

**FACTORS AFFECTING ZAKAT PAYMENT THROUGH INSTITUTION OF AMIL:  
MUZAKKI'S PERSPECTIVES ANALYSIS  
(CASE STUDY OF BADAN AMIL ZAKAT NASIONAL [BAZNAS])**

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**ABSTRACT**

*As the third pillar of Islam, zakat has an important role from both social and economic perspectives. Socially, zakat can build brotherhood and sense of belonging among Muslims. Beside purifies the wealth, zakat also can reduce the social gap between the have and the have not. Zakat empirically can alleviate the poverty as well as generate prosperity of the ummah which was realized during the Golden Age of Umar bin Abdul Azis Caliph. At that period, zakat was controlled, collected, and disbursed by trustable and professional amil officers.*

*In Indonesia, the potential of zakat is promising. This condition is indicated by reaching 3.4 percent of Gross Domestic Product (GDP) that equals to 217 trillion Rupiahs (BAZNAS and FEM, 2011). Unfortunately, the realization of the zakat collection is still far behind its potential. In 2010, zakat collection was only 1.5 trillion Rupiahs or less than 1 percent from the expectation. This fact shows that the awareness to pay zakat through institutions in Indonesia is still poor.*

*Therefore, this paper attempts to analyze the factors that determine muzakki to pay zakat through the Institutions by taking case study of Badan Amil Zakat Nasional (BAZNAS), as the National Zakat Board in Indonesia.*

*One hundred respondents from zakat payers through BAZNAS and one hundred respondents from non-institution zakat payers have been selected as the sample of the research. The respondents have been deeply interviewed on December 2009 to February 2010. The samples were determined using purposive convenience sampling (non probability sampling). Descriptive statistics, IPA (Importance Performance Analysis) and CSI (Customer Satisfaction Index) methods have been used as analytical methods.*

**Keywords:** BAZNAS, Muzakki, Zakat Payment, IPA-CSI

**1. INTRODUCTION**

As the third pillar of Islam, zakat has an important role for humankind. In the Al-Quran, there are twenty seven verses stating that the obligation of *shalat* is associated with zakat<sup>1</sup> in various words. Furthermore, zakat is *maaliyah ijtima'iyah* worship that has a crucial and strategic position both from religious and people prosperity development perspectives.

Zakat socially can create the brotherhood and sense of belonging among people because it can reduce the social gap between the rich and the poor. Moreover, zakat can minimize inequity in wealth and income distribution caused by imperfect market, as Allah SWT said in QS Al-Hasyr verse 7, "...In order that it may not (merely) make a circuit between the wealthy among you.."

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<sup>1</sup> See QS 2:43, QS 2:83, QS 2:110, QS 2:177, QS 2:277, QS 4:77, QS 4:162, QS 5:12, QS 5:55, QS 9:5, QS 9:11, QS 9:18, QS 9:71, QS 19:31, QS 19:55, QS 21:73, QS 22:41, QS 22:78, QS 23:2&4, QS 24:56, QS 27:3, QS 31:4, QS 33:33, QS 58:13, QS 73:20, QS 98:5.

Empirically, zakat has been successful in alleviating poverty as well as enhancing human wellbeing. This interesting fact was realized during the Golden Age of Umar bin Abdul Azis Caliph. At that period, zakat was controlled, collected, and disbursed by trustable and professional amil officers. Even at that time, for the very first time of the history, zakat was exported because there were not any zakat recipients anymore in the country.

From the history, it can be learned that zakat is more recommendable managed by a transparent and reliable amil in order to achieve the aforesaid targets. In Indonesia, zakat is nationally controlled by Badan Amil Zakat Nasional (BAZNAS) which was established based on presidential decree No. 21/2001 and UU No. 38/1999. As the national zakat amil board, BAZNAS has a main task to collect zakat, infaq, and shodaqoh (ZIS), and disburse them to those who are eligible based on religious provision.

It is interesting to note that, as the biggest Muslim country in the world, the potential zakat in Indonesia is very promising. This condition is indicated by reaching 3.4 percent of Gross Domestic Product (GDP) that equals to 217 trillion Rupiahs (FEM, 2011) (vide Table 1).

Table 1: The Potentiality of Zakat in Indonesia

Description	Potential Zakat	Percentage towards GDP
Potentiality of Household Zakat	Rp 82.7 trillion	1.30%
Potentiality of Private Industry Zakat	Rp 114.89 trillion	1.80%
Potentiality of State Owned Enterprises Zakat	Rp 2.4 trillion	0.04%
Potentiality of Saving Zakat	Rp 17 trillion	0.27%
<b>Total of Potential National Zakat</b>	<b>Rp 217 trillion</b>	<b>3.40%</b>

Source: BAZNAS and FEM IPB (2011)

Unfortunately, this remarkable potential zakat is not followed by its realization. Since 2006, the collection of zakat was only around Rp 1 trillion or less than 1 percent of its potentiality (vide Table 2).

Although the realization of zakat is still far from the expectation, currently zakat has been empirically successful in pursuing its social and economic goals. Beik (2008) found that zakat program in productive endeavor for the poor and the needy have been able to decline 7.5 percent of mustahik's poverty in Jakarta. Moreover, the depth and severity of mustahik's poverty can be reduced. In addition, free-hospital program with zakat basis has also been able to decrease 10 percent of the poverty.

Table 2: The Collection of Zakat in Indonesia

Year	Actual Zakat
2006	Rp 774,163,631,749
2007	Rp 717,476,576,984
2008	Rp 725,117,246,664
2009	Rp 1,115,000,000,000
2010	Rp 1,500,000,000,000

Source: BAZNAS Annual Report

The huge gap between the potential and actual zakat in Indonesia can be considered as an indicator showing that there is still weak awareness of muzakki to pay zakat through the amil officers. This paper, hence, tries to analyze the factors that determine muzakki to pay zakat through the institutions by taking case study of BAZNAS. This will be observed from the angle of muzakki who have dealt directly with BAZNAS as well as muzakki who have not paid through BAZNAS yet. Understanding the perception of the muzakki is very important for betterment of the practice of BAZNAS and other zakat institutions as well.

This paper comprises five sections including introduction as the first one. Section two will elucidate literature reviewed followed by research methodology that will be presented in the third section. Empirical findings and discussion will be discussed in the fourth section. Finally, conclusion will be put in the last chapter.

## 2. LITERATURE REVIEW

### 2.1. Theoretical Reviews

Zakat is one of the five pillars of Islam. It is basically the material as well as spiritual form of worship. This aims to purify ones wealth and positions by giving a certain amount of money to the poor and the needy from the net income exceeding *nisab*<sup>2</sup> after a complete year. The term is derived from the Arabic verbal root, which means to increase (*al-namaa*), to purify (*al-taharatu*) and to bless (*al-barakatu*). By paying it, one is aspiring to attain blessing, purification and the cultivation of good deeds (Hafidhuddin, 2002).

Al-Qardawi (1993) states that zakat obligation is mentioned in the holy Quran thirty times, in twenty-seven of which zakat is associated with prayers. Furthermore, the term zakat in the Quran appears in many verses as *sadaqah*<sup>3</sup>, *infak*<sup>4</sup>, and *haq*<sup>5</sup>. This obligation is also emphasized in large number of the Prophet's sayings (*hadits*). He says that zakat, apart from being an obligatory worship (*ibadah mahdalah*), also has socio-economic objectives (*al-ibaadah al-maalayah al-ijtima'iyah*). Therefore, it has a very important position in the development of the Muslim community.

It is interesting to note that zakat is more recommendable managed by amil zakat. This present paper considers amil zakat as service and non-profit organization. Literally, service is defined as any action or deed that can be offered by one party to another, which is essentially intangible and does not create any ownership. Service products can be associated with a physical product or not (Kotler, 2007).

Based on that definition, products offered by the company generally can be divided into five categories, i.e. purely physical products, physical products that are accompanied by support services, hybrid products (balanced portion of goods and services), the main services supported by the goods, and pure services.

One of the ways to make the service company's sale superior over its competitor is by providing quality service that meets consumer's interest. Level of consumer interest in services can be formed based on experience and advice that consumers receive. Consumers choose service providers according to their ranking of importance, and after enjoying the services, the consumers tend to compare it with their expectation (Kotler, 2007).

Service quality as delivery services will exceed the level of customer's interest. Type of quality that is used to assess the quality of services is engineering quality (outcome) and treatment quality (process). The former refers to the result (outcome) of service delivery, while the latter refers to the process of service delivery. If the services enjoyed by the customers are below from their expectations, the customers will lose their interest of that service provider.

Furthermore, the quality of services cannot be judged merely by the company's point of view, but must be viewed from the customers' perspectives. Therefore, the company can formulate a strategy and service program that prioritizes customers' interests without neglecting the service quality component itself (Rangkuti, 2005).

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<sup>2</sup> Nisab is the exemption limit, i.e. the minimum amount of money, wealth, and other zakatable items that must be owned by a muslim as the lowest limit for being categorized as muzakki or zakat payer.

<sup>3</sup> See al-Hilali and Khan (2003) for the verses: 9:58, 9:60, 9:74, and 9:103.

<sup>4</sup> Ibid. the verse 2:267.

<sup>5</sup> Ibid, the verse 6:141. Haq has several meanings; one of which is a decision that is certain and clear. See *Majma Lughah al-Arabiyah*, page 189, 511, and 942.

In addition, Kotler, et al (2007) explains about marketing strategy using marketing mix as a set of marketing tools that a company uses to achieve its marketing objectives. Moreover, marketing mix consists of seven elements; i.e. product, price, place, promotion, people, process, and physical evidence.

## 2.2. Previous Studies

There are some previous researches that studied about factors influencing zakat payment. Reinstein as cited in Beik (2010) supported worship factor as one of the main motivations that contributes to the compliance of zakat, sadaqa (donation) and other pro-social behavior (*ijtima'i*). They further claimed that the act of paying zakat could be an indicator of high level of *iman* (faith). This is because individual compliance towards religious obligation to pay zakat is highly dependent on his belief of the religious teaching.

Apart from the worship factor, the individuals' level of understanding in Islamic principles will also motivates people to comply the injunction to pay zakat. This is supported by Aidit (1998) and Qardawi (1998) in Beik (2010) who suggested that non-compliance behaviour towards obligation to pay zakat is mainly due to the level of *iman* in individuals towards religious obligation. Reinstein also identified that religious belief as an important determinant of religious and secular giving. Lunn *et. al* (2001) as cited in Beik (2010) also agree that one's religious belief has the impact on one's giving. It also notes that "the relationship between religious giving and involvement in religious giving is unambiguously positive". It is also worth mentioning that Lunn *et. al.* (2001) concluded that those who attend church regularly and the conservative Presbyterian (compared to liberal Presybtarian) give more.

Shalihati (2010) has conducted a specific field on muzakki's perception towards BAZNAS and other amil institutions. In her research, Shalihati analyzed models factors that associated with muzakki who pay zakat through the amil institution and non-institution. The results of this study showed that all dimensions of marketing mix; i.e. product, price, place, promotion, people, process, and physical evidence, had significantly contributed in influencing perception and attitude. Multiatribut Fishbein showed that all score for institutional muzakki are 97.37 while non-institutional muzakki are 90.41. This point portrayed that institutional muzakki prefer BAZNAS as their zakat institution compared Non-Institution's Muzakki.

Furthermore, Discriminant Analysis showed that institutional muzakki have higher scores (Aware Zakat, Aware BAZNAS, Attitude, Product, Gender, Age) than non-institutional one. There are some different scores of Aware Zakat, Aware BAZNAS, Attitude, Product, Gender, and Age between those two types of muzakki. Significant score for Aware Zakat is 0.001, while Aware BAZNAS, Attitude, Product, and Age are 0.000, and lastly 0.013 for Gender.

Moreover, Ayuniyyah et al (2011) analyzed the factors that determine muzakki to pay zakat through the institutions by taking case study of Badan Amil Zakat Nasional (BAZNAS), as the National Zakat Board in Indonesia. In that study, 200 respondents have been selected and interviewed using in-depth interview technique and analyzed the result using binnary regression model.

The result shows that from expectation of muzakki, there are three factors that are positively affecting muzakki to pay zakat through amil institution, i.e. the strategic location, professionalism of amil officers, and report of amil institution's program. These three factors should be maintained in order to increase the awareness of muzakki to pay zakat through amil.

However, there are also three expectation factors that negatively relate to the zakat payment through amil, i.e. zakat distribution, knowledge of amil about zakat, and government certificate. The respondents expect that those factors have not been fulfilled well their expectation. This manifests that amil should improve, repair, and elevate these three factors to build muzakki's awareness to pay zakat through amil.

From the muzakki's confidence perspective, there are four factors positively affecting zakat payment through amil; i.e. products compatibility with the zakat qualification and requirement, the strategic location, the knowledge of amil, and the attractive promotion. However, there are five factors that are negatively relate to the zakat payment through amil institution; i.e. the transparency of BAZNAS, the network, zakat disbursement, the friendliness of the officers, and the product explanation in the media of promotion. These five factors should be improved by BAZNAS, because they have negative relation towards muzakki's awareness. If they can be improved, then it is possible to intensify the awareness of muzakki to pay zakat through BAZNAS and other institution as well.

### 3. RESEARCH METHODOLOGY

Methodology is defined as a general approach to conduct this particular research topic. In this regard, it is a system of explicit rules and procedures upon which research is based and against which claims knowledge are comprehensively evaluated (Imaduddin, 2006). This part will explain the methodology used in the research.

#### 3.1. Place and Time of Research

The research takes place in the Badan Amil Zakat Nasional (BAZNAS), which is located at Jl. Kebon Sirih Raya No. 57, Jakarta Pusat, Indonesia, and Jakarta city region. The survey has been conducted on December 2009 to February 2010.

#### 3.2. Research Approach

Methodology used in this present research is descriptive analysis with survey research approach through interview and questionnaire. This method is aimed to show the detail condition of the objects so that we can recognize the factors affecting zakat payment through institution of Amil, and finally we can give some recommendation for Badan Amil Zakat Nasional (BAZNAS) regarding such issue.

#### 3.3. Types and Source of Data

There are two sets of data used in this study. The first set of data is primary data while the second one is secondary data. Primary data is obtained through survey and interview with the selected samples, while secondary data is obtained through literature survey and accessing the data of Badan Amil Zakat Nasional (BAZNAS) and other relevant institutions. The detail of the types and source of data can be shown in Table 1 below.

Table 3: Types and Sources of Data

No.	Types of Data	Sources of Data
1.	Primary Data: General Data of Muzakki Characteristics of Muzakki Perception of Muzakki Attitude of Muzakki	Questionnaire (external) Questionnaire (external) Questionnaire (external) Questionnaire (external)
2.	Secondary Data: Company's Vision and Mission Company's Profile Promotion Program	Internal Internal Internal

Source: Authors' own

### 3.4. Population and Sampling Methods

Population of this study is defined as the group of Muzakki who pay zakat through BAZNAS, other amil institutions and directly to the zakat recipients (*mustahik*). Meanwhile, sample is defined as the group of people selected to represent the population. This study has selected 200 samples (vide Table 2) that were asked by using in-depth interview technique. This technique helps researchers in digging the knowledge and perception of the respondents deeper.

Table 4: Total Samples

No.	Muzakki	Number of Samples
1	Muzakki (BAZNAS and Non BAZNAS)	100
2.	Non-Institution Muzakki (directly to the Mustahik)	100
	<b>Total</b>	<b>200</b>

Source: Authors' own

Furthermore, this research employs convenience-sampling method based on Slovin formula (Kriyantono, 2007):  $n = \frac{N}{1 + Ne^2}$  (1)

Where:

- n : Number of Respondent
- N : Population
- e : Error term

The number of respondents is 200 people based on this calculation:

1. Non-Poor People Population in Jakarta  
 = The total number of Jakarta Residents – The total number of poor people in Jakarta  
 = 8,961,680 – 407,100  
 = 8,554,580
2. Thus, the total number of Muzakki in Jakarta is 8.554.580 people.
3. Slovin formula:  $n = N / 1 + (Ne^2) = 178 \approx \mathbf{200}$  respondents.

### 3.5. Analytical Method

This paper uses descriptive statistics, Important Performance Analysis (IPA) and Customer Satisfaction Index (CSI) as its analytical methods.

#### 3.5.1. Importance Performance Analysis (IPA)

Irawan (2002) stated that customer satisfaction indicators are tangibles, reliability, responsiveness, assurance, empathy, and product facilities. These dimensions are made in the form of questionnaire which measure customer's satisfaction. Definitions of these attributes are as below:

- Tangible: physical performance, equipment, personnel, and communication material.
- Reliability: ability to provide promised services accurately.
- Responsiveness: willingness to assist customer and to give fast information and services.
- Assurance: knowledge, workers' hospitality and ability to create trust on customer.
- Empathy: worker's willingness in serving and showing concern to the customer without any discrimination.
- Product facilities: providing supporting facilities, such as present or discount.

Customer satisfaction assessment using Important Performance Analysis (IPA) model aims at measuring the importance level of work implementation. It is a technique which is used in order to measure attributes or dimensions from various importance levels with customers' expected performance, and it is useful in building effective marketing strategy. IPA analysis also becomes foundation for management in their decision making

process aiming at enhancing company's performance and maintaining customer's satisfaction.

The obtained data will be analyzed by IPA method in order to find out which product which is considered as the most important one by customer. In this method, the performance giving customer's satisfaction is symbolized with X, while Y shows importance level of the customer. To asses performance and importance level of customer Likert scale is used. This scale allows the respondents to express intensity and their feelings on a certain characteristic of a product.

Likert scale shows customer response on available choices which are made in order started from lower priority to higher priority. These scales consist of not important/satisfied, less important/satisfied, important/satisfied enough, important/satisfied and very important/satisfied. These five scales are depicted in the Table 5 below.

Table 5: Assessment of Performance and Importance Levels

Scales	Performance (X)	Importance (Y)
1	Not satisfied	Not important
2	Less satisfied	Less important
3	Satisfied enough	Important enough
4	Satisfied	Important
5	Very satisfied	Very important

These importance and performance levels will be analyzed by comparing the scores of performance and the scores of importance level. This comparison will determine priority list of the factors affecting customer satisfaction. The formula used is as depicted below.

$$T_{ki} = \frac{X_i}{Y_i} \times 100\%$$

where:

$T_{ki}$  = compliance level

$X_i$  = assessment score for performance

$Y_i$  = score for importance assessment

Horizontal axis (X) will be filled with performance scores and vertical axis (Y) will be filled with importance scores. In simplified formula, each factor will influence customer satisfaction using the following formulas:

$$\bar{X}_i = \frac{\sum X}{n} \quad \text{and} \quad \bar{Y}_i = \frac{\sum Y}{n}$$

Where:

$\bar{X}_i$  = average score for performance

$\bar{Y}_i$  = average score for importance level

n = number of respondent

Furthermore, after the values of  $\bar{X}_i$  and  $\bar{Y}_i$  are obtained, Cartesian diagram is made.

This diagram is also reflecting the values of  $\bar{\bar{X}}$  and  $\bar{\bar{Y}}$ .

$$\bar{\bar{X}} = \frac{\sum_{i=1}^n \bar{X}}{k} \quad \text{and} \quad \bar{\bar{Y}} = \frac{\sum_{i=1}^n \bar{Y}}{k}$$

where:

$\bar{\bar{X}}$  = average score of performance of all components or attributes of services quality.

$\bar{Y}$  = average score of importance level of all components or attributes of services quality.  
 k = the number of attributes of services quality which affect customer satisfaction.

This diagram is divided into four quadrants, and each of it shows different condition. The strategies that can be made are based on the position of each attribute in these four quadrants. The details are as depicted below (Rangkuti, 2003):

1. Quadrant I (top priority): it contains variables which are considered important by the customers, but in reality are still not satisfying them.
2. Quadrant II (maintain the achievement): it contains variables which are considered important and satisfied by the customers.
3. Quadrant III (low priority): it contains variables which are considered not important and not satisfied by the customers.
4. Quadrant IV (excessive): it contains variables which are considered not important by the customers, but satisfying them, and these variables are felt to be excessive. For the details of this IPA diagram, let's take a look at Table 6 below.

Table 6: IPA Diagram

Quadrant I Top Priority	Quadrant II Maintain Achievement
Quadrant III Low Priority	Quadrant IV Excessive

### 3.5.2. Customer Satisfaction Index (CSI)

Irawan (2003) said that CSI measurement is needed since its result can be used as indicator determining future target. It is also needed by top management to determine certain goals in order to increase customer satisfaction. Dickson in Phebruanti (2004) stated that there are four steps in calculating the CSI:

1. Calculating *Mean Importance Score* (MIS) and *Mean Satisfaction Score* (MSS). These values are obtained from average importance level and average performance of each respondent:

$$MIS = \frac{\sum_{i=1}^n Y_i}{n} \text{ and } MES = \frac{\sum_{i=1}^n X_i}{i=1}$$

n = number of respondent

Y<sub>i</sub> = importance value of *i*th attribute

X<sub>i</sub> = performance value of *i*th attribute

2. Determining *weight factor* (WF), which is the percentage of MIS value per attribute on total MIS of all attributes.

$$WF = \frac{MIS}{\sum_{i=1}^n MIS_i} \times 100\%$$

where:

P = number of importance attributes (k=24)

I = *i*th service attribute

3. Determining *Weighting Score*

This score is obtained from multiplication between *Weighting Factor* (WF) and *Mean Satisfaction Score* (MSS).

$$W_{si} = W_{fi} \times MSS_i$$

where : I = attribute of service

#### 4. Calculating CSI

Customer satisfaction scale used in the index interpretation is from zero to one or zero to one hundred. CSI formula is as follow:

$$CSI = \frac{\sum_{i=1}^n WS_i}{5} \times 100 \%$$

The whole customer satisfaction can be seen from criteria of customer satisfaction mentioned in the table below.

Table 7: Satisfaction Index Values

No	Index value (%)	Note
1	81 – 100	Very satisfied
2	66 - 80.99	Satisfied
3	51 - 65.99	Satisfied enough
4	35 - 50.99	Less satisfied
5	0 - 34.99	Not satisfied

Source: Phebruanti (2004)

There are 18 variables used in this present paper which are considered to affect zakat payment through amil institution. Those variables are developed from marketing mix concept that relate to product, place (distribution), people, process, promotion, and physical evidence (vide Table 8).

Table 8: Variables

No	Product Attribute
	<b>Product</b>
A 1	The products based on zakat qualification and requirement.
A 2	The trust of muzakki towards amil institution.
A 3	The transparency of amil institution.
	<b>Place/Distribution</b>
A 4	The network of amil institution.
A 5	The strategic location of amil office.
A 6	The equal zakat disbursement.
	<b>People</b>
A 7	The friendliness of amil officers.
A 8	The well informed amil officers.
A 9	The professionalism of amil officers.
	<b>Process</b>
A 10	The different payment methods provided by amil.
A 11	The easiness of zakat payment administration.
A 12	The easiness of zakat collection process.
	<b>Promotion</b>
A 13	The attraction of promotion program.
A 14	The ability of promotion program to trigger muzakki's curiosity to learn about zakat through amil institution.
A 15	The clear explanation of zakat products in the promotion media.

	<b>Physical Evidence</b>
A 16	The zakat distribution.
A 17	The report of zakat program.
A 18	The government certificate that amil institution has.

Source: Authors' own

## 4. FINDINGS AND DISCUSSION

### 4.1. Descriptive Statistics

#### 4.1.1. Demographic Information

Table 9: Demographic Characteristics of the Respondents

Demographic Characteristics	Institutional Muzakki (%)	Non-Institutional Muzakki (%)
<u>Sex</u>		
Male	79	64
Female	21	36
<u>Marital Status</u>		
Married	81	86
Unmarried	19	14
<u>Age</u>		
25-35 years old	31	28
36-45 years old	43	39
Above 45 years old	26	46
<u>Occupation</u>		
Private Sector	42	24
Entrepreneur	31	31
Bureaucrat (Public Sector)	23	22
Student	2	16
Housewives	2	7
<u>Education</u>		
Senior High School	9	20
Diploma	9	0
Undergraduate and Postgraduate	82	80
<u>Monthly Income<sup>6</sup></u>		
Under IDR 7,500,000	0	14
IDR 7,500,000 – 10,000,000	50	31
IDR 10,000,001 - 15,000,000	22	24
Above IDR 15,000,000	28	31
<u>Monthly Spending for Food and Drink</u>		
IDR 3,500,000 – 5,000,000	60	15
Above IDR 5,000,000	40	85
<u>Monthly Total Spending</u>		
Under IDR 7,500,000	9	15
IDR 7,500,000 – 10,000,000	50	31
IDR 10,000,001 - 15,000,000	41	25
Above IDR 15,000,000	0	29

Source: Authors' own

<sup>6</sup> To simplify calculation, it is assumed that USD 1 equals to IDR 10,000. Therefore, below IDR 500,000 is equal to below USD 50, and so on.

Table 3 shows demographic information of the respondents. According to the table above, it is obvious that majority of the respondents for both institutional and non-institutional Muzakki are male (79% and 64%) and most of them are married. With respect to their age, are in between 36-45 years old for institutional Muzakki and above 45 years old for its non-institutional counterpart. Most of institutional respondents work in private sector (42%) while the second group mostly works as entrepreneur (31%).

Regarding educational background, it is interesting to note that majority of the respondents from both groups are bachelor and post-graduate certificate holders. This figure shows that most of Muzakki are educated people.

The ability to earn monthly income varies for both groups of Muzakki. Half respondents of the first group can have Rp 7,500,000 – 10,000,000 per month. There are 22% of respondents earn Rp 10,000,001 - 15,000,000 while the remaining 28% are able to earn above Rp 15,000,000 per month. None of them have income below Rp 7,500,000.

Unlike the first group, the ability to earn monthly salary for the non-institutional is more diverse. Around one third of the samples earn Rp 7,500,000 – 10,000,000 as well as above Rp 15,000,000. At the second place, Rp 7,500,000 – 10,000,000 reaches 24% of the respondents. Only 14% of the samples have monthly income under Rp 7,500,000.

Regarding respondent's monthly spending for food and drink, most of the institutional Muzakki, i.e. 60%, spend between Rp 3,500,000 to Rp 5,000,000. The remainders spend above Rp 5,000,000 for food and drink. Oppositely, the majority of non-institutional Muzakki spend above Rp 5,000,000 (85%) per month for food and drink. Only 15% of them spend money between Rp 3,500,000 to Rp 5,000,000. This expenditure can show the consumption path of respondents.

In total, every month half of institutional Muzakki spend Rp 7,500,000-10,000,000. Similarly, most of non-institutional Muzakki, i.e. 31%, spend Rp 7,500,000-10,000,000 per month. The number of family members and personal lifestyle really affect the amount of total monthly spending. The more family members and the higher lifestyle of Muzakki have, the more total spending per month they have. Nevertheless, the higher expenditure is usually followed by the higher income that Muzakki can earn. As a result, zakat payment will also be higher.

Based on the information depicted in the above, it can be concluded that most of the respondents are male and in productive age, bachelor and post-graduate certificate holders, having various occupation including entrepreneur, private sector as well as public sector, earning Rp 7,500,000 – Rp 10,000,000 and above Rp 15,000,000 per month, and spending Rp 7,500,000 – 10,000,000 per month.

#### 4.1.2. Muzakki's Knowledge

Muzakki's knowledge in this current research can be defined as the perception of Muzakki. Perception is a process of identification something using the five sense (Drever in Sasanti, 2003). Furthermore, Mar'at (1981) defines perception as a process of observation that stems from continuous cognition and affected by new information from the environment. The impression that Muzakki receive depends on the experience through thinking and learning process, and also determined by Muzakki's internal factor. In this case, Muzakki's knowledge can be seen in Table 4 below.

Table 10: The Knowledge about Zakat

		Percentage (%)		
		BAZNAS	Non-BAZNAS	Non-Institution
B1	Know about zakat	100	100	98
B2	The fulfillment of <i>nisab</i>	90	70	51
B3	The amount of <i>nisab</i>	84	72	61

B4	The minimum payment of <i>zakat</i> is 2.5% of income	82	76	73
B5	Zakat payment has to be paid through <i>amil</i> institution	78	72	41
B6	Pay <i>zakat</i> through <i>amil</i> institution is more prioritized	70	72	37
B7	Know about muzakki	96	80	83
B8	Know about mustahik	100	82	89
B9	Time to pay zakat	70	66	39
B10	Know about infaq	98	88	67
B11	Know about shodaqoh	86	82	61
B12	Know about time to pay infaq and shodaqoh	70	68	81

Source: Authors' own

According to the Table 4, the respondents have diverse scores of knowledge. Institutional muzakki are well informed about Zakat, Infaq, and Shodaqoh. Similarly, non-institutional muzakki, i.e. 98%, have a good knowledge about zakat, but only 67% and 61% of them know about Infaq and Shodaqoh.

Regarding the importance of *amil* institution, only 41% of the non-institutional Muzakki thought that zakat payment has to be through *amil* institution. This fact indicates that BAZNAS should give some basic information about zakat, infaq, and shodaqoh completely, because this will help increasing the awareness of muzakki to pay them through institution.

## 4.2. Importance Performance Analysis

### 4.2.1. Institutional Muzakki

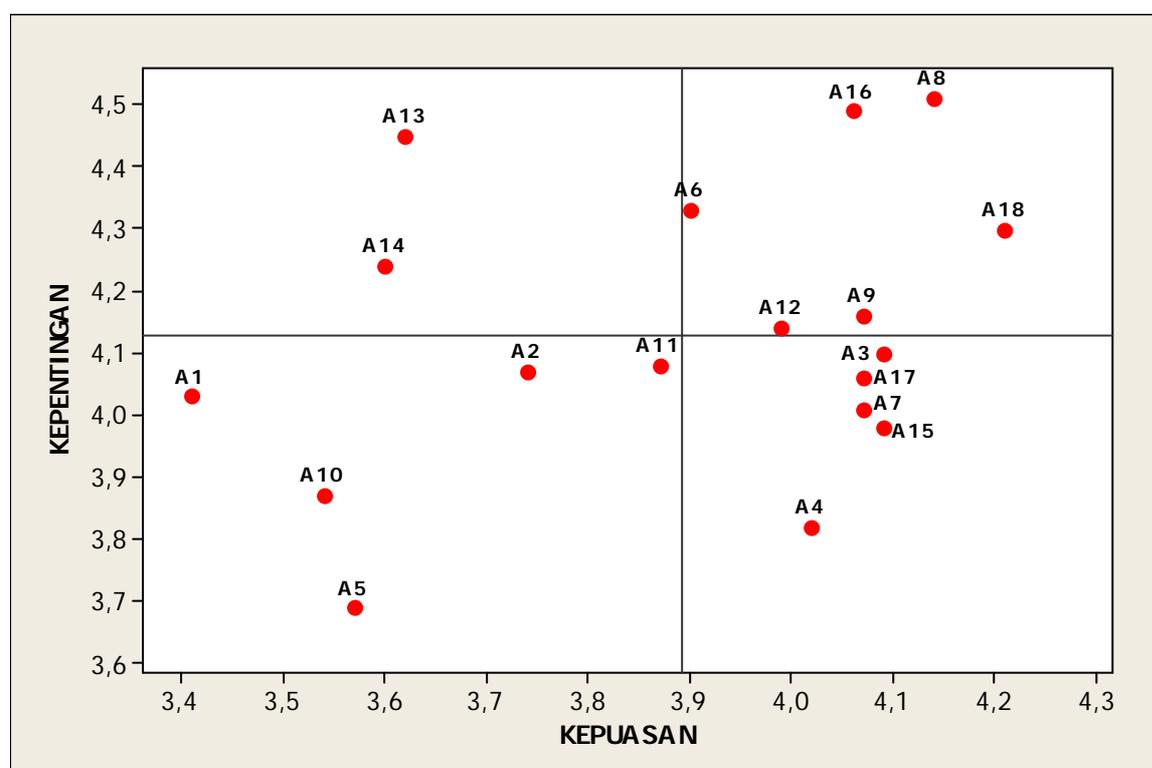


Figure 1. IPA Diagram of Institutional Muzakki

From IPA method above, the attributes which are considered as important and which have given satisfaction to the muzakki are the equal zakat disbursement (A6), the well-informed amil officers (A8), the professionalism of amil officers (A9), the easiness of zakat collection process (A12), the zakat distribution (A16), and the government certificates (A18). It is because these six attributes are in the second quadrant (important and satisfied).

This finding means that BAZNAS and other three-amil institutions are able to disburse zakat equally according to muzakki's opinion. This finding also shows that amil officers are professional and knowledgeable pertaining zakat issues that and also rejects the common notion saying that zakat institution always ask for difficult requirements. The zakat institution also has simple bureaucratic process that eases muzakki to pay zakat through it. These six factors must be maintained by BAZNAS and other zakat institutions, thus it can build other muzakki's awareness to pay zakat through institutions.

Furthermore, the attributes which are in the first quadrant (important but not satisfied) must be the promotion of BAZNAS. These attributes are attraction of promotion program (A13) and the ability of promotion program to trigger muzakki's curiosity to learn about zakat through amil institution (A14). Muzakki are of the view that the promotion of baznas and other institutions are still less attractive, thus they are not interest enough to learn about the advantage of paying zakat through amil institution. These two factors need to be improved because if they are managed well, they can attract muzakki's curiosity to learn about zakat as well as pay it through institution of amil.

Meanwhile, factors which become low priority of the institutions are the products based on zakat qualification and requirement (A1), the trust of muzakki towards amil institution (A2), the strategic location of amil office (A5), the different payment methods provided by amil (A10), and the easiness of zakat payment administration (A11). They are in the third quadrant (not important and not satisfied). Muzakki feel that these factors are not important and in fact, performance of these factors is not special. In addition, the attributes which are too excessive and need to be reduced are the transparency of amil institution (A3), the network of amil institution (A4), the friendliness of amil officers (A7), the clear explanation of zakat products in the promotion media (A15), and the report of zakat program (A17). These attributes are in the fourth quadrant (not important and satisfied). It is better for BAZNAS and other institutions to concentrate more on its top priority, because muzakki feels that BAZNAS is transparent and trustable enough.

#### 4.2.2. Non-Institutional Muzakki

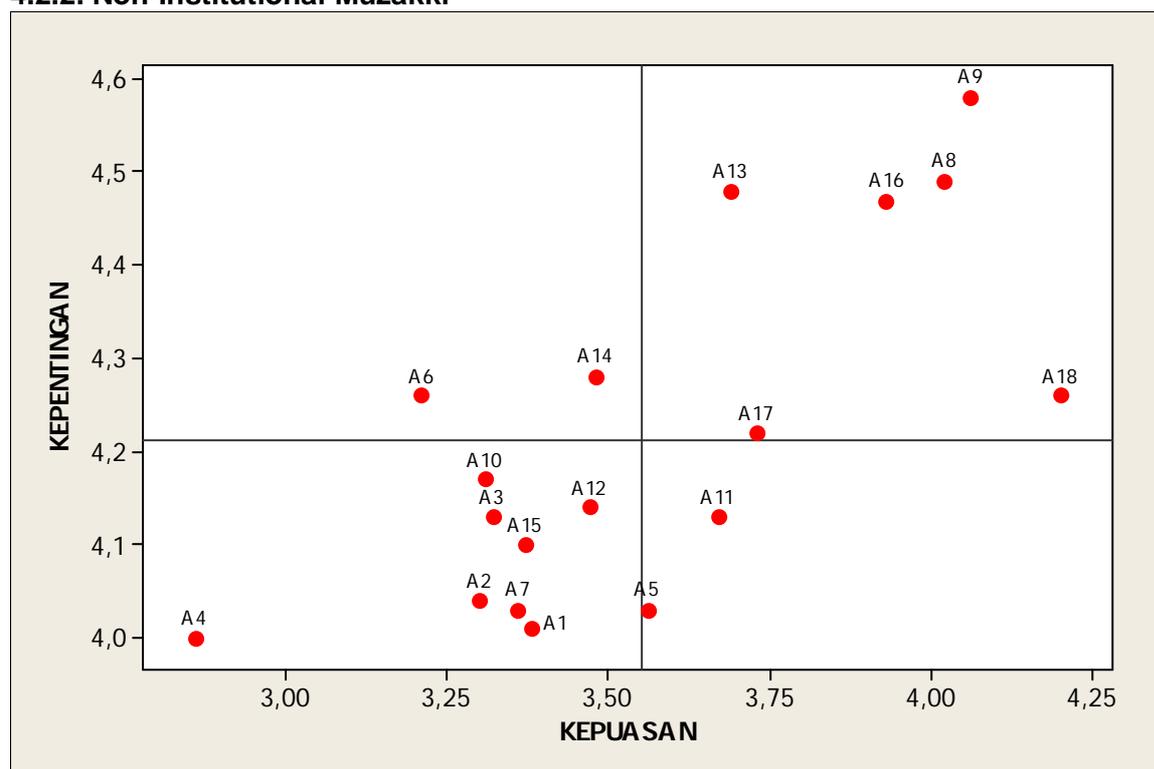


Figure 2. IPA Diagram of Non-Institutional Muzakki

From the perspectives of non-institutional muzakki, what BAZNAS and other institutions of amil should pay attention is the attributes which are in the first quadrant, because those attributes are important but have not satisfied them. Those attributes are the equal zakat disbursement (A6) and the ability of promotion program to trigger muzakki's curiosity to learn about zakat through amil institution (A14). These two factors should be improved to attract non-institutional muzakki's awareness to pay zakat through institutions of amil.

Muzakki who have not paid zakat through amil think that the distribution of zakat fund is not yet equal to those who are eligible. Moreover they also feel that the promotion of zakat institution fails to make the curious to learn about zakat itself. Thus, according to this point of view, BAZNAS and other institutions should inform more to them about the distribution of zakat collection and give them more attractive promotion that can trigger their awareness to pay zakat through amil.

#### 4.3. Customer Satisfaction Index

From the perspectives of Institutional Muzakki, customers' satisfaction can be yielded by finding IPA's derivatives using CSI method. The value of CSI index is at 77.92 percents. Given the explanation from the methodological part, it can be concluded that this value is in the category of "satisfied". Meaning that, muzakki in general are satisfied with the performance of BAZNAS. This proves that BAZNAS' performance is good based on muzakki's perspective.

For BAZNAS itself, these results should be considered as mirror reflecting its performance and achievement so far. But BAZNAS needs to improve itself so that the awareness of muzakki to pay zakat through amil can be increased in the future.

## 5. CONCLUSION

This paper attempts to analyze the factors that determine muzakki to pay zakat through the Institutions by taking case study of Badan Amil Zakat Nasional (BAZNAS), as the National Zakat Board in Indonesia.

One hundred respondents from zakat payers through BAZNAS and one hundred respondents from non-institution zakat payers have been selected as the sample of the research. The respondents have been deeply interviewed on December 2009 to February 2010. The samples were determined using purposive convenience sampling (non probability sampling).

The results show that from perspectives of institutional muzakki, there are six factors which are important and which have given satisfaction to muzakki, the equal zakat disbursement, the well-informed amil officers, the professionalism of amil officers, the easiness of zakat collection process, the zakat distribution, and the government certificates. BAZNAS must maintain these factors in order to keep the positive awareness of muzakki.

However, there are two factors that must be given strong attention, i.e. attraction of promotion program and the ability of promotion program to trigger muzakki's curiosity to learn about zakat through amil institution. It is a future challenge of BAZNAS to provide more attractive promotion for muzakki.

On the other hand, from the non-institutional point of view, there are two attributes that BAZNAS should pay attention, i.e. the equal zakat disbursement and the ability of promotion program to trigger muzakki's curiosity to learn about zakat through amil institution. These two factors should be improved to attract non-institutional muzakki's awareness to pay zakat through institutions of amil.

In general, it can be concluded that institutional muzakki are satisfied with the performance BAZNAS. However, BAZNAS should still need to focus on the attributes which are top priority in order to improve its performance so that the awareness of muzakki to pay zakat through amil can be increased well.

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