

Statistical Analysis Modeling of Zakat Service Quality and its Impact on Zakat Project Performance in the Medina Region of Saudi Arabia

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Abstract

Statistical Analysis of Charity Service Quality: Exploring its Moderating Role in the Relationship Between Marketing Mix Elements and Charity Project Performance in Saudi Arabia. This study, conducted on volunteers from Bir Organization and Osraty Organization in Madinah, employed rigorous quantitative research methods, including the distribution of 395 questionnaires. Utilizing advanced statistical tools such as SPSS 26 and Smart PLS 3.3, the analysis uncovered a noteworthy correlation between Process of Charity and Physical evidence with Charity Projects Performance. Conversely, Charity Products and Charities Promotion displayed an insignificant relationship. Particularly significant was the observed substantial moderating influence of Charity Service Quality on relationships involving Charities Promotion, Process of Charity, and Physical evidence with Charity Projects Performance. In light of these findings, it is suggested to further refine the Statistical Analysis Modeling for future studies, potentially exploring additional variables or employing advanced statistical techniques to deepen the understanding of the intricate dynamics influencing charity project performance in Saudi Arabia.

Keywords: *Statistical Analysis, Quantitative Research, Process, Correlation Analysis, Zakat.*

1. Introduction

Beyond the governments in the Western hemisphere, Saudi Arabia has overtaken the United States as the country that gives the most donor to humanitarian causes. The nation's response to the aftermath of a number of recent natural catastrophes was significantly more generous than that of any typical donor. The Kingdom of Saudi Arabia places a significant emphasis on charitable giving and community service (Al-Malkawi & Javaid, 2018). Many members of Saudi society are moved to assist those in need because of their commitment to Islamic ideals and their roots in Arab culture. Individuals in Saudi Arabia, overall, are quite proactive when it comes to carrying out charitable activities, whether such actions are directed toward their families, their local communities, or even towards needy people all over the globe. Numerous Saudi government agencies are in charge of overseeing the country's charitable organisations (Tanko et al., 2019). The Ministry of Social Affairs and the Ministry of Islamic and Waqf Affairs are the two primary bodies responsible for regulation. In

addition to charities run by Saudi Arabians, there are also a few foreign organisations operating in the country (most of which fall under the remit of the Muslim World League). According to what has been said before, the charity sector in Saudi Arabia is a large and significant industry that faces a number of issues. (Sharmaa, 2020). The historical backdrop of philanthropic activity in Saudi Arabia receives a significant amount of attention and garners a significant amount of attention as a result of its inclusion in a major portion of the most recent academic work on charitable organizations around the world. In fact, the concepts, attitudes, and values associated to welfare and charity can be traced back to their roots deep within Arabic and Islamic culture. These roots can be found in places like the Quran and the Hadith. These origins may be traced back to the period when the culture was controlled by the civilizations of Arabic and Islam (Abreu, 2020). These roots may be traced all the way back to the time of the Prophet Muhammad (peace be upon him) if one so chooses. According to Al-Dakhil

(2010), the philanthropic work that has been done in the Kingdom of Saudi Arabia stretches back to a long time before the foundation of structured charity organizations. This philanthropic activity includes the provision of financial assistance to those in need. The origins of this work may be found in the earliest chapters of the history of the kingdom. The work that was done in the charitable sector was first done on an individual basis; however, in later years, it evolved to incorporate activities that were done by families in the form of charity boxes. In the beginning, the work that was done in the charitable sector was done on an individual basis. This was done in order to include into the overall design any and all facets of the social interaction that takes place between people who live in a community (Sharmaa, 2020).

2. Problem Statement

Several reports mentioned that because there is no centralised system to formally report Saudi humanitarian contributions, the OCHA's financial tracking service (FTS) was used to obtain quantitative data on Saudi aid. This data was supplemented by information obtained from interviews and reports published in the media. This data is lacking, however, since Saudi Arabia does not declare all of its contributions to the monitoring service that monitors financial transactions. A non-market trade is present in contemporary society, and as a result, the not-for-profit sector has grown significantly in importance. Additionally, there is a rise in the number of individuals interested in donating money to charitable organisations all over the world; yet, the level of competition has intensified significantly (Al-Yahya & Fustier, 2019). Because of this, the not-for-profit sector has resorted to marketing in an effort to boost revenue from contributions; to put it another way, the not-for-profit sector is progressively improving its competencies and operations in fundraising. Research in the field of fundraising has developed into its own distinct theoretical subfield within the field of marketing. Nevertheless, it must inevitably be complicated since it deals with a wide diversity of scenarios that need study that is taken from a number of theoretical psychological underpinnings (Al-Malkawi & Javaid, 2018; Pholphirul et al., 2021).

3. Research Question

- Is there a relationship between Process of Charity and Charity Projects Performance in Saudi Arabia?
- Is there a relationship between Physical evidence and Charity Projects Performance in Saudi Arabia?
- Is there a moderating influence of Charity Service Quality on the relationships between Charity Products, Charities Promotion, Process of Charity, and Physical evidence, with Charity Projects Performance in Saudi Arabia

4. ANSOFF MATRIX

The Ansoff Matrix, in some sources it is referred as strategies for diversification (Ansoff, 1957), is a two by two matrix of options, devised by Igor Ansoff, who defined the matrix as a joint statement of a product line and the corresponding set of missions which the products

are designed to fulfil (Ansoff, 1957). The matrix consists two axis, the vertical axis represents the market in two concepts: existing / new, and the horizontal axis represents the products in two concepts: existing / new. The Matrix is a simple tool for strategic planning; it portrays business growth options as a 2x2 matrix with axes (Dawes, 2018). Figure 1 is detailing the Ansoff Matrix or strategies for diversification.

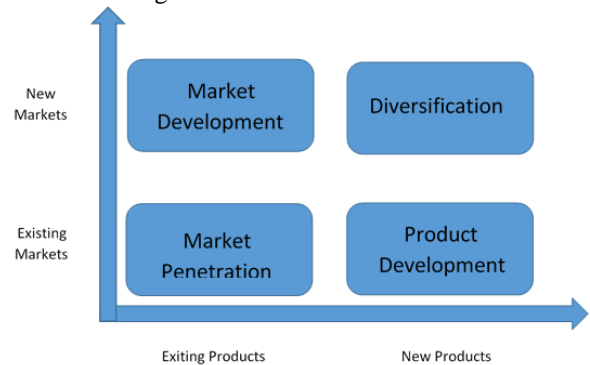


Figure 1 Ansoff Matrix or strategies for diversification

5. Indicator Reliability (Outer Loadings)

The reliability of each indication is assessed once it has been established that the reliability of each internal consistency reliability has been proven. As can be shown in Figure2, not all of the items had indicator reliability that was considered to be adequate (ranging from -0.125 to 0.911), which is the value of 0.4 that is suggested by (Ramayah et al., 2018b). Figure2 addressed the items that were eliminated during the first run, while Figure2 represented the second run and demonstrated that all of the items had reached a suitable level ranging from 0.719 to 0.911.

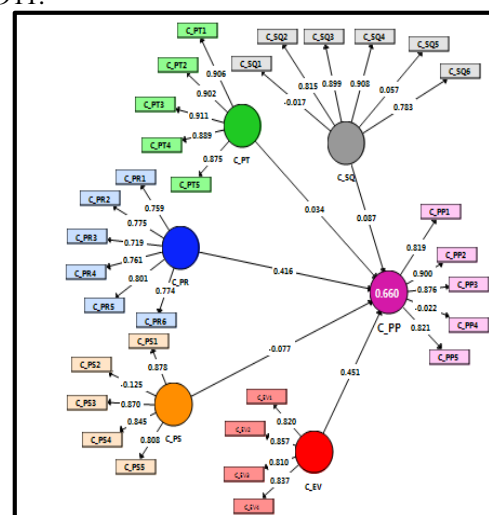


Figure2 Model of PLS algorithm results (Measurement model)

6. Discriminant validity

The Discriminant validity was examined in order “to assess how truly distinct a construct is from other constructs. In the field of distinguishing validity, the

correlations between variables in the estimation of the model did not exceed .90 as suggested by Kline (2016), the validity was tested based on measurements of the correlations between constructs and the square root of the average variance derived for a construct” (Fornell & Larcker, 1981; Kline, 2016). Table 1 represents the discriminant validity of the measurement model and it shows that there is a significant discriminant validity among all of the constructs.

	C_EV	C_PP	C_PR	C_PS	C_PT	C_SQ
C_EV	.831					
C_PP	.739	.855				
C_PR	.629	.723	.765			
C_PS	.688	.627	.732	.851		
C_PT	.624	.579	.635	.663	.897	
C_SQ	.664	.628	.670	.746	.583	.853

Table 1

Discriminant Validity (Fornell and Larcker index)

7. SUMMARY OF HYPOTHESES TESTING

Based on the previous evaluation of the structural model, the assessment of the path coefficient and the t-value are used to assess the hypotheses in this study. supported hypotheses are significant at least at the level of 0.05, and consist of coefficient value (β) between .015 and .241 for direct hypotheses, and for moderating hypotheses between .002 and .114.

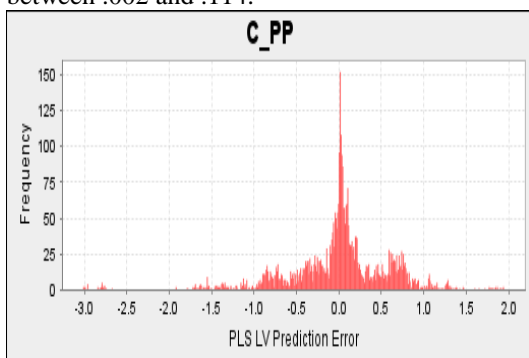


Figure 3

Charity Projects Performance distribution

8. RESEARCH RECOMMENDATIONS

The current study has many potentials which will be highlighted in this section to ensure that future researchers are aware of them Concentrating on other types of civil organizations (i.e., non-governmental organizations) as a case study with a systematic selection might generate diverse outcomes about the factors that impact Project Performance. Examining a larger sample size might come out with more options regarding the analysis and results. Applying the qualitative or mixed method (i.e., including the interviewing) as a methodology for future studies might be beneficial in gaining further outcomes. Conducting the same study, but with other independent variables (such as People, Price,

and Place) might result in other determinants of Charity Projects Performance in Saudi Arabia. Service Quality was considered a moderating variable in this study, while several studies examined Service Quality dimensions whether as independent variables. It is therefore recommended that future studies may consider Service Quality dimensions and relate them with Charity Project Performance in a comprehensive study.

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