AL-QANATIR
INTERNATIONAL JOURNAL OF ISLAMIC STUDIES
eISSN: 2289-9944

Vol. 35. No. 7. July Issue (2026)

UNDERSTANDING AS A DRIVER OF FAMILY WAQF PARTICIPATION READINESS: EVIDENCE FROM MALAYSIA AND INDONESIA

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Article Progress
Received: *7 June 2026* ***Revised***: *16 June 2026* ***Accepted***: *30 June 2026*

Abstract

Family waqf (waqaf zuriat) is increasingly recognised as a strategic instrument in Islamic social finance due to its potential in preserving intergenerational wealth and supporting sustainable socioeconomic development. However, participation in family waqf remains limited despite growing public awareness. Therefore, this study aims to examine the role of understanding as a driver of participation readiness in family waqf and to compare the level of understanding and participation readiness between Malaysia and Indonesia. This study employed a quantitative cross-sectional survey design involving 297 Muslim respondents, comprising 160 respondents from Malaysia and 137 respondents from Indonesia. Data were collected using a structured questionnaire and analysed using SPSS through descriptive analysis, independent sample t-test, Pearson correlation, and regression analysis. The findings revealed that there was no significant difference between Malaysian and Indonesian respondents in terms of understanding and participation readiness toward family waqf. Nevertheless, understanding was found to have a positive and significant relationship with participation readiness ($r = 0.560$, $p < 0.001$). Regression analysis further confirmed that understanding significantly predicts participation readiness ($\beta = 0.560$, $p < 0.001$), explaining 31.4% of the variance in participation readiness. The findings indicate that understanding functions as an important cognitive driver influencing individuals' willingness to participate in family waqf. The study contributes to the Islamic social finance literature by emphasising the importance of educational and institutional strategies in strengthening sustainable participation in family waqf.

Keywords: *Family, Waqf, Readiness, Social, Finance.*

INTRODUCTION

Family waqf (waqaf zuriat) is increasingly recognized as one of the strategic instruments in the Islamic social financial ecosystem, especially in efforts to ensure intergenerational wealth preservation while contributing to sustainable socioeconomic development. Unlike general waqf, family waqf allows benefits to be distributed first to specified family members before being extended to the public, thus integrating the dimensions of personal welfare and public interest in a balanced framework (Ismail & Possumah, 2022; Pitchay et al., 2021).

In recent decades, the issue of intergenerational wealth preservation has increasingly received attention among Muslim communities due to the increasing cost of living, imbalanced wealth distribution and the need for more sustainable wealth management mechanisms. In this context, family waqf is seen as an instrument that has the potential to ensure the continuity of asset benefits in the long term without compromising its social function to society.

Unlike conventional inheritance instruments that usually end after the distribution process, family waqf allows assets to be maintained as permanent assets that generate ongoing benefits to family members and society simultaneously (Kahf, 2003; Çizakça, 2011).

In the context of contemporary Islamic countries such as Malaysia and Indonesia, the development of family waqf has received increasing attention from policymakers, religious institutions, and academic researchers. Both countries have waqf governance structures that are structured through formal institutions such as the State Islamic Religious Council in Malaysia and the Indonesian Waqf Board (BWI) in Indonesia.

However, differences in the legal framework, level of regulatory clarity, and community engagement approaches have the potential to influence how individuals understand and respond to family waqf initiatives (Hassan et al., 2023; Kasri & Putri, 2022). Although the potential of family waqf is significant from an economic and social perspective, the level of community participation has not yet reached an optimal level.

This situation shows that participation in family waqf is not solely driven by normative or religiosity factors but is also influenced by cognitive and institutional factors. In this case, understanding is seen as an important element that plays a role in shaping individual behavioral readiness to be involved in family waqf (Rahman et al., 2022; Mohd Thas Thaker et al., 2023).

From a theoretical perspective, the relationship between understanding and willingness to participate can be explained through the Theory of Planned Behaviour introduced by Ajzen (1991). This theory explains that an individual's tendency to perform a behavior is influenced by cognitive factors that shape attitudes, subjective norms and perceived behavioral control.

In the context of waqf, several studies have found that better knowledge and understanding can increase an individual's confidence and tendency to participate in waqf and Islamic philanthropy activities (Kasri, 2013; Kasri & Chaerunnisa, 2022; Asyari et al., 2024). Previous studies have focused on the awareness and perception of waqf, but there is still a significant gap in terms of assessing the role of understanding as a key driver of willingness to participate, especially in the context of cross-country comparison.

Understanding in this study refers to the level of individual ability to understand the concept, mechanism, implementation procedures and the role of institutions in the management of family waqf. It goes beyond basic knowledge but rather involves the ability to assess the feasibility and practical implications of waqf in real life (Hassan et al., 2021; Abdullah et al., 2022).

Although research on waqf is growing, most previous research has focused on cash waqf, general waqf and participation intentions in Islamic social financial instruments in general (Pitchay et al., 2018; Thaker et al., 2016; Berakon et al., 2022). Studies that specifically examine family waqf are still limited, especially from the perspective of community participation behavior and intergenerational wealth preservation.

In addition, most previous studies focus on the factors of trust, transparency, religiosity and technology acceptance as determinants of participation intentions (Ahmad et al., 2020; Kasri & Chaerunnisa, 2022; Asyari et al., 2024), while the role of understanding as a cognitive factor that shapes behavioral readiness has received less attention.

In addition, recent studies in the field of Islamic philanthropy show that Islamic financial literacy and institutional clarity play an important role in influencing participation behavior. Individuals with higher levels of understanding tend to show stronger confidence in the system and are more willing to engage in waqf activities (Kasri, 2023; Shaikh et al., 2022). Therefore, understanding not only acts as a cognitive factor, but also as a bridge that connects knowledge and action (knowledge–behavior linkage).

In this regard, this study aims to: (i) examine the differences in the level of understanding and willingness to participate in family waqf between Malaysia and Indonesia, and (ii) analyze the extent to which understanding influences individuals' willingness to engage in family waqf. By shifting the focus from awareness to behavioral readiness, this study is expected to provide a deeper explanation of the dynamics of participation in family waqf, particularly within the framework of sustainable waqf governance and institutional development.

Although several previous studies have examined factors influencing participation in waqf, empirical evidence examining the relationship between understanding and willingness to participate in the context of family waqf is still limited, particularly in the comparison between Malaysia and Indonesia. Thus, there is a need to examine whether these cognitive factors play a significant role in shaping the willingness of the community to engage in family waqf.

LITERATURE REVIEW

Family Endowments And Participation Dynamics

Family endowments (wakaf zuriat) have long been discussed as an important instrument in Islamic social finance that functions not only for welfare, but also as a mechanism for preserving wealth between generations on an ongoing basis. Its ability to ensure the continuity of property benefits and fulfill the objectives of maqasid al-shariah makes it relevant in the context of the contemporary Islamic financial system (Ismail & Possumah, 2022; Pitchay et al., 2021).

Family endowments traditionally function as a mechanism for preserving wealth between generations through the preservation of parent assets and the continuous distribution of benefits to beneficiaries designated by the endowment. In contrast to the inheritance system that usually results in the fragmentation of assets after several generations, family endowments enable assets to be maintained in a productive and sustainable form to ensure the ongoing welfare of family members and society (Kahf, 2003; Çizakça, 2011).

Therefore, family endowments not only have religious and welfare functions, but also serve as a family wealth management instrument that supports long-term socioeconomic development. However, empirical studies show that the level of community participation in family waqf has not yet reached an optimal level, despite the increasing awareness of the concept of waqf (Rahman et al., 2022; Hassan et al., 2023). This situation suggests that participation does not occur automatically, but is instead influenced by various internal and external factors that are interconnected.

In this context, participation in family waqf can be understood as a complex form of social behavior, which is influenced by cognitive factors, institutions and perceptions of the effectiveness of the system. Current literature emphasizes that in addition to religiosity factors, elements such as understanding, trust in institutions, and clarity of procedures play a significant role in shaping individuals' propensity to participate (Mohd Thas Thaker et al., 2023; Kasri, 2023).

Understanding As A Cognitive Driver

Understanding refers to the level of individual ability to deeply understand the concept, mechanism, implementation procedures, and the role of institutions in the management of family waqf. In contrast to awareness, which only reflects the level of basic exposure, understanding involves the ability to interpret, evaluate, and apply knowledge in real-world situations (Abdullah et al., 2022; Hassan et al., 2021).

In a behavioral framework, understanding functions as a cognitive driver that links knowledge and action (knowledge–behavior linkage). Individuals with higher levels of understanding tend to make more rational assessments of the feasibility of waqf, including from legal aspects, asset management, and long-term benefits (Shaikh et al., 2022).

Previous studies in the field of Islamic philanthropy and social finance show that Islamic financial literacy has a significant relationship with participation intentions and behavior (Kasri & Putri, 2022; Thaker et al., 2023). However, there is still a gap in understanding among the community, especially regarding technical aspects such as waqf procedures, governance structures, and benefit distribution mechanisms. This lack of understanding has the potential to create uncertainty and subsequently hinder participation (Rahman et al., 2022).

Although most studies have found that knowledge and understanding have a positive relationship with the intention to participate in Islamic social financial instruments, some research shows that these factors do not necessarily translate into actual behavior without the existence of trust in institutions and sufficient information clarity (Kasri & Chaerunnisa, 2022; Ahmad et al., 2020). This situation indicates that the relationship between cognitive factors and participation behavior still requires further research, especially in the context of family waqf which has more complex institutional and legal characteristics.

Participation Readiness

Participation readiness refers to the tendency or willingness of individuals to participate in family waqf activities, whether through property contributions, support for waqf initiatives, or recommendations to others. It is a form of behavioral outcome that is formed as a result of the interaction between cognitive factors and the environmental context (Ajzen, 1991; Thaker et al., 2023).

Literature shows that willingness to participate is not only influenced by religiosity factors alone, but also depends on the level of information clarity, perception of feasibility, and confidence in the institution that manages waqf (Hassan et al., 2023; Kasri, 2023). When individuals feel that the waqf system is clear, transparent, and easy to understand, they are more likely to show a high willingness to participate.

In this context, understanding plays an important role as a factor that influences willingness to participate. Individuals who clearly understand the mechanism of family waqf will be more confident in the benefits and risks involved, thus increasing their tendency to participate (Abdullah et al., 2022).

Theory Of Planned Behavior And Waqf Participation

The Theory of Planned Behavior (TPB) introduced by Ajzen (1991) is one of the most widely used theories in explaining individual intentions and behavior. According to this theory, behavior is influenced by intentions, while intentions are shaped by attitudes, subjective norms, and perceived behavioral control. In the context of Islamic waqf and philanthropy, TPB has been widely used to explain the intention to participate in cash waqf, waqf sukuk and digital waqf platforms (Berakon et al., 2022; Masrizal et al., 2023; Wibowo et al., 2025).

These studies consistently show that cognitive factors such as knowledge and understanding play an important role in shaping positive attitudes towards waqf, which in turn increases the tendency to participate. Therefore, TPB provides a strong theoretical basis for explaining the relationship between understanding and willingness to participate in family waqf.

For example, Berakon et al. (2022) found that factors influencing technology acceptance have a significant relationship with the intention of the community to participate in Cash Waqf Linked Sukuk (CWLS). Masrizal et al. (2023) also showed that knowledge and attitude factors have a significant influence on the intention to participate in cash waqf. A more recent study by Wibowo et al. (2025) also confirmed that the elements in the TPB are able to explain the tendency of Muslim students to participate in online cash waqf.

Overall, the findings of previous studies indicate that cognitive factors such as knowledge and understanding play an important role in forming positive attitudes towards waqf, thereby increasing the tendency to engage in waqf activities. Therefore, the TPB provides a strong theoretical foundation to explain the relationship between understanding and willingness to participate in family waqf.

Cross-Country Differences

Comparative studies between Malaysia and Indonesia often highlight differences in institutional structures, governance approaches, and levels of community involvement in the waqf sector. Malaysia adopts a state-based governance system through the State Islamic Religious Council, while Indonesia adopts a more centralized approach through the Indonesian Waqf Board (BWI) (Kasri & Putri, 2022; Hassan et al., 2023).

These differences have the potential to influence the level of regulatory clarity, management efficiency, and community trust in waqf institutions. At the same time, socio-cultural factors and levels of Islamic financial literacy also play a role in shaping understanding and participation behaviors (Kasri, 2023).

Although there are many studies discussing waqf in both countries, studies that specifically examine how these differences in context affect understanding and willingness to participate in family waqf are still limited. Therefore, this study fills this gap by providing a comparative empirical analysis between Malaysia and Indonesia, thus contributing to a more comprehensive understanding of the dynamics of family waqf participation in a cross-country context.

From a governance perspective, Malaysia adopts a state-based waqf administration system through the State Islamic Religious Council, while Indonesia adopts a more centralized approach through the Indonesian Waqf Board. These structural differences have the potential to influence the level of access to information, procedural clarity, and community experience of interacting with waqf institutions (Noor et al., 2017; Yaacob et al., 2015). Thus, the differences in institutional contexts between the two countries may influence the level of community understanding and willingness to participate in family waqf.

HYPOTHESIS DEVELOPMENT

Understanding And Willingness To Participate

In the context of family waqf, understanding plays an important role as a cognitive driver that influences participatory behavior. Individuals who have a high level of understanding of the concept, mechanism, and procedure of family waqf tend to make more rational assessments of the benefits and feasibility of the system. In line with the Theory of Planned Behavior, individual behavior is influenced by cognitive factors that shape intentions and willingness to act. In this context, understanding acts as the basis for the formation of attitudes and beliefs towards family waqf.

Previous studies have consistently shown that the level of knowledge and understanding has a significant relationship with the intention and propensity to engage in Islamic waqf and philanthropic activities. For example, Kasri and Chaerunnisa (2022) found that knowledge plays an important role in increasing online cash waqf participation, while Asyari et al. (2024) showed that knowledge and trust in institutions are the main factors influencing the intention to participate in waqf.

In addition, Masrizal et al. (2023) also confirmed that cognitive factors have a significant influence on the intention to participate in cash waqf. Therefore, the following hypothesis is proposed:

H1: Understanding has a positive and significant relationship with the willingness to participate in family waqf.

Cross-Country Differences In Understanding

Malaysia and Indonesia have different waqf governance structures, particularly in terms of legal frameworks, institutional management, and the level of public exposure to family waqf. These differences have the potential to influence the level of individual understanding of family waqf. Comparative studies have shown that variations in institutional systems and levels of Islamic financial literacy can lead to differences in the level of community understanding (Kasri & Putri, 2022). However, empirical findings are still inconsistent and require further validation.

In addition to institutional factors, differences in the level of community exposure to waqf literacy programs, access to information, and experiences interacting with waqf institutions also have the potential to influence the level of community understanding. Previous studies have shown that different institutional environments can produce different levels of knowledge and understanding among Muslim communities (Noor et al., 2017; Yaacob et al., 2015).

In addition, the development of digitalization and different waqf education initiatives between countries also contribute to variations in the level of community understanding of the concept and implementation of waqf (Zakariyah et al., 2022). Therefore, differences in context between Malaysia and Indonesia are expected to influence the level of understanding of family waqf. In this regard, the following hypothesis is proposed:

H2: There is a significant difference in the level of understanding of family waqf between Malaysia and Indonesia.

Cross-Country Differences In Willingness To Participate

In addition to understanding, willingness to participate may also be influenced by contextual factors such as culture, institutional structure, and level of trust in the waqf system. Although both countries have large Muslim populations, different approaches to waqf management have the potential to produce variations in participation behavior.

Previous studies have shown that differences in institutional structure, level of waqf sector development, and waqf management approaches have the potential to influence community participation behavior. Although Malaysia and Indonesia share a Muslim majority background, differences in institutional experience and exposure to waqf initiatives may produce different levels of willingness to participate. Therefore, this study tested whether there were significant differences in willingness to participate in family waqf between the two countries. Therefore, the following hypotheses were tested:

H3: There are significant differences in willingness to participate in family waqf between Malaysia and Indonesia.

METHODOLOGY

This study uses a cross-sectional quantitative approach through a structured survey method to examine the relationship between understanding and willingness to participate in family waqf. This design is suitable because it allows researchers to assess the behavioral patterns of respondents and identify differences between groups over a certain period without involving long-term observations.

The study data were collected through questionnaires distributed to Muslim respondents in Malaysia and Indonesia. Purposive sampling method was used to ensure that the selected respondents had at least basic exposure to the concept of Islamic finance, particularly related to waqf. The study data were collected using a structured questionnaire distributed online through the Google Forms platform.

Respondents were selected based on several key criteria, namely: (i) Muslim; (ii) aged 18 years and above; and (iii) having at least basic knowledge of the concept of waqf. This approach was used to ensure that respondents had the ability to understand and provide relevant feedback on the items presented in the questionnaire.

After the data cleaning process was carried out, the final sample size used in the analysis was 297 respondents, consisting of 160 respondents from Malaysia and 137 respondents from Indonesia. This sample size was considered sufficient to conduct inferential statistical analyses such as tests of difference, correlation and regression, in addition to meeting the minimum requirements for exploratory factor analysis (Hair et al., 2019).

According to Hair et al. (2019), a sample size of more than 200 respondents is sufficient to conduct inferential statistical analysis and factor analysis in social science research. Therefore, a sample size of 297 respondents is considered sufficient to achieve the stated study objectives.

All variables in this study were measured using a five-point Likert scale, ranging from 1 representing "strongly disagree" to 5 representing "strongly agree". This approach was chosen because it is suitable for measuring respondents' perceptions and behavioral tendencies in the context of social studies.

The two main constructs that were focused on in this study were understanding and willingness to participate. Understanding includes the ability of respondents to understand the concept of family waqf, its implementation procedures and the role of institutions in its management. Meanwhile, willingness to participate refers to the respondents' tendency to be involved in family waqf, including in terms of intention to contribute, support waqf initiatives, and recommend the practice to others.

This study instrument was developed based on previous literature reviews and then adapted to the context of family waqf to ensure its suitability with the study objectives. The questionnaire items went through a process of language and content adaptation to ensure their suitability with the context of family waqf in Malaysia and Indonesia. This process aims to ensure that each item can be interpreted consistently by respondents from both countries. To ensure that the research instruments used are valid and reliable, exploratory factor analysis (EFA) and reliability tests were conducted.

From the point of view of construct validity, the Kaiser-Meyer-Olkin (KMO) value and Bartlett's Test of Sphericity test were used to assess the suitability of the data for factor analysis. The KMO value of more than 0.60 and the significant Bartlett's test results ($p < 0.05$) indicate that the data is suitable for analysis using a factor approach (Hair et al., 2019).

In addition, all items in this study recorded factor loading values of more than 0.50, thus confirming that each item has an adequate relationship with the construct being measured. In terms of reliability, the Cronbach's Alpha coefficient was used to assess the internal consistency of the instrument. The alpha values for all constructs were found to be above 0.70, which indicates a good level of reliability and is acceptable in social science research (Hair et al., 2019).

Data analysis in this study was conducted using SPSS software through several complementary stages. At the initial stage, descriptive analysis was used to describe the level of understanding and willingness to participate of respondents based on the mean value and standard deviation. Next, a difference test using an independent sample t-test was conducted to assess whether there was a significant difference between respondents from Malaysia and Indonesia.

To examine the relationship between variables, Pearson correlation analysis was used to determine the strength and direction of the relationship between understanding and willingness to participate. In addition, simple linear regression analysis was also conducted to test the effect of understanding as a predictor variable on willingness to participate.

Before the regression analysis was conducted, several statistical assumptions were checked including normality, linearity, homoscedasticity and multicollinearity. The results showed that all assumptions were met and the data were suitable for regression analysis.

In regression analysis, model evaluation was made based on the value of the beta coefficient (β), the significance level (p-value), and the coefficient of determination (R^2) to assess the strength and ability of the model in explaining the variation of the dependent variable. Overall, this analytical approach allows the study to assess the role of cognitive factors in influencing participation behavior, while also looking at differences in context between countries more systematically.

The use of SPSS in this study is appropriate for the study objectives which focus on testing direct relationships between variables, comparisons between groups of respondents and determining the predictive power of independent variables on dependent variables. Participation in this study is voluntary and anonymous. All respondents were informed of the purpose of the study before answering the questionnaire. No information that could identify the respondent's identity was collected, and all data was used only for academic research purposes. Respondents were also given the freedom to stop participating at any time without any implications.

RESULTS

Descriptive Analysis

To obtain an initial picture of the respondents' tendencies, descriptive analysis was conducted to assess the level of understanding and willingness to participate in family waqf for Malaysian and Indonesian respondents.

Table 1. Descriptive Statistics by Country

Country	n	Understanding (Mean)	SD	Participation Readiness (Mean)	SD
Malaysia	160	4.02	0.70	4.15	0.68
Indonesia	137	4.13	0.68	4.22	0.63

Overall, both groups of respondents showed a high level of understanding and willingness to participate in family waqf. The mean values exceeding 4.00 for both constructs indicate that respondents generally have a good acceptance of the concept of family waqf. Indonesian respondents recorded a slightly higher mean for understanding (M = 4.13, SP = 0.68) compared to Malaysia (M = 4.02, SP = 0.70).

The same pattern was also seen for willingness to participate, namely Indonesia (M = 4.22, SP = 0.63) was slightly higher than Malaysia (M = 4.15, SP = 0.68). However, this difference is small and needs to be confirmed through inference tests before any statistical conclusions can be made.

Independent Sample Difference Test

To determine whether the mean difference between Malaysia and Indonesia is significant, an independent sample t-test was conducted on both main variables.

Table 2. Results of Independent Sample t-Test

Variable	t-value	p-value	Mean Difference	Cohen's d	Interpretation
Understanding	-1.36	0.176	-0.11	0.16	Not significant; small effect size
Participation Readiness	-0.85	0.398	-0.07	0.11	Not significant; small effect size

The t-test results showed that there was no significant difference between Malaysian and Indonesian respondents for understanding, $t = -1.36$, $p = 0.176$. Similarly, for willingness to participate, the results showed a non-significant difference, $t = -0.85$, $p = 0.398$. Effect size assessment using Cohen's d showed that the magnitude of the difference for understanding ($d = 0.16$) and willingness to participate ($d = 0.11$) was small.

This finding indicates that although there was a slight difference in mean between the two countries, the difference was not strong enough to be considered statistically significant. Effect size assessment using Cohen's d also showed that the magnitude of the difference for understanding (d = 0.16) and willingness to participate (d = 0.11) was at a small level based on Cohen's (1988) guidelines.

Therefore, the differences that existed between Malaysian and Indonesian respondents were minimal and did not have significant practical implications. In other words, both groups of respondents showed almost equivalent levels of understanding and willingness to participate in the context of family waqf.

Pearson Correlation Analysis

Next, Pearson correlation analysis was conducted to assess the relationship between understanding and willingness to participate

Table 3. Pearson Correlation Analysis

Variable	**Understanding**	**Participation Readiness**
Understanding	1.000	0.560***
Participation Readiness	0.560***	1.000

The results showed that there was a significant positive relationship between understanding and willingness to participate, $r = 0.560$, $p < 0.001$. This relationship was at a moderate to strong level, indicating that the higher the level of understanding of the respondents towards family waqf, the higher their willingness to participate.

This finding is important because it shows that understanding is not just an aspect of basic knowledge, but is closely related to behavioral tendencies. In the context of family waqf, individuals who better understand the concepts, procedures and roles of the institution are more likely to show willingness to participate.

Regression Analysis

To assess the extent to which understanding can predict willingness to participate, regression analysis was conducted with understanding as the predictor variable and willingness to participate as the dependent variable.

Table 4. Results of Regression Analysis

Predictor Variable	**Standardized Beta (β)**	**p-value**	**R^2**	**Interpretation**
Understanding	0.560	< 0.001	0.314	Significant predictor

The regression results show that understanding is a significant predictor of willingness to participate in family waqf, $\beta = 0.560$, $p < 0.001$. The R^2 value = 0.314 indicates that 31.4% of the variation in willingness to participate can be explained by understanding. This finding indicates that understanding has an important role in shaping individuals' willingness to participate in family waqf.

Overall, the regression findings reinforce the previous correlation results. Although countries do not show significant differences, understanding appears to be a more important factor in explaining willingness to participate. This indicates that efforts to strengthen family waqf need to emphasize education, procedural explanations, and institutional explanations that are easy for the community to understand.

DISCUSION

The findings of the study show that understanding is a key factor influencing willingness to participate in family waqf. The positive and significant relationship between the two variables indicates that individuals with a higher level of understanding tend to show a higher willingness to participate in family waqf. This finding is in line with the Theory of Planned Behavior (Ajzen, 1991) which explains that cognitive factors play an important role in shaping an individual's behavioral tendencies.

In the context of family waqf, better understanding allows individuals to evaluate the benefits, procedures and feasibility of the instrument more rationally before making a decision to participate. This finding also supports previous studies which assert that literacy and understanding have a significant influence on behavior in Islamic social finance (Kasri & Chaerunnisa, 2022; Asyari et al., 2024; Mohd Thas Thaker et al., 2023).

This shows that participation in family waqf does not occur automatically only through awareness or normative encouragement, but rather requires a sufficient level of understanding of the concepts, mechanisms and benefits offered. Therefore, understanding can be considered an important link between knowledge and participation behavior.

At the same time, this study found that there was no significant difference between Malaysian and Indonesian respondents in terms of understanding and willingness to participate in family waqf. The small effect size value also indicates that the magnitude of the difference between the two countries is minimal.

This finding indicates that although the two countries have different waqf governance structures, individual factors such as understanding are seen to be more dominant in influencing participation behavior than country context factors. This finding also illustrates that Muslim communities in both countries have almost the same level of acceptance of the concept of family waqf.

Overall, this study shows that understanding is a fundamental element in increasing the willingness of the community to participate in family waqf. Therefore, efforts to strengthen the development of family waqf need to emphasize education programs, literacy and the delivery of clearer information to the community. This approach can not only increase the level of understanding, but also has the potential to strengthen community participation in family waqf in a more sustainable way in the future.

CONCLUSION

This study examines cross-country differences in understanding and willingness to participate in family waqf between Malaysia and Indonesia, focusing on the role of cognitive factors in shaping participation behavior. Overall, the findings indicate that although both countries recorded high levels of willingness, the differences between countries were not significant. Instead, understanding emerged as the more dominant factor in influencing individuals' propensity to engage in family waqf.

This finding provides a clear implication that participation in family waqf is not solely driven by geographical context, institutional structure or normative incentives, but rather depends on the extent to which individuals understand the system. In this context, understanding functions as a key catalyst linking knowledge and action, thus explaining why awareness alone is not sufficient to drive actual participation.

From a contribution perspective, this study reinforces the shift from an awareness-based approach to an understanding-based approach in the Islamic social finance literature. It shows that efforts to empower family waqf need to emphasize information clarity, procedural understanding, and transparency in institutional management. Without these elements, the potential for family waqf to grow sustainably will remain limited.

Practically, these findings suggest that family waqf development strategies need to shift from a promotional approach to a more structured and focused educational approach. This includes providing easy-to-understand information, strengthening waqf literacy, and efforts to clarify the role of institutions in managing waqf transparently and effectively.

Although this study makes a significant contribution, there are several limitations that need to be taken into account. This study only focuses on one main cognitive factor, namely understanding, and uses an SPSS-based analytical approach. Therefore, future studies are recommended to explore other factors such as institutional trust and regulatory clarity, and use a more comprehensive analytical approach such as structural equation modeling to obtain a more comprehensive picture.

In short, this study shows that the future of family waqf does not only depend on the strength of the institutions that are built, but on the extent to which the system is understood by the target community.

ACKNOWLEDGMENT
The authors would like to express their deepest gratitude to the Ministry of Higher Education Malaysia, Sponsor Reference Code (KPT): FRGS-EC/1/2024/SSI03/UITM/02/14 and the Research Management Centre (RMC), Universiti Teknologi MARA (UiTM), for research funding under the Fundamental Research Grant Scheme (FRGS) for the project titled "Sustainability Governance of Family Waqf Institutions: Empirical Analysis from Malaysia and Indonesia"; Research Code: FRGS-600-RMC/FRGS-EC/ 5/3 (005/2024).

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