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**Optimizing Cash Waqf Social Responsibility (CWSR) through Digital Waqf:
A strategic approach for Malaysian social Micro-Enterprises (MEs)**

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Abstract

This study explores the innovative strategy of digital cash waqf to enhance social responsibility among micro-enterprises through small contributions to waqf or non-profit entities. Using a qualitative approach and thematic analysis, it investigates how digitalisation streamlines the donation process, overcoming previous challenges. A key motivation is technological opportunism, where enterprises leverage digital platforms to boost visibility and participation in social causes. The study advocates for a transparent and accountable digital waqf ecosystem. Findings highlight the role of philanthropy in fostering generosity and community engagement, offering strategic insights for policymakers to encourage enterprise-waqf collaboration for sustainable social impact.

Keywords: Social responsibility; Micro-enterprise; Strategic approach; Cash waqf

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1.0 Introduction

Contemporaneous waqf has gained increasing academic attention and has evolved into a distinct area of study. Recognised as an Islamic social instrument, waqf contributes to improving Muslims' quality of life through recurring charitable donations known as sadaqah. Traditionally supported by individual voluntary contributions, waqf has recently drawn interest from corporate actors. Scholars and practitioners have begun to explore the intersection between waqf and corporate contributions, aiming to leverage waqf principles to promote business social responsibility (Darus et al., 2017; Harto et al., 2022).

Corporate waqf initiatives, such as those by Koç Holding in Turkey and Johor Corporation in Malaysia, exemplify how businesses, including microenterprises, can contribute to social development through monetary waqf. However, most existing strategies primarily target the general public or multinational corporations, often neglecting the potential contributions of micro, small, and medium-sized enterprises (MSMEs) (Susanto et al., 2024; Yáñez-Araque et al., 2021). While multinational corporations engage in corporate social responsibility for extrinsic benefits like market expansion and brand loyalty, microenterprises are typically driven by moral obligation, religious values, and community support (Wajdi Dusuki, 2008).

Cash waqf, which involves small and voluntary financial donations to waqf institutions, offers a practical avenue for microenterprises to engage in social responsibility without requiring large capital. In the digital age, technology has simplified the waqf process, helping

to overcome barriers such as limited resources, lack of expertise, and administrative complexity (Bielawska, 2022; Zou et al., 2021; Bonang et al., 2024). Despite these advancements, research on the digital cash waqf mechanism remains limited, particularly in the context of microenterprises.

This study aims to examine how digital cash waqf is behaviourally accepted by microenterprises as a form of social responsibility. It fills a critical gap by offering qualitative insights and proposes strategies to develop a digital waqf ecosystem and guide policy for broader microenterprise participation.

2.0 Literature Review

1.1 Digitalising Cash-Waqf

Digitalisation of cash waqf refers to the electronic monetary contributions made by Muslims, eliminating the need for traditional methods such as physical waqf certificates or in-person meetings with trustees. More precisely, it includes transactions carried out by anyone from any location without being physically present. Digitalisation refers to utilising digital or computer technology, including the incorporation of mobile applications, by organisations, enterprises, and the general public. Online waqf has made generosity easier for Muslims by allowing them to donate cash through internet-connected devices, eliminating the need for direct interaction with trustees.

Existing study mainly focuses on analysing the effects of digital finance on various domains (Banna & Alam, 2021). However, there is a scarcity of literature investigating the influence of digital finance on charitable donations. As a crucial element of the digital economy, digital finance for social contribution can incentivise positive individual behaviour to contribute (Fang, 2023). In addition, other studies have employed quantitative methods, such as Bonang et al. (2024), which utilised the Unified Theory of Acceptance and Use of Technology (UTAUT), a model explaining technology adoption through performance expectancy, effort expectancy, social influence, and facilitating conditions. These studies have revealed that performance expectancy, social influence, and perceived *ihsan* substantially impact the desire to use digital waqf.

Similarly, Asyari et al. (2024) employed the Theory of Planned Behaviour to learn the intention of online waqf donation quantitatively. The study revealed that attitude, subjective norms, perceived behavioural control, and trust partly mediate the relationship between knowledge and intention in online cash waqf. However, both studies were done among the general public without understanding why people are motivated to donate towards digital waqf. The implementation of digital waqf not only saves time and resources but also simplifies the contribution procedure.

Makhrus (2018) asserted that online platforms, such as Sedekah Rombongan, Laskar Sedekah, and Sedekah Kreatif Edukatif, have effectively served as channels for charitable donations and as tools for raising public consciousness. This term refers to the idea that rational calculations do not solely drive capitalism but are also influenced by social interactions and the evolution of cultural exchange. Regarding this study, "soft capitalism" refers to the economic prospects generated by e-commerce organisations through social endeavours like online philanthropy. However, comparing digitalisation in Islamic charitable practices with virtual capitalism is not on the same continuum. Islamic philanthropy is performed to please Allah and foster a sense of brotherhood to assist one another. Simultaneously, the participation by businesses in this undertaking is a component of the ethical responsibility of business (Awalluddin, 2020). This study diverges from conventional approaches and offers a fresh perspective on the interaction between micro- enterprises and digital waqf. It employs the diffusion of innovation and social capital theories to analyse the organisation of digital waqf by micro-enterprises qualitatively.

2.2 Diffusion of Innovation Theory (DOI)

Diffusion of Innovation (DOI) theory is a foundational concept in the innovation and communication literature, originating from the seminal work of Rogers and widely applied in studies related to digitalisation that require individuals or organisations to adopt new technologies (Rogers, 2003). The strength of DOI theory lies in its broad applicability and practical relevance, as it can be adapted across diverse cultural settings, social systems, and population characteristics. Regardless of context, the diffusion process outlined in the model captures the essential mechanisms through which an innovation progresses from initial introduction to widespread adoption. Central to DOI theory are five perceived attributes of innovation that influence adoption decisions (Al-Marroof et al., 2021). Perceived compatibility (PC) refers to the degree to which an innovation aligns with the existing values, experiences, and needs of users. In digital contexts, higher perceived compatibility enhances trust and willingness to adopt new systems. In this study, perceived compatibility is defined as the extent to which micro-enterprises believe that digital waqf platforms can enhance organisational capability and performance. Trialability (TR) reflects the degree to which an innovation can be experimented with prior to full adoption, thereby reducing uncertainty and increasing confidence among users (Almaiah et al., 2021). Complexity (CO) refers to the perceived difficulty associated with understanding and using an innovation; higher complexity may negatively affect adoption intentions. Observability (OB) denotes the visibility of the innovation's outcomes, which facilitates peer discussion, social learning, and normative influence. Finally, relative advantage (RA) represents the degree to which an innovation is perceived as superior to existing practices, particularly in terms of efficiency, effectiveness, and long-term benefits.

Within this study, DOI theory provides a relevant framework for examining how micro-enterprises adopt digital waqf as part of their Cash Waqf Social Responsibility (CSWR) initiatives. It enables an exploration of behavioural acceptance factors and highlights the role of early adopters among micro-entrepreneurs in influencing wider adoption through peer networks, thereby supporting the development of a sustainable, digitally driven waqf ecosystem.

2.3 Conceptual Framework

This study adopts the Diffusion of Innovation (DOI) theory as the guiding framework to explore the adoption of digital waqf mechanisms among microenterprises as a means of fulfilling their cash waqf social responsibility (CWSR). DOI, introduced by Rogers (2003), provides a comprehensive understanding of how innovations are communicated, accepted, and adopted over time within a social system. It focuses on the roles of early adopters, communication channels, social influence, and the characteristics of the innovation itself, such as relative advantage, compatibility, complexity, trialability, and observability, all of which affect the adoption process.

In the context of this study, digital waqf is viewed as an innovation that microenterprises encounter within their social and business environment. The framework positions these enterprises not only as recipients of innovation but as active agents whose adoption decisions are shaped by perceived benefits, contextual challenges, and the influence of peers or networks. The emphasis is on understanding why and how digital waqf becomes meaningful to microenterprises in fulfilling their social responsibility goals.

3.0 Methodology

This study employed a qualitative research design and was conducted in Klang, Malaysia, to explore micro-enterprises' perceptions of using digital waqf for Cash-Waqf Social Responsibility (CWSR). Data were collected through semi-structured face-to-face interviews with participants selected using purposive snowball sampling. This approach allowed the researchers to identify individuals with relevant experience, ensuring the richness and relevance of the data (Cresswell & Cresswell, 2018). Initial contact was made through a Muslim business consortium, and strict selection criteria were applied: each participant was required to have at least three years of business experience and active involvement in socially responsible initiatives. On average, respondents had 12 years of experience, making them qualified to provide in-depth insights.

Seven respondents (pseudonyms R1–R7) were interviewed, with data saturation achieved by the fifth interview. Two additional interviews were conducted to validate the sufficiency of data. Prior to the interviews, ethical protocols were followed, including consent and briefing statements. The interviews explored participants' understanding of digital waqf, their motivations for engaging in social responsibility, and how digital waqf mechanisms support their business obligations. All interviews were video-recorded with permission, transcribed, and validated by participants to ensure credibility. The data were analysed using NVivo software to enhance the rigour of the analysis. Thematic analysis, as outlined by Braun and Clarke (2006), was employed to identify, analyse, and present emerging patterns. A combination of first-cycle and second-cycle coding techniques (Miles et al., 2014), including line coding, value coding, and structural coding, was used to derive themes. Two researchers independently coded the data to ensure inter-rater reliability and collaborated to reach consensus on the final themes. This process allowed for a detailed exploration of recurring ideas and the development of a coherent narrative aligned with the study's objectives.

4.0 Results and Discussion

The central finding of this study is that digital waqf presents a form of technological opportunism that enables micro-enterprises to fulfil their Cash-Waqf Social Responsibility (CWSR) with greater efficiency and accessibility. In this context, technological opportunism refers to the proactive and adaptive use of technology by individuals to achieve beneficial outcomes, especially under conditions of limited time and resources. This aligns closely with the lived experiences of micro-enterprise owners, who often seek cost-effective and low-effort solutions to uphold their social commitments while managing business operations (Bonang et al., 2024).

The findings further support the explanatory power of Diffusion of Innovation (DOI) Theory, which outlines how new ideas and technologies are adopted across a population. Participants' engagement with digital waqf reflects several key constructs within this framework. First, the concept of relative advantage is evident, as respondents consistently perceived digital waqf to offer a better alternative to traditional charitable practices. For example, R2 shared that giving physical items such as rice and oil required considerable energy and external help. In contrast, digital waqf allowed her to contribute independently, at any time, without relying on others or needing technical skills. This highlights the clear benefits of digital waqf in terms of convenience, autonomy, and time savings.

Second, the theme of compatibility emerged strongly. Respondents found that digital waqf aligns well with their personal values and daily routines as small business owners. R5 explained that digital waqf was fully compatible with his schedule and did not interfere with his business operations. R3 added that he could make contributions during brief breaks at work, demonstrating how the practice integrates naturally into their professional life. The perceived low complexity of digital waqf further contributes to its appeal. Participants agreed that the system was simple, intuitive, and did not require formal education or specialised training. R2 emphasised that she could use the system without difficulty, and R5 noted that the process was as easy as using his fingertips.

Trialability and observability were also evident in how participants were introduced to digital waqf through peer interactions. Many respondents learned about the practice through WhatsApp groups, local community leaders, and online platforms. Observing others using digital waqf created a sense of trust and familiarity, encouraging them to try it for themselves. This supports the idea that peer networks enhance the visibility and acceptability of innovations, reinforcing their adoption through social validation.

Facilitative behaviour emerged as a crucial concept influencing participants' decisions. Respondents viewed digital waqf as highly accessible, efficient, and advantageous. The perception that the practice is easy to carry out, requires minimal effort, and can be done at any time played a major role in motivating participation. For micro-enterprises operating in resource-constrained environments, such ease of use is essential. Asyari et al. (2024 and Johari et al. (2015) emphasise that access to simple and inclusive platforms encourages engagement among individuals from diverse geographical and educational backgrounds. This aligns with the responses of participants who appreciated the time-saving and cost-free nature of digital waqf, which did not require hiring assistants or managing logistics.

Institutional and technological infrastructures also contribute significantly to widespread adoption. The availability of secure digital payment systems, mobile-friendly interfaces, and institutional credibility builds confidence in the waqf process. Participants expressed trust in the platforms largely because they were supported by established waqf bodies and integrated with formal banking systems. This legitimacy lowers psychological and operational barriers to adoption and fosters broader participation.

Finally, peer networks play a vital role in embedding digital waqf practices within communities. Social interactions through digital platforms, group sharing of waqf campaigns, and endorsement from trusted community figures contribute to normalising digital philanthropy. These networks amplify the observability and compatibility dimensions of DOI Theory while promoting social accountability and collective motivation. The interplay between technological advantage, user-centred design, institutional support, and peer influence provides fertile ground for the diffusion of innovation among micro-enterprises in Malaysia. Digital waqf, therefore, represents more than just a technical solution. It is a socially enabled and behaviorally driven practice that empowers micro-entrepreneurs to contribute meaningfully to social development.

Table 1. Technological Opportunism Factors Influencing the Adoption of Digital Waqf Among Micro-Enterprises

Key Construct	Definition	Explanation Based on Findings	Supporting Examples
Relative Advantage	The perceived superiority of the innovation compared to existing methods.	Digital waqf is easier, faster, and more flexible than traditional physical donations.	R2: Shifted from carrying heavy goods to effortless online giving.
Compatibility	Alignment between the innovation and the adopter's values, needs, and daily routines.	Digital waqf aligns with micro-entrepreneurs' busy schedules and values regarding social responsibility	R5: Used digital waqf without disrupting work; R3: Donated during short breaks.
Complexity (Low)	The perceived ease of using the innovation.	Participants found digital waqf easy to understand and operate without special skills.	R2 and R5: Emphasised user-friendliness and ease of use
Trialability	The ability to experiment with the innovation before full adoption.	Platforms allowed users to try digital waqf without risks or obligations.	Peer-shared links and small initial contributions promoted experimentation.
Observability	The visibility of the innovation's benefits through peer behaviour.	Adoption was influenced by observing others using digital waqf through social media and WhatsApp groups.	Participants cited peer influence and community examples as motivation.
Facilitative Behaviour	Perception that a behaviour is simple, beneficial, and low- effort.	Digital waqf was viewed as time-efficient, low- cost, and not requiring external help or technical knowledge.	All respondents found digital waqf convenient and self-manageable.
Institutional and Technological Support	Trust in the system's legitimacy and ease due to institutional backing and digital tools.	Secure systems, mobile platforms, and formal waqf authorities enhanced trust.	R2 and R5 trusted the platform due to official waqf institutions.
Peer Networks	Social structures that enable information sharing, trust, and influence in adoption.	Community leaders, WhatsApp groups, and social media fostered awareness and acceptance of digital waqf.	Participants learned about and were encouraged to adopt digital waqf via their networks.

(Sources: Authors)

5.0 Conclusions and Recommendations

This study concludes that digital waqf represents a meaningful form of technological opportunism, enabling micro-enterprises to fulfil their Cash-Waqf Social Responsibility (CWSR) more efficiently and accessibly. Framed within the Diffusion of Innovation (DOI) Theory, adoption is influenced by perceived relative advantage, compatibility with entrepreneurial routines, ease of use, visibility through peer interactions, and trust in institutional support. These factors are particularly relevant for micro-enterprise owners with limited time, energy, and financial resources. By leveraging digital waqf platforms, they can engage in socially responsible acts with minimal disruption. This study contributes to CSR research from a cultural perspective, demonstrating how technology can facilitate social responsibility practices that align with local norms and advance sustainable development goals.

Participants emphasised the simplicity and flexibility of digital waqf applications, which do not require technical skills or formal training. They also highlighted the value of community influence, where social media groups and peer recommendations played a critical role in encouraging participation. Institutional credibility further reinforced their willingness to engage in digital philanthropy, especially when platforms were endorsed by official waqf bodies or banking institutions. Based on these findings, several practical solutions can be implemented. First, waqf institutions should continue enhancing the usability of digital waqf platforms by ensuring interfaces are intuitive, mobile-friendly, and compatible with various levels of digital literacy. Second, public campaigns should be launched in collaboration with community leaders, mosque committees, and entrepreneurial networks to increase awareness and normalise digital waqf as a viable form of giving. Third, embedding educational tools within the platforms, such as step-by-step guides or video tutorials, can empower users to navigate the system independently. Fourth, implementing reward-based or recognition features for consistent users may strengthen engagement and foster a sense of accountability.

Although the study offers important insights, it is not without limitations. Its qualitative design and focus on a specific region in Malaysia may limit generalizability across different populations or business scales. Additionally, the perspectives reflect a particular moment in time as digital waqf technologies and user behaviours continue to evolve. Future research should consider broader quantitative studies to test the relationship between technological attributes and user behaviour across regions. Longitudinal investigations could explore how sustained use of digital waqf influences long-term social responsibility outcomes. Comparative studies between digital and conventional waqf practices would also provide a deeper understanding of how innovation reshapes Islamic philanthropic behaviour in modern entrepreneurial contexts.

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Paper Contribution to Related Field of Study

This study contributes to the fields of development strategy and corporate social responsibility by demonstrating how digital tools can facilitate socially responsible practices among micro-enterprises.

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