

# Does Law Enforcement Influence Compliance Behaviour of Business Zakat among SMEs?: An Evidence via Rasch Measurement Model

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## Abstract

Law enforcement is one of the factors determining compliance behaviour of zakat as revealed by a number of studies. However, there is lack of study focused on law enforcement and compliance behaviour of zakat especially in the business zakat scenario. Hence, the main objective of this study is to identify whether law enforcement influence compliance behaviour of business owners towards business zakat. A total of 276 questionnaires managed to be collected from SMEs entrepreneurs in Selangor. Rasch Measurement Model was employed to analyze the data. The construct was found reliable with Cronbach Alpha of 0.84. The statistical indicators such as mean square (MNSQ), Z-standardized (ZSTD), point measure correlation (PtMea Corr) and Person Item Distribution Map (PIDM) revealed that among 276 respondents, 92 respondents comply with business zakat payment influenced by law enforcement, 87 respondents did not comply with business zakat payment and probably not influenced by law enforcement and 97 respondents were identified as misfits situation. The implication of this paper provides evidence of the usefulness of Rasch Measurement Model in identifying the compliance behaviour of zakat payment among businesses. It is also able to explain that law enforcement really influenced Muslim business community to comply with business zakat payment.

**Keywords:** Compliance Behaviour; Business Zakat; Rasch Measurement Model; Law Enforcement

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