Determinants of Zakat Behavior

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Abstract

Zakat is a popular Islamic weapon in shaping the welfare of society which has moral, social, and economic values. Economically, zakat balances social life by distributing wealth from rich people to poor societies. However, the greatness that is aimed to be realized was not sufficient in encouraging people to implement zakat itself, even for its value owners which is Moslem's community. This is why the target of obtaining zakat in each region as well as national does not always achieved. This research tries to find answers that explain why people are willing to pay zakat. The development of the idea is carried out by taking all the indicators that indicate the willingness of people to pay zakat. The number of indicators reaches 52 statements. The research was developed with a causal design based on primary data. A total of 100 people were determined by cluster sampling who were involved in filling out questionnaires related to zakat behavior. The respondents came from all sub-districts in Palembang City. The data obtained is then processed using analysis factor in order to determine the choice factors that can be used as the basis for zakat behavior. The selected factors are then processed using multiple linear regression. The results showed that there are 12 factors that can be identified as the basis for zakat behavior. Following this, the test results proved that all factors influence zakat behavior and there are partially various results. Among these factors are knowledge, belief, external motivation, work, and institutions; they have been shown to significantly influence zakat behavior. As for promotion, persuasion, internal motivation, WOM, income, distribution, and individual sales, the results proved that they have insignificant effect to the behavior of zakat people. Among these factors, personal income and sales showed a negative influence.

Keywords knowledge, trust, external motivation, employment, institutional promotion, persuasion, internal motivation, WOM, income, distribution, and personal selling

1. Introduction

Basically, the substance of all economic systems is to build social welfare, a condition where everyone acquires a chart of the various resources that have been provided by Allah SWT. This is an ideal condition as a form of the almighty's will to create man and facilitate all his life necessities. To achieve this condition, one of the mechanisms regulated in Islam is zakat.

Zakat has moral, social, and economic functions (Mannan, 1997). Economically, the purpose of zakat is to distribute wealth from the rich to the poor. The potential for zakat in Indonesia continues to grow:

Table 1. ZIS Collection Growth

Year	ZIS (Rp billion)	Growth (%)	GDP growth (%)
2008	920.00	24.32	6.2
2009	1,200.00	30.43	4.9
2010	1,500.00	25.00	6.1
2011	1,729.00	15.27	6.5
2012	2,212.00	27.94	6.23
2013	2,639.00	19.30	5.78
2014	3,300.00	25.05	5.02
2015	3,650.00	10.61	5.04

2016	5,017.29	37.46	5.02
2017	6,224.37	24.06	5.07
2018	8,117.0	30.42	5.17

Source: BAZNAS, 2020

Although the amount of zakat earned continues to increase every year, this amount is still far from the expected target. The acceptance of zakat in Indonesia as a country with the largest Moslem population is still minimum. In 2010, the potential for zakat in Indonesia reached 230 trillion, but only 8 trillion (3.5%) were collected (Andini, 2020). As for South Sumatra, according to the head of BAZNAS South Sumatra, the realization of zakat collection as of July 2019 missed because it was only able to collect 1.7 billion from 2.25 billion with a target of 4.5 billion at the end of the year (Rosana, 2019). This gap between the target and the achievement certainly also hinders the achievement of rahmatan lil 'alamin.

Several factors have been studied for their influence on the behavior of zakat people. Since zakat is closely related to income, it makes sense that income is a major element of people's willingness to give zakat. However, Mirawati, Malik, and Ibrahim (2018), Huda & Ghofur (2012), and Maulana (2020), prove that income has no significant effect on the willingness of muzakki (compulsory zakat) to pay zakat. This means when a person's income has reached the nishab (minimum calculation of income affected by zakat), that person feels that his/her income is still insufficient to meet various life needs, so that, it is too small to have an influence on the willingness to pay zakat. Moreover, Maulana (2020) provides more detailed findings that the relationship between income and the amount of zakat is inelastic. The percentage of an increase in the amount of zakat is smaller than the percentage of an increase in someone's income.

Many other factors have been studied as a cause of people's willingness to pay zakat. To name a few is religiosity, Yazid (2017), Mirawati, Tanjung, and Arif (2019), Maulana (2020), and Maulidina & Solekah (2020), all of them prove that the effect of religiosity on people's willingness to pay zakat, although they used various indicators. The other factors that have generally been appointed as influencers, such as service quality, institutional image, beliefs, attitudes, etc., have also been widely demonstrated. Nevertheless, from the various empirical studies above, all of them show a low determinant coefficient, which ranges from 7.4% to 30%. This shows that there are still many factors that need to be revealed as another consideration that encourages muzakki to give zakat.

2. Literature Review

Consumer behavior is a dynamic field of study. Kotler & Keller (2016) demonstrates a model of consumer behavior that describes both internal and external factors of consumers. The intended external factors are as follow:

1. The marketing mix that comes from inside the company organization consists of the elements of product, price, place, and promotion. People, process, physical evidence, and productivity can be added to this element of service.
2. Non-company external elements which include all elements of the uncontrollable environment such as economy, technology, law, nature, culture, and competition.

Furthermore, the internal elements are:

1. All inherent elements with consumers include cultural, social, personal, and psychological.

2. The stages in the purchasing decision process, in which certain situations, the consumers can alter their purchase decision.

Even though the overall meaning is the same, Engel et al. (2012) make the classification of the effect derived from:

1. Individual influence, which means that all elements come from the individual consumer itself.
2. Organizational influence, which means that all elements are deliberately designed and created by the company organization to encourage attractiveness, so that, consumers are willing to make purchases.
3. Acquisition, which means that all things related to the efforts and the ways of consumers to get the product that they are looking for, include the decision to buy, other products that are considered to be purchased, where to buy, how to pay, and how the product arrives at home.
4. Consumption, which means that all things related to the use of the product, include how to use the product, store it, who can use it, how much is used, and whether the product meets expectations.
5. Placement, which means that everything about the product after use, include how to stay, how can get it, how after use, how to sell it again, and how to reprocess the product.

A consumer may not respond to a product based on only one factor. The factors that influence this will differ between consumers and over time. This is the dynamics of consumer behavior, so that, some people judge their relative importance. Nonetheless, the long and repetitive experiences still provide clues to efforts in better consumers understanding.

3. Research Methodology

This research was conducted with a quantitative approach in Palembang City which consists of 18 districts. Samples were taken of 100 by cluster sampling. A number of 51 indicators were developed derived from various variables determined through group discussion. A total of 42 indicators were processed to determine their relative factors, while the remaining 9 indicators were only used to determine their effects. Primary data as the main research data were collected using a questionnaire. The data obtained were then analyzed using analysis factor followed by multiple linear regression.

4. Findings and Discussions

Based on the results of obtaining answers through a questionnaire, the results of a descriptive analysis showed that respondents came from 18 sub-districts in Palembang City with a non-proportional number for the head of the family/sub-district. Overall, respondents have worked and are willing to provide answers to the statements in the questionnaire.

Furthermore, the instrument test was carried out on the respondent's answer, in order to ensure that the data obtained was suitable as a basis for analysis. The results of the instrument test showed that all indicators proved valid because each indicator had a calculated r value $> r$ table (0.361) with a number range of 0.372 - 0.911. The reliability value is obtained by *Cronbach's Alpha* = 0.7989 $>$ reliability standard = 0.6, so that, the instrument was also proved to be reliable.

4.1 Findings

4.1.1. Analysis Factors (PCA)

a. Kaiser-Mayer-Olkin (KMO) and Bartlett Test

Table 2. KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.717
Bartlett's Test of Sphericity	Approx. Chi-Square	2473,326
	Df	861
	Sig.	.000

Source: SPSS Output Results, 2020

KMO and Bartlett's test output is useful for determining whether the indicator can be processed further. Based on the table above, KMO value = $0.717 > 0.5$ and value of Bartlett Test = $0.000 < 0.05$. Thus, these results qualify for further analysis.

b. Anti Image Matrices

Anti Image Matrices useful for knowing and determining which indicators are suitable for use in analysis factor. The requirement that must be required is that the MSA value is > 0.5 . The results of the calculation turned out that all indicators had MSA values > 0.5 with a range of 0.545 - 0.863.

c. Communalities

Communalities indicates whether the indicators used are able to show the factors or not. The indicator is considered capable if the extraction value is > 0.5 . The calculation results show that all indicators have extraction value > 0.5 with a range of 0.567 - 0.828.

d. Factoring or Extraction Process

In this process, Principal Components Analyze (PCA) is used with the following results;

Table 3. PCA Extraction Results

Component	Initial Eigenvalues		Cumulative%
	Total	% of Variance	
1	9,954	23,701	23,701
2	3,280	7,809	31,510
3	3,054	7,273	38,782
4	2,417	5,754	44,536
5	1,998	4,757	49,293
6	1,790	4,263	53,556
7	1,740	4,143	57,699
8	1,660	3,952	61,651
9	1,330	3,168	64,818
10	1,263	3,006	67,825

11	1,113	2,651	70,476
12	1,067	2,541	73,175
13	.907	2,159	75,175
14	.878	2,091	77,267
15	.830	1,976	79,243
16	.784	1,866	81,109
17	.722	1,718	82,828
18	.709	1,688	84,516
19	.637	1,516	86,032
20	.561	1,335	87,367
21	.524	1,247	88,614
22	.481	1,145	89,759
23	.444	1,056	90,815
24	.400	.952	91,767
25	.373	.887	92,655
26	.365	.870	93,524
27	.337	.803	94,328
28	.284	.677	95,004
29	.257	.612	95,616
30	.240	.572	96,188
31	.218	.520	96,708
32	.206	.491	97,198
33	.195	.465	97,664
34	.185	.441	98,105
35	.153	.365	98,470
36	.132	.314	98,783
37	.113	.269	99,053
38	.107	.255	99,308
39	.088	.210	99,518
40	.084	.199	99,718
41	.067	.159	99,876
42	.052	.124	100,000

Source: SPSS Output Results, 2020

The table above is the extraction result of the variables that influence the decision to pay zakat. The total number of correlated factors is 42 variables. Next, we will see the factors of the extraction results as follows:

Table 4. Total PCA Result Factors

Extraction Sums of Squared Loadings		
Total	% of Variance	Cumulative%
9,954	23,701	23,701
3,280	7,809	31,510
3,054	7,273	38,782
2,417	5,754	44,536
1,998	4,757	49,293
1,790	4,263	53,556
1,740	4,143	57,699
1,660	3,952	61,651
1,330	3,168	64,818
1,263	3,006	67,825
1,113	2,651	70,476

1,067

2,541

73,017

Source: SPSS Output Results, 2020

The table above shows that of the 42 variables previously extracted, 12 new factors were formed the respective ones, each has value of Eigen > 1, for example a total factor of 1 = 9.954 > 1.

e. Rotated Component Matrix

Rotated component matrix is used to determine which indicators form a particular factor. The results are shown as follows;

Table 5. New Factors Are Formed

Factor	Indicators which form the new factors
Knowledge Factor	1. The steps to pay zakat maal are easy to understand (X9)
	2. The terms of paying zakat maal do not confuse me (X10)
	3. Zakat maal can be paid with an easy time calculation (X12)
	4. The procedure for paying zakat maal can be done easily (X13)
	5. The amil zakat body helps me in the process of paying zakat (X14)
	6. I know the meaning of zakat maal (X25)
	7. I already know the amount of zakat maal that I have to pay on the amount of my assets and income (X26)
	8. I know how to pay zakat maal (X27)
	9. I already know which agencies I can pay zakat on (X28)
	10. I know the benefits of paying zakat maal (X29)
	11. I know the impact of paying zakat maal (X30)
Promotion Factor	1. I know zakat maal from advertisements made by amil zakat bodies in electronic media (X1)
	2. I know zakat maal from advertisements made by the amil zakat agency in print media (X2)
	3. I know zakat maal from friends and colleagues (X5)
	4. I know zakat maal from family (X6)
	5. I've been contacted by an amil zakat officer to pay zakat maal (X7)
Persuasion Factor	1. Amil zakat institutions always influence me to pay zakat maal (X33)
	2. The amil zakat institution was able to influence me to pay zakat (X34)
	3. I feel confident and reduce supervision of the amil zakat body (X37)
Trust Factor	1. I defend the amil zakat agency from negative accusations (X40)
	2. I give positive information to others about the amil zakat body (X41)
Internal Motivation Factors	1. The basic salary or wages that I received make it possible to pay zakat maal (X16)
	2. Paying zakat maal has become the intention because of being able to do (X21)
	3. Paying zakat maal because it is the duty of a Moslem (X23)
	4. I ignore the negative information circulating about the amil zakat

body (X39)	
Institutional Factors	<ol style="list-style-type: none"> 1. The amil zakat body has an operational schedule every working day (X11) 2. Amil zakat institutions always maintain relationships (31) 3. Amil zakat institutions always try to provide satisfaction in terms of service (X32) 4. Amil zakat institution is opened in communicating about the distribution of zakat maal that I pay (X35)
External Motivation Factors	<ol style="list-style-type: none"> 1. I am interested in participating events that is held by zakat maal distribution agencies (X4) 2. I have other sources of income apart from income from salary, wages, and allowances (X19) 3. I find it easy to pay zakat because of having income from other sources (X20)
Income Factor	<ol style="list-style-type: none"> 1. I have a salary or wages as a source of income (X15) 2. I have allowance that I received from my job (X17) 3. The allowance I received allows me to pay zakat maal (X18)
WOM factor	<ol style="list-style-type: none"> 1. I suggest friends, family, or other people to pay zakat maal to one of the zakat management bodies (X42)
Distribution Factors	<ol style="list-style-type: none"> 1. I know where the zakat that I pay is distributed (X36) 2. I am not suspicious of the amil zakat body (X38)
Job Factor	<ol style="list-style-type: none"> 1. I know the charity event organized by the amil zakat agency (X3) 2. Paying zakat maal because of feeling that zakat maal is a necessity (X22) 3. I pay zakat maal because it is obliged by the agency where I work (X24)
Personal Selling Factor	<ol style="list-style-type: none"> 1. I prefer to pay zakat maal through amil zakat officers who offer zakat distribution services (X8)

Source: SPSS output, 2020

4.1.2. Multiple Linear Regression Analysis

Based on all the indicators used, the analysis factor produces 12 factors that are considered to influence the decision for paying zakat. Furthermore, multiple linear regression analysis is used to see the effect of each factors. The results of the regression analysis are as follow;

Table 6. Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
1 (Constant)	37,750	.306	
Knowledge Factor	1,812	.307	.471
Promotion Factor	.387	.307	.100
Persuasion Factor	.198	.307	.051
Trust Factor	.695	.307	.180

Internal Motivation Factors	.452	.307	.117
Institutional Factors	1,125	.307	.292
External Motivation Factors	.642	.307	.167
Income Factor	-.041	.307	-.011
WOM factor	.409	.307	.106
Distribution Factors	.139	.307	.036
Job Factor	.674	.307	.175
Personal Selling Factor	-.375	.307	-.097

Source: SPSS Output Results, 2020

As shown in Table 5, all factors have an influence value on the decision to pay zakat with varying coefficient values. There are ten factors that have a positive influence and two factors that have a negative influence. The coefficient value that appears is then tested as follows:

Table 6. ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	655,360	12	54,613	5,841	.000b
Residual	813,390	87	9,349		
Total	1468,750	99			

Source: SPSS Output Results, 2020

The F test results show the value of Sig F $0.000 < \alpha = 0.05$, which means that there is a significant effect of knowledge factors, promotion factors, persuasion factors, trust factors, internal motivation factors, institutional factors, external motivation factors, income factors, WOM, distribution factors, occupational factors, personal selling factors that also have a significant effect simultaneously on the decision to pay zakat.

Table 7. Coefficients

Model	thitung	Sig.
1 (Constant)	123,460	.000
Knowledge Factor	5,897	.000
Promotion Factor	1,258	.212
Persuasion Factor	.643	.522
Trust Factor	2,262	.026
Internal Motivation Factors	1,470	.145
Institutional Factors	3,660	.000
External Motivation Factors	2,088	.040
Income Factor	-.134	.894
WOM factor	1,330	.187
Distribution Factors	.451	.653
Job Factor	2,195	.031

Personal Selling Factor	-1,219	.226
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Source: SPSS Output Results, 2020

The partial test results prove that the factors of knowledge, trust, institutional, external motivation, and work, have a significant effect on the decision to pay zakat while the factors of promotion, persuasion, internal motivation, income, WOM, distribution and personal selling have no significant effect on the decision to pay zakat. The coefficient of determination is equal to 37% while the remaining 63% is explained by other variables outside the study.

4.2 Discussion

The results of hypothesis testing in this study are not too different comparing to some of the previous studies. The coefficient of determination has not moved in a quite higher level. The influence of knowledge as a factor that influences the decision of paying zakat is in line with Mirawati's findings, Malik, and Ibrahim (2018). A muzakki is willing to spend part of his income to pay zakat, definitely based on knowledge of the substance of zakat. Paying zakat is not only distributing income, but also a meaning of a servant's obedience to Allah SWT. This is one principle difference that is often disputed between zakat and taxes. Zakat cannot be avoided because without being paid, zakat will come out of the compulsory zakat in the way that Allah desires, however, people can deny taxes in various ways. This method will be safe as long as "not caught".

Trust is also often raised as a factor influencing muzakki's decision to pay zakat. Maulidina and Solekah (2020) found that, the more someone believes in BAZNAS, the more muzakki's interest in paying zakat will increase. Mirawati, et al (2018) found that the nature of trust was insignificant, this is because the research was only devoted to the payment of professional zakat for civil servants (PNS) who generally paid zakat due to appeals from local agencies. The government has enacted regulations that began to be enacted and took effect on August 23, 2010 concerning zakat determination which can reduce gross income tax, provided that the tax is submitted to zakat institutions that have been established and legalized by the government. Furthermore, the Republic of Indonesia Law No. 23 of 2011 on zakat management was issued (Mirawati, Tanjung, and Arif (2019). Payment of zakat through such a mechanism is proven not/has not been accepted by everyone. This regulation is considered less strict because there is no criminal sanction or civil law that is given when muzakki does not pay zakat, the sanctions in question are only sanctions from Allah SWT as stated in the Qur'an. However, this institutional regulation of zakat payments has been proven to reduce consumption (Ridho and Herianingrum, 2019). The initial consumption behavior which only for buying favorite stuffs changes due to the allocation of zakat.

Institutions also have a significant influence on the decision to pay zakat. According to Ridho (2014), one of the urgencies of zakat in shaping welfare is the institutionalization of zakat as a guarantee that the collection, management, and distribution of zakat can be carried out optimally. In the view of muzakki (Yazid, 2017), the institutionalization of zakat provides guarantees about the reality, both formally and informally, that zakat is managed in a transparent, trustworthy, and professional manner. This method will increase muzakki's belief that the decision taken is correct, thus encouraging him to take another action.

Personal selling also has a negative effect on the decision to pay zakat. The interpretation of these findings can be linked to the institutional image (Yazid, 2017). Intensive socialization

about the obligation to give zakat which is carried out institutionally is not always responded positively by all groups, even though it is carried out in Islamic institutions. So that, the more it is done intensively, it will create a feeling of antipathy from those who are actually obliged to zakat.

External motivation variable also has a significant effect on the decision to pay zakat. External motivation has a broad meaning. Anything that comes from outside oneself can mean external motivation. In this study, the purpose of external motivation is related to additional income outside of the basic salary, which means a fairly large income. Income arises from work which also has a significant effect. Nevertheless, Mirawati et al (2019) and Huda & Ghofur (2012) prove that income has no significant effect, Maulana (2020) proves that zakat and income have an inelastic relationship. This research even shows the negative effect of income on the decision to pay zakat, additional income actually decreases the decision to pay zakat.

Mannan (1997) states that the higher a person's prosperity, the stronger the influence of psychological factors leads him to determine consumption, this is evidence of his failure to balance the fulfillment of his spiritual and physical needs. This is consistent with the opinion of Kotler & Keller (2016) that among individual internal factors, psychological factors have a stronger influence than other internal factors besides cultural, social, and personal.

Promotion, persuasion, WOM, and personal selling, as factors that do not have a significant influence are one-way communication factors carried out by zakat management institutions. Zakat is not communicated like other products or services that are much more commercial. The encouragement to communicate personally from zakat management institutions was not done. According to Darma (2017), promotion does not even enter into the formation of people's perceptions and preferences to pay zakat. Although zakat is a very popular distribution system, its realization does not bring any popularity and personal gain. Therefore, only those who are truly fearful of Allah SWT are able to make it happen without frenetic documentation.

5. Conclusions

Zakat is an economic potential that has a potential comprehensive impact. Although zakat is an Islamic teaching that requires internal concrete evidence, it can be maximized by giving externally. This research proves that knowledge, trust, institution, internal motivation, and work are factors that have a significant influence on people's willingness to pay zakat. While promotion, persuasion, motivation between income, WOM, distribution and personal selling are factors that have no significant effect on people's willingness to pay zakat. The development of research results still needs to be done considering the ability of these factors to explain only 37%.

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