

Determinants Of *Muzakki's* Level Of Trust Towards The Amil Zakat Institution

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Abstract

The purpose of this study was to find out what factors increased muzakki's trust toward the Amil Zakat Institution (LAZ) with a study on LAZ Harapan Umat. The research with a quantitative approach and using a sample of 70 muzakki, found that the level of muzakki trust was influenced by transparency of financial statements, fund management and religiosity, while accountability had no effect on the level of muzakki trust.

Keywords: Trust, Transparency, Accountability, Fund Management, Religiosity

Abstrak

Penelitian ini bertujuan untuk menemukan faktor apa saja yang mempengaruhi tingkat kepercayaan *muzakki* terhadap Lembaga Amil Zakat (LAZ) dengan melakukan studi pada LAZ Harapan Umat. Penelitian yang menggunakan metode kuantitatif dan dengan sampel sebanyak 70 *muzakki* ini menemukan hasil bahwa tingkat kepercayaan *muzakki* dipengaruhi oleh faktor transparansi laporan keuangan, pengelolaan dana zakat dan religiusitas. Sedangkan akuntabilitas tidak berpengaruh terhadap tingkat kepercayaan *muzakki*.

Kata Kunci: Kepercayaan, Transparansi, Akuntabilitas, Pengelolaan Dana Zakat, dan Religiusitas

Introduction

Islam as a perfect religion can be found in every provision of shariat and the teachings in it, including in the provisions for the discourse of zakat worship, where zakat is worship that not only contains a vertical dimension but also a horizontal dimension, especially related to economic and social aspects, so that zakat is believed to be able to overcome various kinds of *social costs* which results from relations between communities and is able to build economic growth as well as income equality (Asnaini, 2008: 70). The role of zakat is so large that it is still not in line with the conditions of achievement in the development of zakat management. This

**Determinants Of *Muzakki's* Level Of Trust
Towards The Amil Zakat Institution**
Noviana Retnowati dan Usnan

can be seen from the *gap* between the realization of zakat collection and the existing potential. Based on several *surveys* conducted and the results of research on the potential and realization of zakat, zakat receipts that can be achieved are only in the range of 1% of the existing potential (Canggih, et al, 2017).

The gap between the magnitude of potential and the realization of zakat receipts in Indonesia is partly due to the low public trust in zakat management organizations (Canggih, et al, 2017). The trust of the people who are still quite low in distributing their zakat through the amil zakat institution is partly due to their doubts about the amil zakat institution and concerns that the zakat funds paid through the zakat institution are perverted. The concern about this is caused by the weak reporting and control system in the amil zakat institution (Syafei, 2016).

Muzakki's low trust in zakat institutions can also be influenced by several factors including lack of transparency in financial statements, accountability from zakat institutions and not getting greater benefits if the zakat funds are distributed through Zakat Management Organizations compared to distributing them directly (Septiarini, 2011).

The first factor that allegedly influenced *muzakki's* leadership was the transparency of financial statements. Asminar (2017) defines transparency as a system of openness that aims to control the management of organizations involving internal and external parties such as *muzakki* and the wider community (Asminar, 2017). The more transparent an OPZ will further increase *muzakki's* trust in the zakat institution and of course it can further increase the collection of zakat funds, this is as the findings of Septiarini's research (2011) state that transparency affects the collection of zakat, infak and alms, Research by Nasim and Romdhon (2014) also states that the transparency of financial statements affects the level of trust of *muzakki*. In addition, Mukhlis & Irfan (2013) found that the reason for *muzakki* in choosing a place to pay zakat is the convenience, which is reflected by the transparency, professionalism, and socialization of the Zakat Management Organization. However, in several other studies, different results were still found, namely the transparency of institutions

did not affect muzakki's trust in zakat institutions Hasrina, et.al. (2018) & Asminar (2017).

The second factor that allegedly affects *muzakki's* beliefs is accountability. Accountability is a form of accountability to the trustee to achieve organizational goals in a certain period (Nurhayati et al, 2014). The more accountable an organization that manages zakat, the more it will increase the trust of *muzakki*. This is as the findings of several studies including Nugraha (2019) and Hasrina, et.al. (2018) found that *muzakki's* trust was influenced by accountability factors. However, there are still other findings that accountability has no effect on *muzakki* beliefs (Yuliafitri & Khoiriyah, 2016); (Athifah, et al, 2018).

The third factor that is suspected to affect *muzakki's* trust is the management of zakat. Zakat management is an activity that includes planning, and coordinating the collection, distribution, and utilization of zakat. Research by Nasim & Romdhon (2014) found that the level of muzakki trust in zakat institutions was significantly influenced by zakat management factors.

The next factor that allegedly *influenced muzakki's* beliefs was the religiosity. Religion is a level of conception and understanding of one's religion. The more religious a person is, the more it will increase his trust in the zakat institution. This is in line with the results of research by Yazid (2017) & Nur'aini (2015) which states that *muzakki's* interest in paying zakat is influenced by religiosity factors. These results are also supported by the results of research by Pratiwi & Ridlwan (2019) which found that muzakki beliefs are influenced by religiosity factors, namely the akidah aspect.

From the foregoing, the researcher is interested in researching about the "Determinant of the level of *muzakki* trust in the Amil Zakat Institution". The variables that will be used in this study are *Muzakki's* level of trust as variable Y, Transparency of Financial Statements (X1), Accountability (X2), Zakat Fund Management (X3), and *Muzakki* Religiosity (X4).

Determinants Of *Muzakki's* Level Of Trust Towards The Amil Zakat Institution

Noviana Retnowati dan Usnan

Literature Review

***Muzakki's* Beliefs**

Moorman (1993) in Nasim & Romdhon (2014) defines trust as belief in a person thus giving birth to a willingness to rest on him. *Muzakki's* trust in this context focuses more on those who have made zakat payments through amil zakat and the zakat payments are sustainable (Pratiwi, 2019). The level of muzakki's trust in this study is seen from three indicators, namely *credibility* or trustworthiness, *competency* or ability, and *Courtesy* or attitude.

Transparency of Financial Statements

Transparency is a principle that guarantees access or freedom for everyone to obtain information about government administration, namely information about policies, the process of making and implementing and the results achieved (Fatmawati, et al, 2016). Transparency is also defined by being open, easy and accessible to all parties in need and the information is also easy to understand (Ratminto and Winarsih, 2005: 8). The principle of transparency aims to create mutual trust between zakat management institutions and the public through adequate information and ensure ease in obtaining accurate information (Nugraha, 2019). The transparency of financial report in this study was reviewed based on 4 indicators, namely the availability of easily accessible information, the availability of easy-to-understand information, the availability of complete information, and the availability of institutional policy information (Yuliafitri & Khoriyah, 2016).

Accountability

Accountability is a form of accountability for all activities and activities of the organization as stated in the form of financial reporting by the party who is given responsibility to the trustee to achieve organizational goals in a certain period (Nurhayati et al, 2014). Accountability can also be said to be the correct disclosure of a calculation

of work. The accountability established in the organization includes physical, moral and spiritual aspects. These physical aspects are financial statements and management performance reports. Meanwhile, the moral and spiritual aspects are the embodiment of organizational accountability to Allah by trying to carry out their activities based on sharia ethics (Wasilah & Nanang, 2014). To measure accountability aspects, Yuliafitri & Khoiriyah (2016) provides 7 indicators, namely clarity of duties, clarity of performance measures, reward and sanctions system, periodic performance evaluation, complaint procedures, periodic accountability, and reports on the results of external audits.

Zakat Management

The management of zakat funds is inseparable from the role of professional amil, and amanah, this aims to make zakat have an impact that can be directly felt socioeconomically in society. Good zakat management in the amil zakat institution can be seen from the management functions applied by an amil zakat institution. According to Terry & Leslie (2005) the management functions in question are planning, organizing, directing, and *controlling*.

Religiosity

Religiosity according to the Big Dictionary of Indonesian (KBBI), namely devotion to religion; piety; the strong man is not very strong, but has a very high consciousness. Specifically, *muzakki* religiosity is defined as the obedience or obedience of the *muzakki* to religious teachings through the implementation of the obligation to fulfill zakat that has reached *nishab* (Yazid, 2017). Setiawan (2018) stated that muzakki felt that the payment of professional zakat through institutions was a form of religiosity in carrying out worship and trust in the zakat institutions that were given the mandate.

Glock and Stark in Potoh & Farid (2015) mentioned that there are five dimensions of a person's religiosity in influencing muzakki to pay zakat in zakat institutions, namely the dimension of faith, the dimension of

**Determinants Of *Muzakki's* Level Of Trust
Towards The Amil Zakat Institution**
Noviana Retnowati dan Usnan

religious practice, the dimension of practice, the dimension of religious knowledge and the dimension of experience and consequences.

Hypothesis

Effect of Financial Statement Transparency on *Muzakki's* Level of Trust

Information disclosure is a capital for organizations or institutions to gain trust (Asminar, 2017), because the public will increase their trust in the institution when the institution is increasingly transparent. Empirical evidence on this concept as found by the research findings of Nasim & Romdhon (2014), Yusra & Riyaldi (2020) which found that the transparency of financial statements had a significant effect on *muzakki's* trust, as well as the research of Walidah & Anah (2020) which found that the transparency of financial statements affected the trust of donors. Thus, the first hypothesis of this study is:

H1: Transparency of financial statements has a positive effect on the level of confidence in *Muzakki*.

The Effect of Accountability on *Muzakki's* Level of Trust

The accountability of zakat management organizations is aimed at building the trust of *muzakki* and the public in general. This high trust will encourage higher *participation of muzakki* in paying zakat (Nugraha, 2019). Based on the research of Yusra & Riyaldi (2020) it was found that accountability was proven to have a significant effect on *muzakki's* trust, as well as the research of Walidah and Anah (2020) which found results that accountability had a significant positive effect on the donator's confidence. Therefore, the second hypothesis of this study is:

H2: Accountability has a positive effect on *muzakki's* level of trust.

The Effect of Zakat Fund Management on *Muzakki's* Level of Trust

The better management of zakat funds can increase *muzakki's* trust in zakat institutions. This is in line with several research results including

Nasim & Romdhon (2014) found that zakat management has a significant effect on the level of *muzakki* trust. Thus, the third hypothesis in this study is:

H3: The management of zakat funds has a positive effect on the level of trust in muzakki.

The Influence of Religiosity on *Muzakki's* Level of Trust

A person who has faith in God, obeys God's commands and social consequences based on good knowledge and understanding will form the religiosity of *muzakki* in his influence on the interest in paying zakat in zakat institutions (Setiawan, 2018). So that the higher the level of religiosity, the higher one's confidence in zakat institutions. Yazid's research (2017) found that religiosity affects *muzakki's* interest. Thus, the fourth hypothesis of this study is:

H4: Muzakki religiosity has a positive effect on muzakki's level of trust

Research Methods

This research is a type of quantitative research, which is a type of research that aims to determine the relationship between two variables and the calculation of numbers (Sugiyono, 2016: 37). The population in this study was the muzakki at the Amil Zakat Harapan Umat Institute, which amounted to 150 *muzakki*. The sample in this pnelitian is as many as 70 *muzakki*. The basis for this sampling is based on the consideration that if the study uses *multivariate* (correlation or multiple regression) then the number of sample members is at least 10 times the number of variables studied (Sugiyono, 2016: 91). The sample in this study was taken using *the accidental sampling* technique, which is a sample determination technique based on chance, that is, anyone who coincidentally meets the researcher can be used as a sample, if it is seen that the person who happens to be met is suitable as a source (Sugiyono, 2016).

The variables used in this study are *dependent variables* and independent *variables*. The variables bound in this study are transparency

**Determinants Of *Muzakki's* Level Of Trust
Towards The Amil Zakat Institution**
Noviana Retnowati dan Usnan

of financial statements, accountability, fund management and *muzakki* religiosity. Meanwhile, the free variable in this study is the level of *muzakki* trust. This study used multiple linear regression analysis techniques using the help of the SPSS (*Statistical Package for Social Sciences*) 20 program.

**Results And Discussion
Hypothesis Test (t Test)**

Table 1
T test
Coefficients^a

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|--------------------------------------|-----------------------------|------------|---------------------------|--------|------|
| | B | Std. Error | Beta | | |
| (Constant) | -1.736 | 2.942 | | -.590 | .557 |
| Transparency of Financial Statements | .360 | .105 | .428 | 3.420 | .001 |
| Accountability | -.159 | .086 | -.246 | -1.845 | .070 |
| Fund Management | .371 | .087 | .480 | 4.240 | .000 |
| Muzakki religiosity | .490 | .123 | .323 | 3.987 | .000 |

The Effect of Financial Statement Transparency on *Muzakki's* Level of Trust

Based on the results above, the transparency of financial statements has a calculated t value of 3,420, while the table t for the significance level of 5% is 1.997, so the value of t-count is > t-table. The significance value of the financial statement transparency variable is 0.001, so that the significance value < 0.05. Since t-count > t-table and significance value less than 0.05, then Ha is accepted, which means that the transparency of financial statements has a positive effect on the level of trust of *muzakki*. Thus, the first hypothesis in the study was accepted.

The results of this study are in line with the results of research by Nasim & Romdhon (2014), Nurhayati et al (2014) which stated that the transparency of financial statements had a significant effect on *muzakki's*

trust. The results of this study show that the Amil Zakat Harapan Umat Institution is considered to have carried out transparency of financial statements properly to muzakki or the public. This can be seen from the results of respondents' answers in filling out the questionnaire that a number of 34.2% of respondents answered very much in agreement, 61.4% answered in agreement and 4.2% answered disagreements with statements related to the variable transparency of financial statements. At the *muzakki* confidence level , 37.1% of respondents answered strongly in agreement and 62.8% answered in agreement.

The Effect of Accountability on *Muzakki's* Level of Trust

The results of hypothesis testing above show that the accountability variable has a value of t-count -1.845. While the t table for the significance level of 5% is 1.997, so the value of t counts < t of the table. The significance value of the accountability variable is 0.070, so the significance value > 0.05. Since t-count < t table and significance value is more than 0.05, then H_a is rejected, so accountability has no effect on the level of trust of *muzakki*. Thus, the second hypothesis in the study was rejected.

The results of this study are in line with the research findings of Yuliafitri and Asma (2016) and Athifah, Bayinah and Bahri (2018) which stated that accountability has no effect on *muzakki* beliefs. Accountability does not affect *muzakki* to distribute their zakat to the Amil Zakat Institution, which can be caused in part because *muzakki* has believed that the Amil Zakat Institution has carried out each of its programs in accordance with the vision and mission of the Institution. In addition, *muzakki's* trust in figures in zakat institutions can also be a reason that affects *muzakki's* interest in distributing zakat to the institution (Athifah, Bayinah & Bahri, 2018).

**Determinants Of *Muzakki's* Level Of Trust
Towards The Amil Zakat Institution**
Noviana Retnowati dan Usnan

The Effect of Zakat Fund Management on *Muzakki's* Level of Trust

The zakat fund management variable has a value of t-count greater than the value of t-table ($4,240 > 1,997$) and a significance value of 0.000 (smaller than 0.05), so it is concluded that H_0 is rejected and H_a is accepted, that is, zakat fund management has a positive effect on the level of *muzakki* trust. The results of this study are in line with the results of a study conducted by Nasim & Romdhon (2014) which states that the management of zakat funds affects the level of *muzakki* trust.

From the results of this study, LAZ Harapan Umat is considered to be good by all respondents in carrying out zakat fund management. This can be seen from the respondents' answers in filling out the questionnaire on the statement of fund management variables and the level of trust of *muzakki*. In addition, related to aspects of zakat fund management, *muzakki* can also find out the fund management carried out by LAZ Harapan Umat through reports posted on LAZ's social media or monthly magazines that are shared regularly with *muzakki*.

The Influence of Religiosity on *Muzakki's* Level of Trust

The *muzakki* religiosity variable has a value of t-count 3.987, while the value of t-table for a significance level of 5% is 1.997, so the t-count > the table t. The significance value of the *muzakki* religiosity variable is 0.000, so the significance value < 0.05. Since t-count > t-table and significance value is less than 0.05, then H_a is accepted. So that the religiosity of *the muzakki* has a positive effect on the level of *muzakki* beliefs. Thus, the third hypothesis in the study was accepted. The results of this study are in line with the results of research conducted by Yasid (2017) which states that religiosity affects *muzakki* beliefs. These findings suggest that the more religious a person is, the more he will increase his trust in zakat institutions.

Conclusion

Based on the data analysis and discussion that has been presented in the previous chapter, the conclusions of this study are; (1) The first hypothesis in this study was accepted, namely the variable transparency of financial statements had a positive effect on the level of *muzakki trust*, (2) The second hypothesis in this study was rejected, namely the accountability variable did not affect the level of *muzakki trust*, (3) The third hypothesis in this study was accepted, namely the management of zakat funds had a positive effect on the level of *muzakki trust* , and (4) The fourth hypothesis in this study is accepted, namely that the religiosity of *muzakki* has a positive effect on the level of *muzakki* beliefs.

The implication of the results of this study is that the Amil Zakat Institute (LAZ) Harapan Umat should continue to improve aspects of transparency and zakat management because it is empirically proven to be able to increase *muzakki* trust. Meanwhile, in the aspect of research development, it is hoped that further research will develop research objects not only on one LAZ, so that it can test the influence of other factors that in this study have not been studied for their influence on the level of *muzakki* trust.

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Determinants Of Muzakki's Level Of Trust Towards The Amil Zakat Institution

Noviana Retnowati dan Usnan

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