Kota Bharu 2012 3. 4. 1 PRIMARY DATA It is the data collected for a specific purpose from original sources.

Primary data been obtained by distribution of the respondents selected. The entire questionnaires are collected personally. In this research, the primary data was collected from the personally administered questionnaire. Personally Administered Questionnaire The questionnaire has been designed according to the needs of the topic study. It is to ensure that the respondents would be fully understood and answer all the questions since there is personal administered question. In designing the questionnaire's questions, the content, structure and appearance would give an impact to the respondents' attitude.

Thus, all these things should be properly organized. In the questionnaire designs, the researcher divided it into 3 sections which include as follows: Section A - Section A comprises questions pertaining to their personal particulars. The first part of the questionnaire was divided into 2 areas of information. One was on the personal information and the one on others Islamic financial product. Section B - Section B focused on obtaining information on dependent variable. It is the customer selection criteria for bank. This section is designed by using a Likert Scale.

The student had to circle the appropriate response with the statement from a scale of (1-5) ranging from the caption 'strongly disagree' to 'strongly agree'. Through the 5 point scale, the researcher could decide to what the acceptance of Islamic Hire Purchase facility among staff In Jabatan Pelajaran <https://assignbuster.com/acceptance-of-islamic-hire-purchase-facility/>

Negeri Kelantan. Section C Criteria I - Criteria I focused on obtaining information on effect of perception in acceptance of Islamic Hire Purchase facility. This section also used a Likert Scale. This scale will be 5 point 17 Acceptance Of Islamic Hire Purchase Facility: A Case Study among staff In Jabatan Pelajaran Negeri Kelantan, Kota Bharu 012 scale wills response of the participant toward on perception towards acceptance of Islamic Hire Purchase facility among staff in Jabatan Pelajaran Negeri Kelantan. Criteria II - Criteria II focused on obtaining information on effect of competency in acceptance of Islamic Hire Purchase facility. This section also used a Likert Scale. This scale will be 5 point scale wills response of the participant toward on competency among bank officer and car dealers towards acceptance of Islamic Hire Purchase facility among staff in Jabatan Pelajaran Negeri Kelantan.

Criteria III - Criteria III focused on obtaining information on effect of awareness in acceptance of Islamic Hire Purchase facility. This section also used a Likert Scale. This scale will be 5 point scale wills response of the participant toward awareness in towards acceptance of Islamic Hire Purchase facility among staff in Jabatan Pelajaran Negeri Kelantan 3. 4. 2 SECONDARY DATA Secondary data were obtained through searching the journal which published reported of previous researchers that different in authors, perceptions and theories. The data and information are also gathered from the website. 8 Acceptance Of Islamic Hire Purchase Facility: A Case Study among staff In Jabatan Pelajaran Negeri Kelantan, Kota Bharu 2012 3. 5 THEORETICAL FRAMEWORK The research model shows that the dependent variable is the acceptance of Islamic Hire Purchase facility. This dependent

variable is expected to have a significant relationship with personal characteristics, perception, competency and awareness as independent variables. INDEPENDENT VARIABLES Perception  
DEPENDENT VARIABLE Acceptance of Islamic Hire Purchase facility  
Competency Awareness  
Figure 3. 5. 1: The Theoretical Framework of the study.

RESEARCH VARIABLES Two main types of variables that are used in this research include dependent variable and independent variable. DEPENDENT VARIABLE The dependent variable that used in this study is Acceptance of Islamic Hire Purchase INDEPENDENT VARIABLE The independent variables that are used in this research are perception, competency and awareness.

19 Acceptance Of Islamic Hire Purchase Facility: A Case Study among staff In Jabatan Pelajaran Negeri Kelantan, Kota Bharu 2012 3. 6 HYPOTHESIS  
Hypothesis 1 (Perception) Ho: There is no significant relationship between acceptance of Islamic hire purchase facility among staff in Jabatan Pelajaran Negeri Kelantan and perception. H1: There is significant relationship between acceptance of Islamic hire purchase facility among staff in Jabatan Pelajaran Negeri Kelantan and perception. Hypothesis 2 (Competency) Ho: There is no significant relationship between acceptance of Islamic hire purchase facility among staff in Jabatan Pelajaran Negeri Kelantan and competency. H1: There is significant relationship between acceptance of Islamic hire purchase facility among staff in Jabatan Pelajaran Negeri Kelantan and competency.

Hypothesis 3 (Awareness) Ho: There is no significant relationship between acceptance of Islamic hire purchase facility among staff in Jabatan Pelajaran Negeri Kelantan and awareness. H1: There is significant relationship between acceptance of Islamic hire purchase facility among staff in Jabatan Pelajaran

Negeri Kelantan and awareness. 3. 7 DATA ANALYSIS AND ADMINISTRATION  
Data analysis is a procedure to analyze data or information that obtains during the research. In order to achieve the research objective, the data that been obtained from the respondent must answered or fulfill the expectations.

In this research, the researcher wants to measure which is the most significant criteria in acceptance of Islamic hire purchase facility among staff in Jabatan Pelajaran Negeri Kelantan. 20 Acceptance Of Islamic Hire Purchase Facility: A Case Study among staff In Jabatan Pelajaran Negeri Kelantan, Kota Bharu 2012 The procedure of the analysis that used is by using the SPSS 20. 0 software application. All the data from the questionnaire that answered by the respondents had been analyze using this software. The process of entailing earrangement, breaching down, reduction and separation of data into as many as needed to determine their nature, relative important, functions and interrelationships. In completing this study, it will includes some basis data analysis including reliability analysis, frequency analysis, correlation analysis and multiple regression by using SPSS 20. 0 program. 3. 7. 1 RELIABILITY ANALYSIS According to Sekaran (2006), the reliability of a measure is established by testing for both consistency and stability.

Consistency indicates how well the items measuring a concept hang together as a set. The reliability will ensure to test the data. Reliability is an attest to the consistency and stability of the measure instrument. The reliability of a measure indicates the extent to which it is without bias (error free) and hence ensures consistent measure across time and across the various items

in the instrument. The most commonly reliability test that has used is Cronbach's Alpha. The Cronbach's Alpha can be interpreted as a correlation coefficient and it range in value from 0 to 1.

### 3. 7. FREQUENCY ANALYSIS

According to Cooper and Schindler (2006), frequency distribution is ordered array of all values for a variable. In order to analyze the whole information of research question based on respondent's profile information of the respondents such as gender, marital status, level of income and age. Frequency distribution is also simply reports the number of the responses that each questions received. It is the simplest way of determining the empirical distributions of the variables. The frequency distribution is a display of the frequency occurrence of each score value.

The frequency distribution can be display is many form such as tabular and graphical form. In this study, the frequency distribution had been measure the questionnaire in section A that it is about respondent's profile such as gender, age, race, 21 Acceptance Of Islamic Hire Purchase Facility: A Case Study among staff In Jabatan Pelajaran Negeri Kelantan, Kota Bharu 2012 religion, level of education, marital status, salary, sector and had been used any Islamic financial product.

### 3. 7. 3 PEARSON'S CORRELATION ANALYSIS

The other name of Pearson's coefficient of correlation is Pearson Correlation Matrix.

The coefficient of correlation is used to determine the magnitude, direction and significant level of relationship between dependent and independent variables. As a descriptive technique, it is very powerful since this method indicates whether variables share is something in common with each other.

### 3. 7. 4 MULTIPLE REGRESSIONS

The multiple regressions describe the

strength of the linear relationship between two variables when one is considered the independent variable and the other is the dependent variable (Cooper and Schindler, 2006).

Regression is a powerful tool for summarizing the nature of the relationship between variables and for making predictions of likely values of the dependent variables. Regression analysis aids in understanding how much of the variance in the dependent variable may be explained by a set of predictors. For regression coefficient, estimates, model fit and R squared change are chosen in this study. 22 Acceptance Of Islamic Hire Purchase Facility: A Case Study among staff In Jabatan Pelajaran Negeri Kelantan, Kota Bharu 2012 CHAPTER FOUR: ANALYSIS AND FINDINGS 4. 0 INTRODUCTION

In this chapter, the researcher will identify the questionnaires response rate from the respondents. After collecting the data, now the researcher able to analyze and interpret it using the SPSS 20 software. Techniques using in interpreting data is by using reliability analysis, frequency analysis, correlation analysis and multiple regression in SPSS programs. These steps are important to see the relationship between the variables and to know the variables are significant or not. 4. 1 FREQUENCIES ANALYSIS A frequency analysis shows the frequency of occurrence of each score value of the research data.

The objective is to obtain a count of number of responses associated with different values of the variable. This analysis is appropriate and suitable to analyze the question in Section A which is respondents profile such as gender, race, religion, level of education, marital status, age, salary, sector, used others Islamic finance product. TABLE 4. 1. 1 Frequency of Section A-  
<https://assignbuster.com/acceptance-of-islamic-hire-purchase-facility/>



Demographics' profile Statistics GENDER AGE RACE RELIGION LEVEL  
 EDUCATION MARITAL STATUS SALARY SECTOR OTHERS ISLAMIC FINANCIAL  
 PRODUCT Valid N Missing Mean Median Mode Std. Deviation Variance  
 Skewness Std.

Error of Skewness Minimum Maximum 0 1. 58 2. 00 2 . 496 . 246 -. 306 . 172  
 1 2 0 2. 44 2. 00 2 . 889 . 790 . 068 . 172 1 4 0 1. 05 1. 00 1 . 240 . 058 5.  
 207 . 172 1 3 0 1. 05 1. 00 1 . 208 . 043 4. 423 . 172 1 2 0 2. 71 3. 00 4 1.  
 215 1. 475 . 006 . 172 1 5 0 1. 83 2. 00 2 . 419 . 175 -1. 081 . 172 1 3 0 3. 09  
 3. 00 3 1. 206 1. 455 . 616 . 172 1 6 0 3. 59 3. 00 1 2. 617 6. 847 . 872 . 172  
 1 10 0 3. 05 3. 00 5 1. 583 2. 506 -. 021 . 172 1 5 200 200 200 200 200 200  
 200 200 200 23 Acceptance Of Islamic Hire Purchase Facility: A Case Study  
 among staff In Jabatan Pelajaran Negeri Kelantan, Kota Bharu 2012

Profile (n= 200) Gender Male Female Age 21 - 30 years 31 - 40 years 41 -  
 50 years 51 years and above Race Malay Chinese Indian Religion Islam  
 Buddha Level Education SPM STPM Diploma Bachelor Degree Marital Status  
 Single Married Others Salary RM 1000 and Below RM1001 - RM2000 RM2001  
 - RM3000 RM3001 - RM4000 RM4001 - RM5000 RM5001 and Above Sector  
 Sektor Khidmat Pengurusan & Pembangunan Sektor Pengurusan Sekolah  
 Sektor Pengurusan Akedemik Sektor Pengurusan & Pembangunan Sektor  
 Pendidikan Islam Sektor Penilaian & Peperiksaan Sektor Jaminan Kualiti  
 Sektor Psikologi & Kaunseling Sektor ICT Other Islamic Financial Product  
 Islamic Vehicle Financing Islamic House Financing Islamic Personal Financing  
 Islamic Credit Card Takaful Frequency Percent Valid percent 42. 5 57. 5 15. 0  
 38. 5 34. 5 12. 0 95. 5 4. 0 0. 5 95. 5 4. 5 21. 0 25. 5 19. 5 30. 0 4. 0 19. 0  
 79. 5 1. 5 4. 5 32. 0 33. 0 15. 5 11. 0 4. 0 30. 0 14. 5 16. 0 5. 0 10. 0 13. 0 2.

5 6. 5 2. 5 25. 5 17. 0 14. 0 14. 5 29. 0 Cumulative percent 42. 5 100. 0 15. 0  
 53. 5 88. 0 100. 0 95. 5 99. 5 100. 0 95. 5 100. 0 21. 0 46. 5 66. 0 96. 0 100.  
 0 19. 0 98. 5 100. 0 4. 5 36. 69. 5 85. 0 96. 0 100. 0 30. 0 44. 5 60. 5 65. 5  
 75. 5 88. 5 91. 0 97. 5 100. 0 25. 5 42. 5 56. 5 71. 0 100. 0 85 115 30 77 69  
 24 191 8 1 191 9 42 51 39 60 8 38 159 3 9 64 66 31 22 8 60 29 32 10 20 26  
 5 13 5 51 34 28 29 58 42. 5 57. 5 15. 0 38. 5 34. 5 12. 0 95. 5 4. 0 0. 5 95. 5  
 4. 5 21. 0 25. 5 19. 5 30. 0 4. 0 19. 0 79. 5 1. 5 4. 5 32. 0 33. 0 15. 5 11. 0 4.  
 0 30. 0 14. 5 16. 0 5. 0 10. 0 13. 0 2. 5 6. 5 2. 5 25. 5 17. 0 14. 0 14. 5 29. 0  
 24 Acceptance Of Islamic Hire Purchase Facility: A Case Study among staff In  
 Jabatan Pelajaran Negeri Kelantan, Kota Bharu 2012 Table 4. 2. 1 provides an  
 exploration of the sample for the investigation.

The total number of respondents was 200 and the demographic profile of the respondents is shown in table. Among the demographic profile of respondents discussed are gender, age, race, religion, level education, marital status, salary, sector and used others islamic financial product. Respondents were 42. 5% from male group and 57. 5% of female group. From the race' s profile, 95. 5% of the respondents are malay, 4. 0% of the respondents are chinese and 0. 5% respondents are indian. Besides that, percentages of the religion profile, 95. 5% of the respondent are Islam and followed by 4. 5% respondent are buddha. Meanwhile, in terms of level education, 21. % of the respondents are SPM, 25. 5% of STPM, 19. 5% of Diploma, 30. 0% of Bachelor and 4. 0% of Master. The majority of respondents are married which indicated 79. 5%, 19. 0% are single and followed by others 1. 5%. Reviewing on the age' s profile, 15. 0% of respondents were in the ages between 21 - 30 years old, 38. 5% were

between 31 - 40 years old, 34. 5% were the age of 41 - 50 years old and 12. 0% the age of 51 years old above. From the salary's profile, 4. 5% of respondents were below RM 1000, 32. 0% were between RM1001 - RM2000, 33. 0% were between RM2001 - RM 3000, 15. 5% were between RM 3001 - RM 4000, 11. 0% were between RM 4001 - RM 5000 and 4. % were RM 5001 and above. Reviewing on the sector' s profile, 30. 0% of respondents were in the Sektor Khidmat Pengurusan & Pembangunan, 14. 5% were in Sektor Pengurusan Sekolah, 16. 0% were in Sektor Pengurusan Akedemik, 5. 0% were in Sektor Pengurusan Pembangunan Kemanusiaan, 10. 0% were in Sektor Pendidikan Islam, 13. 0% were in Sektor Penilaian dan 25 Acceptance Of Islamic Hire Purchase Facility: A Case Study among staff In Jabatan Pelajaran Negeri Kelantan, Kota Bharu 2012 Peperiksaan, 5. 0% were in Sektor Jaminan Kualiti, 6. 5% were in Sektor Psikologi & Kaunseling and 2. 5% were in Sektor ICT. Meanwhile, in terms of used others islamic financial product, 25. % of respondent were in islamic vehicle financing, 17. 0% were in islamic house financing, 14. 0% were in islamic personal financing, 14. 5% were in islamic credit card and 29. 0% were in takaful. 26 Acceptance Of Islamic Hire Purchase Facility: A Case Study among staff In Jabatan Pelajaran Negeri Kelantan, Kota Bharu 2012 4. 2 ANALYSIS OF RELIABILITY The important of the reliability of a measure is to determine the stability and consistency the questions that are distributed to the respondents. This reliability is to test the goodness of the data. Cronbach's alpha is most common used to measure the reliability. The closer Cronbach's alpha is to 1, is the better.

In almost every case, Cronbach's alpha is an adequate test of internal consistency reliability. In this study, the results of reliability test are shown in the table that had separate according to each of the variables. Reliability of measure is established by testing for both consistency and stability.

RELIABILITY Less than 0. 6 Range 0. 7 Over 0. 8 RANGES Poor Acceptable Good Source: Sekaran (2006) Alpha Coefficient Ranges ; 0. 6 0. 6 to ; 0. 7 0. 7 to ; 0. 8 0. 8 to ; 0. 9 0. 9 Strength of Association Poor Moderate Good Very Good Excellent Table 4. 2. 1: Ranges of Reliability 27 Acceptance Of Islamic Hire Purchase Facility: A Case Study among staff In Jabatan Pelajaran Negeri Kelantan, Kota Bharu 012 Reliability Analysis done when questions from all variables were well structured and can be understands by respondents. It happened and because the Cronbach's Alpha for all variables higher than 0. 6. It means respondents answered the questions without bias, with consistent and stable. The closer Alpha value is to 1, the higher the internal consistency reliability. The results of all variables Reliability Analysis were shown in table below: TABLE 4. 2. 2: Reliability Output for section B - Acceptance of Islamic Hire Purchase facility Reliability Statistics Cronbach's Cronbach's N of Alpha Alpha Based Items on Standardized Items . 952 . 952 7

Item-Total Statistics Scale Mean if Scale Corrected Item Deleted Variance if Item-Total Item Deleted Correlation AC : AITAB is the best choice for vehicle financing AC : Recommed AITAB contract to others AC : Will Use again AITAB contract AC : AITAB is suitable with financial planning AC : As muslim, no choice expect AITAB contract AC : Willing to switch to AITAB AC : Understanding make accepting for AITAB 23. 89 23. 92 23. 94 23. 89 23. 98

23. 92 23. 85 25. 526 25. 566 25. 619 25. 606 25. 517 26. 279 25. 860 .  
 871 . 864 . 852 . 844 . 853 . 742 . 829 Squared Multiple Correlation . 803 .  
 795 . 812 . 806 . 744 . 591 . 730 Cronbach's Alpha if Item Deleted . 942 . 942  
 . 943 . 944 . 943 . 952 . 945 Based on the reliability statistics table, the  
 Cronbach's alpha for the 6 items show the reliability of 0. 952 which mean  
 that this dependent variable is reliable. The result is excellent because  
 according to Sekaran (2010), 0. 9 is excellent. 28

Acceptance Of Islamic Hire Purchase Facility: A Case Study among staff In  
 Jabatan Pelajaran Negeri Kelantan, Kota Bharu 2012 TABLE 4. 2. 3: Reliability  
 Output for section C – Perception Reliability Statistics Cronbach's Cronbach's  
 N of Alpha Alpha Based Items on Standardized Items . 892 . 893 6 Scale  
 Mean if Item Deleted PR : Known about AITAB PR : AITAB different from  
 convensional hire purchase PR : Accordance with syariah guideline PR : Good  
 alternative to acquire assets PR : 1% penalty charge for late payment is  
 suitable PR : Use AITAB as first choice 19. 56 19. 34 19. 24 19. 33 19. 42 19.  
 10 Item-Total Statistics Scale Corrected Variance if Item-Total Item Deleted  
 Correlation 14. 570 14. 778 14. 77 16. 421 14. 788 15. 413 . 724 . 783 . 768 .  
 637 . 681 . 694 Squared Multiple Correlation . 615 . 716 . 689 . 426 . 550 .  
 574 Cronbach's Alpha if Item Deleted . 872 . 862 . 865 . 885 . 880 . 876  
 Based on the reliability statistics table, the Cronbach's alpha for the 6 items  
 of perception show the reliability of 0. 892 which mean that this independent  
 variable is reliable. The result is a very good because according to Sekaran  
 (2010), 0. 8 to 0. 9 is very good. 29 Acceptance Of Islamic Hire Purchase  
 Facility: A Case Study among staff In Jabatan Pelajaran Negeri Kelantan, Kota  
 Bharu 2012 TABLE 4. 2. 4: Reliability Output for section C – Competency

Reliability Statistics Cronbach's Cronbach's N of Alpha Alpha Based Items on Standardized Items . 859 . 861 5 Item-Total Statistics Scale Mean if Scale Corrected Item Deleted Variance if Item-Total Item Deleted Correlation CM : Car dealers inform no different between AITAB and conventional hire purchase CM : Car dealers lack of information and knowledge about AITAB CM : Car dealers only thinking their sales bonus CM : Bank officer respect your decision to use AITAB contract CM : Bank officer give good respond on request use AITAB Squared Multiple Correlation Cronbach's Alpha if Item Deleted 15. 13 9. 983 . 728 . 628 . 815 15. 14 10. 218 . 671 . 579 . 831 14. 87 9. 846 . 721 . 548 . 818 14. 93 11. 497 . 645 . 725 . 838 14. 93 11. 597 . 631 . 727 . 841

Based on the reliability statistics table, the Cronbach's alpha for the 5 of competency show the reliability of 0. 859 which mean that this dependent variable is reliable. The result is a very good because according to Sekaran (2010), 0. 8 to 0. 9 is very good. 30 Acceptance Of Islamic Hire Purchase Facility: A Case Study among staff In Jabatan Pelajaran Negeri Kelantan, Kota Bharu 2012 TABLE 4. 2. 5: Reliability Output for section C - Awareness Reliability Statistics Cronbach's Cronbach's N of Alpha Alpha Based Items on Standardized Items . 897 . 900 6 Scale Mean if Item Deleted AW : Know existance of islamic banking AW : Know AITAB is one of islamic finance product AW : AITAB is replace for onventional hire purchase AW : Know about 1% charge if late payment AW : Know about AITAB had been use by non muslim AW : Know about last payment in AITAB is for payment buying asset 18. 80 19. 07 Item-Total Statistics Scale Corrected Variance if Item-Total Item Deleted Correlation 17. 347 16. 538 . 660 . 753 Squared Multiple

Correlation . 535 . 695 Cronbach's Alpha if Item Deleted . 888 . 875 19. 20  
 19. 19 19. 19 17. 005 15. 592 15. 361 . 756 . 734 . 745 . 656 . 592 . 629 .  
 876 . 878 . 876 19. 38 16. 085 . 714 . 585 . 881 Based on the reliability  
 statistics table, the Cronbach's alpha for the 6 items of awareness show the  
 reliability of 0. 897 which mean that this independent variable is reliable. The  
 result is a very good because according to Sekaran (2010), 0. 8 to 0. 9 is  
 very good. 31

Acceptance Of Islamic Hire Purchase Facility: A Case Study among staff In  
 Jabatan Pelajaran Negeri Kelantan, Kota Bharu 2012 4. 3 CORRELATION  
 COEFFICIENTS Correlation analysis is used for explained whether there is an  
 existence of association and the strength of the relationship between the  
 independent variables (perception, competency, and awareness) towards the  
 dependent variable (acceptance of islamic hire purchase facility). Sekaran  
 (2006) suggested that it would be appropriated to use Pearson Correlation  
 Matrix where it is the first issues to determine is whether the correlation  
 coefficient is statistically significant or not significant.

The rules of thumb have been proposed to characterize the strength of the  
 association between variables, based on the absolute size of the correlation  
 coefficient. Correlation between Are said to be 0. 8 and 1. 0 Very Strong 0. 6  
 and 0. 8 Strong 0. 4 and 0. 6 Moderate 0. 2 and 0. 4 Weak 0 and 0. 2 Very  
 Weak Table 4. 3. 1: Rule of Thumb of Correlation Coefficient Size 32  
 Acceptance Of Islamic Hire Purchase Facility: A Case Study among staff In  
 Jabatan Pelajaran Negeri Kelantan, Kota Bharu 2012 Correlations Mean Of  
 Perception 1 Mean Of Acceptance . 789\*\* . 000 200 1 200 Pearson  
 Correlation Mean Of Perception Sig. (1-tailed) N 200 Pearson Correlation .

789\*\* Mean Of Sig. (1-tailed) . 00 Acceptance N 200 \*\*. Correlation is significant at the 0. 01 level (1-tailed). Table 4. 3. 2 : Pearson Correlation Coefficient between Mean Perception and Mean Acceptance Correlation analysis is conducted to test the relationship between selection decision and service quality. The result of Pearson Correlation tests showed that there is a strong significant relationship (0. 789) between these two variables. The one-tailed significance test is  $p ; 0. 000$  showing that the outcome of the test is not by chance, and therefore can be confidently accepted or trusted, therefore reject the null hypothesis.  $r(200) = 0. 789, p ; 0. 0001$ , one-tailed

33

Acceptance Of Islamic Hire Purchase Facility: A Case Study among staff In Jabatan Pelajaran Negeri Kelantan, Kota Bharu 2012 Correlations Mean Of Competency Mean Of Competency Pearson Correlation Sig. (1-tailed) N Pearson Correlation Sig. (1-tailed) N 1 200 . 724\*\* . 000 200 Mean Of Acceptance . 724\*\* . 000 200 1 200 Mean Of Acceptance \*\*. Correlation is significant at the 0. 01 level (1-tailed). Table 4. 3. 3 : Pearson Correlation Coefficient between Mean Competency and Mean Acceptance Correlation analysis is conducted to test the relationship between competency and acceptance. The result of Pearson Correlation tests showed that there is a strong significant relationship (0. 24) between these two variables. The one-tailed significance test is  $p= 0. 000$  showing that the outcome of the test is not by chance, and therefore can be confidently accepted or trusted, therefore reject the null hypothesis.  $r(200) = 0. 724, p; 0. 0001$ , one-tailed

34 Acceptance Of Islamic Hire Purchase Facility: A Case Study among staff In Jabatan Pelajaran Negeri Kelantan, Kota Bharu 2012 Correlations Mean Of



Awareness Pearson 1 Correlation Mean Of Sig. (1-tailed) Awareness N 200  
 Pearson . 837\*\* Correlation Mean Of Sig. (1-tailed) . 000 Acceptance N 200  
 \*\*. Correlation is significant at the 0. 01 level (1-tailed). Mean Of  
 Acceptance . 837\*\* . 000 200 1 200 Table 4. 3. : Pearson Correlation  
 Coefficient between Mean Awareness and Mean Acceptance Correlation  
 analysis is conducted to test the relationship between awareness and  
 acceptance. The result of Pearson Correlation tests showed that there is a  
 very strong significant relationship (0. 837) between these two variables. The  
 one-tailed significance test is  $p = 0.000$  showing that the outcome of the test  
 is not by chance, and therefore can be confidently accepted or trusted,  
 therefore reject the null hypothesis.  $r(200) = 0.837$ ,  $p; 0.0001$ , one-tailed  
 35 Acceptance Of Islamic Hire Purchase Facility: A Case Study among staff In  
 Jabatan Pelajaran Negeri Kelantan, Kota Bharu 2012 4. 4 REGRESSION  
 ANALYSIS Regression is another technique for measuring the linear  
 association between dependent and independent variables.

It become as a subsequent after the correlation coefficient measure.  
 Although regression and correlation are closely related, regression assumes  
 the dependent variable is predicatively linked to the independent variable.  
 The result of the Regression analysis were shown as below. Table 4. 4. 1 :  
 Regressions - Model Summary Model Summaryb R Square Adjusted R Square  
 . 753 . 750 Model 1 R . 868a Std. Error of the Estimate . 421 a. Predictors:  
 (Constant), Mean Of Awareness, Mean Of Competency, Mean Of Perception  
 b. Dependent Variable: Mean Of Acceptance 4. 4. 2: ANOVA ANOVAa Model  
 Regression Residual Total Sum of Squares 106. 215 34. 781 140. 996 df 3  
 196 199 Mean Square 35. 405 . 177 F 199. 518 Sig. . 000b 1 a.

Dependent Variable: Mean Of Acceptance b. Predictors: (Constant), Mean Of Awareness, Mean Of Competency, Mean Of Perception 36 Acceptance Of Islamic Hire Purchase Facility: A Case Study among staff In Jabatan Pelajaran Negeri Kelantan, Kota Bharu 2012 Table 4. 4. 3 : Coefficient Coefficientsa

	Unstandardized	Standardized	Coefficients	Coefficients	B	Std. Beta	Error
(Constant)	. 251	. 072	Perception	1	Mean Of	. 229	. 055
	Mean Of	. 522	. 069	Awareness	a.	Dependent Variable: Mean Of Acceptance	.
	997	3. 502	4. 195	7. 535	. 320	. 001	. 000
	. 000	. 294	. 466	. 291	3. 406	2. 144	3. 437

Regression analysis were employed to test the influence of three important variable of interest namely perception, competency and awareness. The r-square statistics in the model of summary is 0. 753 or 75. 3%. This implies that 75. 3% of the variation or changes in the dependent variable i. e. acceptance of Islamic hire purchase facility can be attributed to the three independent variables; however the remaining 24. 7% is not known and need further investigation. The significance level produced by the ANOVA table showed that the p value is less than 0. 05 implying that the model is valid and the result of the relationship is not by chance. Therefore we reject the null hypothesis.

Finally, researcher found that the three independent variables, perception, competency and awareness have provided enough evidence to influence the acceptance of Islamic hire purchase facility. 37 Acceptance Of Islamic Hire Purchase Facility: A Case Study among staff In Jabatan Pelajaran Negeri Kelantan, Kota Bharu 2012 4. 5 HYPOTHESIS TESTING Insignificant = Accept

Null Hypothesis (Ho) / Reject Alternate Hypothesis (H1) Significant = Accept  
Alternate Hypothesis (H1) / Reject Null Hypothesis (Ho)  $P < 0.05$   $P < 0.05$   
After made several analyses to all variables for this study, all hypotheses should be discussed to determine its relevancy and whether it is supported or not. For this study, Pearson Correlation Analysis was used to assess the relationship between independent and dependent variable.

Hypothesis 1 (Perception) Ho: There is no significant relationship between acceptance of Islamic hire purchase facility among staff in Jabatan Pelajaran Negeri Kelantan and perception. H1: There is significant relationship between acceptance of Islamic hire purchase facility among staff in Jabatan Pelajaran Negeri Kelantan and perception. The result from Pearson correlation shows perception significantly has positive correlated to acceptance at the relationship ( $r = 0.789$ ). Thus, significant relationship exists and the H1 accepted and reject the H0. Hypothesis 2 (Competency) Ho: There is no significant relationship between acceptance of Islamic hire purchase facility among staff in Jabatan Pelajaran Negeri Kelantan and competency. H1: There is significant relationship between acceptance of Islamic hire purchase facility among staff in Jabatan Pelajaran Negeri Kelantan and competency. The result from Pearson correlation shows competency significantly has positive correlated to acceptance of Islamic hire purchase facility at the relationship ( $r = 0.724$ ). Thus, significant relationship exists and the H1 accepted and reject the H0. 38 Acceptance Of Islamic Hire Purchase Facility: A Case Study among staff In Jabatan Pelajaran Negeri Kelantan, Kota Bharu 2012 Hypothesis 3 (Awareness) Ho: There is no significant relationship between acceptance of Islamic hire purchase facility among staff in Jabatan

Pelajaran Negeri Kelantan and awareness. H1: There is significant relationship between acceptance of Islamic hire purchase facility among staff in Jabatan Pelajaran Negeri Kelantan and awareness. The result from Pearson correlation shows awareness significantly has positive correlated to acceptance of Islamic hire purchase facility at the relationship ( $r = 0.837$ ). Thus, significant relationship exists and the H1 accepted and reject the H0.

39 Acceptance Of Islamic Hire Purchase Facility: A Case Study among staff In Jabatan Pelajaran Negeri Kelantan, Kota Bharu 2012 CHAPTER FIVE: CONCLUSION AND RECOMMENDATION 5.0 INTRODUCTION

This chapter discusses the major findings of this study and to identify whether the finding met with the result conducted. Besides that, the researcher also gives some suggestions and ideas from the result. 5.1

CONCLUSION In this research, hypothesis was initially tested by using the correlation coefficient to determine its significant level. From the analysis, the results indicated that all the three independent variables in the hypotheses were found to be significant at the 0.01 level of significant at the (1 tailed). In order to substantiate the hypotheses, the multiple regression analysis was further analyzed. The R-square ( $R^2$ ) value of the model indicates 75.3% of the variations explained the all independent variable whereas the remaining 24.% cannot be explained and needed further exploration in terms of other concepts which were not included in the study. As a conclusion, all the independent variables have relationship based on the correlation analysis. Awareness was the most factors determinant acceptance of Islamic hire purchase facility among staff in Jabatan Pelajaran Negeri Kelantan followed by perception and competency. 40 Acceptance Of

Islamic Hire Purchase Facility: A Case Study among staff In Jabatan Pelajaran Negeri Kelantan, Kota Bharu 2012 5. 2 RECOMMENDATIONS Based on the findings result, the researcher has provided some of the recommendations for this study in order to overcome the problem faced.

First of all, this research was successfully done to know the relationships between those independents and dependent variable. Perception Provide Islamic Hire Purchase facility (AITAB) information. Information about Islamic Hire Purchase facility should be easy to find by everybody because majority workers can effort to buy a car. Thus, information should be easily access by consumer in order to get a clear view about Islamic hire purchase facility. For example, Bank Negera Malaysia through website, information about Islamic Hire Purchase facility can be downloaded by anyone. Competency Training the staff Customer is