A study of Indonesian community's behaviour in paying zakat

Widiyanto bin Mislan Cokrohadisumarto
Department of Management, Universitas Islam Sultan Agung, Semarang, Indonesia

Zaenudin Zaenudin
*Department of Management,
Universitas Islam Sultan Agung Fakultas Ekonomi, Semarang, Indonesia, and*

Bejo Santoso and Siti Sumiati
*Department of Management, Universitas Islam Sultan Agung,
Semarang, Indonesia*

Abstract

Purpose – The purpose of this study is to develop a model of the Muslim community's behaviour in paying zakat to contribute ideas on how to increase zakat recipients nationally, so as to improve the welfare of the wider community.

Design/methodology/approach – This study uses a quantitative (i.e. multiple regression analysis that involves moderating variables) and descriptive approach. Multiple regression analysis with the stepwise method is implemented to get the best regression model of community's behaviour in paying zakat. This study takes a sample of Muslim communities in several regions (northern coast) of Central Java, Indonesia.

Findings – In the situation of the absence of government regulations relating to the obligation to pay zakat for Muslim communities, the community's behaviour in paying zakat can be formed through two things, which are: increasing the zakat understanding and strengthening the credibility of zakat management institutions. Providing complete information to the community regarding the existence and what has been done and what will be done by the zakat management institution is very necessary.

Research limitations/implications – This study has not specifically discussed the various types of zakat paid, such as commercial zakat, agricultural zakat and professional zakat. Therefore, future research can be done more specifically to determine the behaviour of paying zakat based on the type of zakat as stated.

Practical implications – Increasing the target of collecting zakat funds from the community nationally needs: (i) educating the community about zakat more broadly and sustainably; (ii) strengthening the credibility of the zakat management institution; and (iii) strengthening the flow of information from the zakat management institution to the community.

Originality/value – Research on community's behaviour in paying zakat has never been done before. This study analyses the behaviour of paying zakat comprehensively, namely, in terms of adherence to God and the government, awareness without coercion and the behaviour of choosing a place to pay zakat.

Keywords Understanding, Information, Credibility, Zakat, Paying behaviour, Religious leader

Paper type Research paper

1. Introduction

Islam teaches that wealth should not circulate only among the rich people [QS: Al-Hashr (59): 7]. There is a responsibility of rich people for the welfare of others; so that they cannot ignore their brothers in need, who are the poor people. Poverty is very dangerous for the life of humanity because it can affect faith, belief, morality, deeds, conscience and mind, and also

encourage humans to do crime. In the hadith of the Prophet Muhammad, poverty has been described as a major setback of an individual, society, faith and trust, behaviour and morals, words and deeds, thoughts and culture cannot remain safe and protected. It means that the problem of poverty will endanger the prosperity and welfare of humanity, and endanger the peace and serenity of the community. Thus, the creation of economic security of the community (especially the poor) is indispensable. Al-Qardawi (2006) states that Islam guarantees full social security to the poor and their families as a form of persuasion to show kindness to the poor, as well as their rights. According to Al-Kaaf (2002), economic disparity between the poor and the rich becomes the biggest economic disaster. Islam seeks to close the gap and build a harmonious life between all parties through the zakat system. The provisions of zakat demand a balance of people's prosperity (Halim, 2001). There are two important aspects of the obligation to pay zakat, namely, zakat as a form of worship and as a form of social responsibility (Qutb, 2000). The illustration above shows that Islam is very concerned about and regulates the economic security of the community based on divine guidelines. The task of Muslims is to implement the system in real life to realise the welfare and economic security of the community.

Regarding the implementation of zakat in the Indonesian Muslim community, there still seems to be a gap between hope and reality; the majority of Indonesian people are Muslims – with the potential for zakat funds to be huge – but in reality, zakat funds collected nationally through zakat institutions are far from what is expected. In Indonesia, a collection agency and zakat fund distribution (which has been regulated in the legislation) has been created but there is no legal instrument that can force Muslims to pay zakat. Based on these conditions, the awareness of paying zakat will be influenced by people's zakat understanding (Widiyanto, 2017).

With this condition, there must be parties who awaken public awareness to pay zakat, that the law of paying zakat is obligatory for every Muslim. The condition of Indonesian Muslims today is very different from the Khulafaurrahidin era, at that time, there was a power with the ruler to treat the people who do not pay zakat.

At the first Caliph era, Abu Bakar Ash-Siddiq had fought against people who refused to pay zakat (Sulaiman, 1985). Indonesian conditions differ from the conditions of other countries such as Malaysia which already has law instruments concerning the obligation to pay zakat for Muslim community. The results of study in Malaysia show that law enforcement is one of the causes of people behaving obediently in paying zakat (Khamis and Yahya, 2015). Nevertheless, there are still many potential zakat payers who have not realised paying zakat (Azman and Bidin, 2015). Such conditions still occur in the country which has a binding legal instrument for zakat payers, which then raises questions for countries that do not have laws that can force people (who have fulfilled the *Nisab* provisions) to pay zakat, such as in Indonesia.

It seems that (in countries that do not have law enforcement) awareness and knowledge (understanding) of the community about zakat, the credibility of the zakat management institution and the availability of information related to zakat management institutions is very important for the realization of the community paying zakat (especially through the institutions that have been provided). Kasyani (2014) revealed that science guides charity and charity follows science. It was also explained that science is the light placed by Allah in the heart of someone he wanted to guide. Al-Qardhawi (2004) explained that the ultimate goal of science (religion) is faith and implementation (practice) in all aspects of its application. Wohldmann (2013) showed that understanding correlates with practice. The credibility of zakat institutions is also an important factor that needs attention. It was found

that credibility (product brand) increases the likelihood of entering into a series of considerations (Erdem and Swait, 2004).

In line with the research, it was also found that the credibility of zakat management institutions has a significant influence on obedient behaviour in paying zakat (Azman and Bidin, 2015). Related to the role of information, the results of the study show that information influences people in making choices – in this case choosing food products (Himmelsbach *et al.*, 2014), and the opposite of loss of information value (about the attributes of a product) also influences choices, namely to cancel the choice (Kivetz and Simonson, 2000). Taking experience from other countries and possibly from other religions related to raising public awareness to make donations, religious leaders also have an important role, for example, the role of religious leaders in Iran in the organ transplantation program (Goodarzi *et al.*, 2015).

Therefore, these four things need to get attention to be studied in depth related to the behaviour of Indonesian people in paying zakat so that they can contribute ideas on how to increase the acceptance of zakat funds nationally (through zakat management institutions) as expected to improve the welfare of the wider community.

Based on the discussion above, this study aims to build a model of the behaviour of Muslim communities in paying zakat associated with the community's understanding of the zakat, the credibility of the zakat management institution, the role of information built by zakat management institutions and the role of religious leaders. This model was developed based on the situation of the absence of government regulations that regulate the obligation to pay zakat for Muslim communities.

2. Literature review

Zakat is a part of the property that is required to be paid to those who have the right to receive it – with certain conditions (Hafidhuddin, 2002). More concisely, Qutb (2000) defines, that payment of zakat is an obligation that is laid on property. Provisions regarding the obligation to pay zakat are contained in the *Qur'an* (including QS: 2: 43, 9: 103, 30:39). Zakat is an inseparable part of Islam, and therefore Al-Qardawi (2006) calls zakat as the third pillar of Islam. This is based on the hadith of the Prophet Muhammad (peace and blessings of Allah be upon him) which was reported by Umar (Allah be pleased with him) and narrated by Muslims (No. 8) which is about Islam, faith and ihsan, that Islam concerns five things:

(1) testify that in fact there is no God but Allah and indeed Muhammad is the messenger of Allah;

(2) establishing prayer;

(3) giving zakat;

(4) fasting during Ramadan; and

(5) doing the pilgrimage to Baitullah if he is able to do so.

This illustrates that in Islam zakat is a fundamental factor.

Furthermore, according to Quraishi (1999) the zakat institution is the foundation of the Islamic economic system, and when it is fully operational, it will be a source of economic harmony, and furthermore according to Al-Qardawi (2006) zakat is the first law in action for economic security. Zakat is one of the three Islamic pillars, namely praying, paying zakat and giving advice to Muslims, and therefore, Abu Bakr fights people who do not pay zakat (Az-Zuhaili, 2013). According to Al-Kaaf (2002), the state can use power (state law) to force those who are able to pay zakat to alleviate the suffering of life from those who are unable (the poor). He also quoted the words of Sayid Muhammad Rashid Ridha (Tafsir Al-Manar)

which stated that the leader of the Muslims to form a zakat collection organization and regulate its distribution.

For zakat collection and distribution organizations, Indonesia has arranged it in legislation, but for the law, the obligation to pay zakat has not been established. Perhaps, this still leaves the problem of not meeting the target of collecting zakat funds by zakat management institutions in Indonesia.

With no law to force zakat payment, community awareness of paying zakat is very important to be pursued. To arrive at the awareness of paying zakat, the factor of understanding (knowledge) about zakat is very decisive. Building credibility and widespread information dissemination about zakat management institutions is also a factor that needs to be emphasised. This is necessary because in reality, Indonesian people do not pay zakat through zakat management institutions, but they pay zakat directly to the *mustahik* (according to their understanding it is appropriate to get zakat). Another factor is the role of religious leaders to enlighten and educate the public. Why do they not pay zakat through zakat management institutions? Maybe it could be because they do not believe in the credibility of the zakat management institution (because of previous experiences) or they do not have sufficient information about the zakat management institution and its role. Therefore, religious leaders will have a central role to give enlightenment. The following will discuss about the importance of zakat understanding, the credibility of zakat management institutions, the role of information relating to people's behaviour in paying zakat (obeying zakat orders without coercion, paying periodically and paying zakat to institutions that are officially provided) and also the role of religious leaders.

2.1 Knowledge (understanding), practice or behaviour

In Islam, science and faith have an important position, people who have knowledge and faith will be elevated to several degrees (QS; 58:11), and therefore Islam encourages people to study (QS: 16: 43, QS: 21: 7, QS: 9 122). Islam forbids humans to follow something if they do not have knowledge about it (QS; 17: 36). This illustrates that faith and science have an important position in Islam, and every person in doing an act must be based on science (*Shari'ah*/religious science). Al-Qardhawi (2004) stated, the ultimate goal of religious science is faith and practice in all aspects. Islam invites believers to do deeds that have been taught by religion to get merit and inhabit paradise, such as doing good, performing prayers, paying zakat and believing in Allah (QS: 2: 277, QS: 2: 62, QS: 2: 82). According to Kasyani (2014), knowledge is the light that is placed by Allah in the heart of someone he wants to guide to get closer to Allah (obey and worship). Science is a charity guide, and charity follows science. Thus, if someone has understood (have knowledge) zakat, and he/she is a believer, then, of course, he/she will pay zakat if he/she has reached the required conditions (*Nisab*). It means that people who have faith and knowledge will surely arrive at the awareness of behaving to pay zakat (carrying out zakat). People will pay zakat because they are guided by the knowledge they understand, and in Islam, knowledge (understanding) has a very important role, and Islam invites Muslims to study theology (QS: 9; 122, QS: 16; 43, QS: 21; 7).

A study (relating to the field of marketing) conducted by Wohldmann (2013) shows that (knowing) is correlated with doing, and Fabrigar *et al.* (2006) found that high-level knowledge produces greater consistency of attitude, and the relevance of knowledge content often plays a role in shaping attitudes towards the attitude process. Furthermore, Espejel *et al.* (2009) found an impact of degree of knowledge on consumer behaviour (satisfaction and loyalty of buying). The results of this study provide information that a person's understanding of something will bring the person closer to an action (practice or behaviour)

in accordance with the level and complexity of understanding. Thus, those who have knowledge about zakat (meaning, purpose, function, principles, types of zakat, amount, limit of *Nisab*, *mustahik*, benefits, *hikmah* (magic power), zakat distribution, etc.), will tend to practice (behave paying) zakat as has been regulated by the *Shari'ah* and the applicable law at the official place that has been provided. During Rosullullah and the Khulafaurrasyidin era, zakat payments were made through the *Baitul Mal*.

2.2 Credibility of zakat institution

Referring to marketing theory, the problem of the credibility of zakat management institution can be explained by using the credibility approach of the product or brand. Erdem and Swait (2004) defined credibility as perceived trust whether a product or brand has the ability and willingness to continue to provide what has been promised. Credibility will provide unequal benefits for both consumers and companies. In the context of this research, consumers are *muzakki* and companies are zakat management institutions. Erdem and Swait (2004) reveal that brand credibility increases the likelihood of brand entry in a series of considerations, and the choice of brands depends on consideration. Furthermore, the more credible brands the more likely they will be included in the choice formation and will be chosen. From the results of studies in various countries, Erdem *et al.* (2006) showed, although the credibility path is operated differently, in general, empirical brand credibility has a strong effect on consumer choice. It is strengthened by the results of the study by Sheeraz *et al.* (2012) which shows that brand credibility plays an important role (has a strong influence) in consumer purchase intentions. The findings related to public trust in charitable organizations, Alhidari (2014) show that individual trust in a charitable organization has a direct impact on the behaviour intention (channelling donations through the organization).

One of the community (*muzakki*) consideration related to their willingness to pay zakat through the zakat management institution is the credibility of the existing zakat institution. The credibility of the zakat institution is related to the community's trust in information relating to zakat management institutions, which requires the community to feel that the zakat management institution has the best ability (i.e. expertise and experience) in the management of zakat collected from the community, and is trusted to continue to give/do what has been promised. For the *muzakki*, using a credible zakat management institution means that they have obtained a guarantee that the zakat funds paid will actually be distributed to the desired destination in accordance with the *Shari'ah* provisions. Whereas, for the zakat management institution, with its credibility, it will be able to increase the effectiveness of socialisation (marketing) with a lower cost because of the repetition of community in paying zakat through the institution. This means that the increasing credibility of zakat management institutions will increase the inclusion of zakat funds through these institutions.

2.3 Role of information

Information retrieval is an inseparable part of the consumer decision-making process (user community). The buying process is a risky decision-making process in the selection of one product brand from all existing product brands to optimise the benefits that will be obtained (utility). The efforts to optimise these utilities are faced with uncertainty caused by buyers who are not having perfect information. According to this process, the buyer must always choose to make an immediate decision (to buy or not to buy) or delay the decision to find additional information, and thereby, it will reduce the risk of the decision. Liviu and Georgeta-Mdlina (2019) say that to buy a product, the buyer needs a level certain information. Consumers run certain risks in making decisions based on up-to-date

information, with imperfect information that does not allow them to predict exactly which products will be bought to provide maximum satisfaction as desired that really has the desired quality.

The following are the results of studies that provide a description of the relationship between information and purchasing behaviour. Roberto *et al.* (2010) revealed that information (in the form of labels) affects consumer choices. In connection with direct users, the findings of O'Rourko and Ringer (2015) show that there is a real relationship between continuous information with the intention to buy, and with more information, it will be positively correlated with greater buying intentions. Kivetz and Simonson (2000) express in the opposite position, the loss of information value influences the choice to cancel the choice. The discussion above shows the importance of providing information to consumer users. Based on his study, Hayashi *et al.* (2015) stated that the information provider, consultation and individual information play an important role in the choice of information buyers and information service providers to distribute more appropriate information which can make consumers easier to make exact choices, through the appropriate information channels.

Thus, related to how the community is willing to use zakat management institutions as a channel for the zakat distribution to *mustahik*, the zakat management institution needs to provide adequate information to users (legal entities, managers, where services are available, ways/models of services, programs developed, program progress, the use of funds report, etc.).

2.4 Role of leaders/religious leader

USAID (2009) reveals that religious leaders are trusted and respected in communities throughout the world. It is shown (in many parts of Asia and the Middle East) that the community gets guidance on family and personal issues, including decisions about health, education, livelihoods and roles in society civilians from them (religious leaders). Religious leaders, together with their established network of volunteers and community groups, have the potential to promote and maintain positive changes in social norms, attitudes and behaviours that influence development. Furthermore, it is explained in relation to economic strengthening, religious leaders play an important role in contributing to economic growth, especially through participation in programs that address inequality within the country. Exemplified in the case in Afghanistan, USAID and the World Council of Credit Unions support investment cooperatives and Islamic finance, which collaborate with religious leaders to ensure that the cooperative's financial services are legal and in accordance with *Shari'ah* law. This can happen because a letter from the local religious authority strengthens trust between the cooperative and its members, which increases the effectiveness of economic growth activities.

Another example of the role of religious leaders is in the success of family planning (KB) programs in Indonesia. Family planning programs in Indonesia can run well because most scholars give legal decisions that family planning programs and contraception can be carried out on condition that there is no permanent infertility (Nafis, 2015). Such more extreme example is the role of religious leaders related to sustainability donation of body organs. Goodarzi *et al.* (2015) revealed the experience that an organ transplant program in Iran was initiated based on the permission of a religious scholar. It was explained that Iranians have strong trust in religious leaders and doctors. Every time if there is a contentious issue and then getting approval by both, it is likely to be easily accepted by the community. Iran as a developing Islamic country has successful experiences in transplantation. Other findings in the field of health-related to sickle cell disease prevention (SCD), Toni-Ubari and Inusa (2009) reveal that religious leaders and religious organizations

have the potential to influence health education, promote health and positive health outcomes among members of their religious organization community. They also provide potential access to risky populations to raise awareness about SCD.

Therefore, based on the experiences above, it can be used as a successful model to build a similar framework, where religious leaders can be the driving force of the community to make zakat payments through zakat institutions that have received official recognition from the government.

Based on the results of the discussion above, the following is a model of behaviour in paying zakat.

The diagram above explains: people who pay zakat through the official zakat management institution will be influenced by several things, such as, understanding of the community about zakat, the credibility of zakat institutions, the role of information and the role of leaders or religious leaders. Information related to the institution can strengthen the influence of the credibility of the zakat institution and strengthen the influence of zakat understanding on zakat paying behaviour through the zakat management institution. The role of religious leaders, in addition, will have a direct influence on paying behaviour; it will strengthen the influence of zakat understanding on the zakat paying behaviour.

3. Research methodology

3.1 Research location, sample and data source

This explanatory research is carried out in the Indonesian Muslim community environment which is considered to be able to pay zakat from various regions (districts) especially around the northern coast of Central Java (Rembang, Pati, Kudus, Demak, Semarang, Kendal, Batang and Pekalongan), with the consideration that there were quite a number of influential religious leaders in these areas. Accidental sampling has been carried out on those who are willing to answer the questionnaire, which were 219 people. This study uses primary data, namely data obtained directly from respondents using questionnaire instruments.

3.2 Measures

(1) The zakat-paying behaviour is a form of choosing the place to pay zakat (on the official or direct zakat management institution to *mustahik*) which is carried out
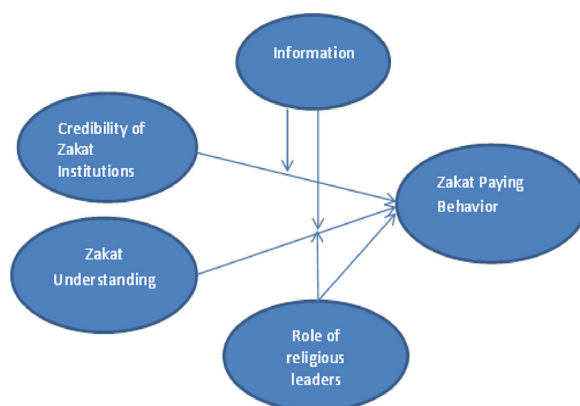
Figure 1.
Conceptual model of behaviour in paying zakat

periodically as a form of obedience to Allah if it has arrived at the terms of time and *Nisab* without any coercion. Therefore, the indicators of the zakat paying behaviour are:

- pay periodically (on time);
- as a form of obedience to God;
- pay without coercion; and
- choose where to pay zakat.

(2) *Shari'ah* zakat understanding is a knowledge that is mastered in relation to *Shari'ah* zakat (provisions on the provisions of paying zakat), and anyone who has the right to receive zakat and the benefits of zakat understands the difference between zakat and *shadaqoh*. The indicator of this variable is understanding about:

- the basics (theorem) about zakat;
- paying zakat is part of faith,piety and social care;
- *nisab*;
- various kinds of property that can be forgiven;
- the obligation to pay zakat is equivalent to the obligation to pray;
- those who have the right to receive zakat;
- the benefits of zakat (for themselves and the community);
- the differences between zakat and *shadaqah*; and
- the role of *baitul mal*.

(3) The credibility of the zakat institution is the public's trust in the zakat management institution. The zakat management institution (which is established on the existing legislation) has the best ability (i.e. expertise and experience) in the management of zakat funds collected from the community, and is trusted to continue to provide/do what has been promised. These indicators of variable are:

- experience;
- the ability to manage;
- trust;
- transparency; and
- service.

(4) The role of religious leaders is the contribution of religious leaders in providing enlightenment/understanding/guidance and encouraging people to pay zakat through official zakat management institutions either orally or textually. These variable indicators are:

- giving enlightenment/understanding/guidance; and
- giving encouragement.

(5) The information referred to in this research is information relating to zakat management institutions, including information on the legal entity of zakat institutions, location, programs developed, methods of payment, program implementation and financial statements for channelling funds. These variable indicators are the dissemination of information about:

- legal entity;
- the place (location) of zakat institutions;
- programs developed;
- program implementation; and
- reports on zakat funds usage.

The measurement of these five variables as mentioned is based on the level of agreement on the questions of each indicator by using a measurement scale as follows: strongly disagree given 1 score, disagree given 2 scores, hesitant given 3 scores, agree given 4 scores and strongly agree given 5 scores.

3.3 Analysis method

This study uses a quantitative (multiple regression analysis) and descriptive approach. Multiple regression analysis is used to see the effect of the credibility variable of the zakat management institution, zakat understanding, the role of religious leaders and information on the zakat-paying behaviour. The regression equation is as follows:

$$Y \;=\; b_o + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_1X_4 + b_6X_2X_4 + b_7X_2X_3 + e$$

where:

Y = Zakat-paying behaviour;
X_1 = The credibility of zakat management institution;
X_2 = Zakat law understanding;
X_3 = Role of religious leaders;
X_4 = Information;
X_1X_4 = Credibility that is moderated by information;
X_2X_4 = Understanding of the zakat law which is moderated by information;
X_2X_3 = Understanding of the zakat law is moderated by the role of religious leaders;
b_i = Regression coefficient; and
e = Error term.

4. Result and discussion

4.1 General description of respondents

This section explains the description of respondents related to education level, age and monthly income obtained from the survey results, which are 219 respondents spread across several regions in Central Java.

4.2 Instrument test results

Test instruments in implementing this study include two things, namely the validity and reliability. Firstly, the validity test is intended to see whether the indicators used from each variable can reflect the research variables. The test results show that the correlation coefficient (r) of each research variable indicator (the highest r value = 0.937 and the lowest r value = 0.439) shows the number is greater than the r table value (at df more than 100 that is equal to 0.087), this shows that all indicators of all research variables are valid. It means all indicators of the variables used in this study can reflect the variables. Secondly, the reliability test is intended to determine the reliability of the instrument used. The reliability test results of all research variables (namely the credibility of the zakat management institution, understanding of the zakat, the role of religious leaders, the role of information

No.	Variables	Descriptions
1.	Level of education	The level of education ranging from the level of elementary school to the doctoral level. The highest level of education was at the undergraduate level (35.5 per cent), followed by the high school or vocational school level (25.6 per cent) and junior high school level (17.4 per cent). Another level of education is less than 5 per cent
2.	Age	The age of the respondents is divided into two groups: less than 40 years (43.8 per cent) and over 40 years (56.2 per cent)
3.	Level of income	The monthly income is grouped into three levels: (i) less than Rp 5 m (65.3 per cent), (ii) around Rp 5 m to Rp 10 m (28.3 per cent) and (iii) earn more than Rp 10 m (6.4 per cent)

Table I.
Description of
respondents

Note: Primary data processed 2018

and the zakat paying behaviour) show that the Cronbach's alpha value of all variables research (with the highest value = 0.917 and the lowest value = 0.426) is greater than the r table value (at df more than 100 that is equal to 0.087). These results indicate that all variables are reliable, these results illustrate that the instrument used in this study is reliable (retesting will have consistent results).

4.3 Variable description
The description of the variable is based on the respondents' assessment of the research variables based on the level of agreement on the indicators asked, namely ranging from strongly disagree, disagree, disagree, agree and strongly agree.

4.3.1 The credibility of zakat management institutions. The description of the credibility of the institution of zakat management (LPZ) according to the respondents' views based on the indicators of trust in the management of zakat, it helps to improve the welfare of the community, manage the empowerment program, work in accordance with the law, be able to provide the best service and be transparent in management. It shows that, in general, more than 70 per cent of respondents believe in LPZ, however, relating to transparency, the percentage of respondents who lack trust is quite large, reaching 30 per cent. This shows that there are still public doubts about LPZ transparency.

4.3.2 Understanding of the zakat law. Relating to people's understanding of the zakat law, the results of the survey show that, in general, respondents (between 77 and 88 per cent) understand the zakat law, but there are still quite a number of respondents (between 12 and 23 per cent) who do not understand the kinds of wealth that must be paid as zakat, and also do not understand that zakat becomes an instrument of community empowerment, zakat can help economic growth and the function of the zakat receiving institutions (LAZ) and the national zakat board (BAZNAS).

4.3.3 Role of religious leaders. The results of the study show that, in general, (between 75.3 and 79.9 per cent) religious leaders have a role in providing enlightenment/understanding/guidance and encouraging people to pay zakat. However, there were still quite a lot (reaching 20.1 per cent) who said they disagreed and less disagreed about religious leaders have given enlightenment, and 24.7 per cent said they disagree and less disagreed about religious leaders have given encouragement. This shows that there are still quite a number of layers of society who have not received enlightenment or encouragement from religious leaders to pay zakat through LAZ or BAZ.

4.3.4 Role of information. The description of information or explanation received by the public in relation to the zakat management agency shows that there are still quite a number (around 35 per cent) of respondents who do not know about LAZ and BAZ legal entities, about 40 per cent of respondents feel that they have not received information related to what is done by LPZ, more than 50 per cent do not know the programs developed by LAZ or BAZ and more than 50 per cent of respondents do not know about the financial statements of LAZ or BAZ. The description above shows that information related to LAZ and BAZ has not fully arrived at the community.

4.3.5 Zakat paying behaviour. From the survey results of zakat paying behaviour, it is illustrated that the behaviour of people in paying zakat, in general, (between 57 and 99 per cent), they have paid zakat periodically, paying zakat as a form of obedience to Allah and they tend to pay zakat through official institutions. There are important findings in this study that are related to the question of paying zakat without coercion, that about 43 per cent of respondents disagree and less disagree. This means that there are still quite a number of the public members who need coercion from the government (obliged by the state) to pay zakat.

4.4 Estimation result of zakat paying behaviour regression parameters
In this study, regression analysis begins with a classic assumption test. The test results show that the regression model meets the assumptions requirements. The results of estimating regression parameters zakat-paying behaviour (stepwise method) are shown in Table II.

Estimation of regression parameters in this study involves a stepwise method to get the best (combination) variable composition to predict the behaviour of the community in paying zakat. By using this method, there is a possibility of independent variables being removed from the model and leaving the appropriate (best) variables. Based on the partial test results (*t*-test) from Table II, it is known that there are variables that individually have a significant positive effect on people's behaviour in paying zakat (marked *). This variable is a variable understanding of the zakat ($\beta = 0.440$, *t*-values = 6.649 and significant at α 1 per cent) and the credibility variable of the zakat institution is moderated by the role of

Dependent variable	Independent variable	Regression coef β	*t*-value	Sign
Zakat paying behaviour	Constant	1.689	6.432	0.000*
	Understanding of zakat law	0.440	6.649	0.000*
	Credibility of zakat management institutions × information	0.042	7.386	0.000*
	Credibility of zakat management institutions	−0.046	−0.500	0.617 (E)
	Role of religious leaders	0.070	1.241	0.216 (E)
	Role of information	−0.021	−0.144	0.888 (E)
	Understanding of zakat law × information	−0.096	−0.537	0.592 (E)
	Understanding of zakat law × role of religious leaders	0.075	1.151	0.251 (E)
F value = 98.402				= 0.000*
R square = 0.477				

Notes: Regression coefficient estimation output with a stepwise method, 2018, Description: * = Significant at $\alpha = 1\%$; (E) = variable excluded from the model

Table II.
Estimation results of
zakat paying
behaviour regression
coefficient

information (β = 0.042, t-values = 7.386 and significant at α 1 per cent). Based on the stepwise testing method, the variable understanding of zakat is the first variable chosen as a variable that influences the zakat paying behaviour, this shows that the understanding of zakat is the most important thing in shaping the zakat paying behaviour and the second variable is the credibility of the zakat institution is moderated by the role of information.

From Table II, it can also be seen that with the stepwise method, there are several variables excluded from the model (marked [E]), namely, the credibility of zakat management institutions, the role of religious leaders, the role of information, credibility of institutions, understanding of zakat law moderated by the role of information and *Shari'ah* zakat understanding is moderated by the role of religious leaders.

Furthermore, based on the F-test results obtained F calculated value of 98.402 (significant at α 1 per cent), these results indicate that the variable understanding of zakat and the credibility of zakat institutions (moderated by the role of information) significantly influence behaviour in paying zakat. There is a value of R^2 = 0.477 indicating 47.7 per cent variation in the behaviour of people in paying zakat is influenced by an understanding of the zakat law and the credibility of zakat institutions which is strengthened by the role of information. Based on the results above, the model of zakat paying behaviour is shown in Figure 2.

The results above show that the behaviour of the people in paying zakat (in the situation where there are no mandatory provisions from the state) can be formed through two things: first, is through an understanding of the zakat law and the second is through building the credibility of the zakat management institution which is supported by the strong flow of information from the zakat institution to the community.

4.4.1 The influence of zakat law understanding on the zakat paying behaviour. This study found that zakat law understanding has a significant positive effect on the behaviour of paying zakat. The results of this study have similarities with the findings of Widiyanto (2017) that understanding (knowledge) about zakat will awaken someone to pay zakat. This is in accordance with Kasyam's (2014) view that science is a guide to deeds and deeds follow science. It means that the higher the person's understanding the higher the knowledge about zakat, and if he is the person who believes and has arrived at the conditions required, then he will be more motivated to pay zakat in places that are in accordance with the applicable provisions.

People's understanding of the zakat will bring them closer to an action (paying zakat) according to the level and complexity of the zakat law understanding. Someone who has understood well about:

- the postulate of zakat;
- zakat is part of faith, piety and social care;
- *nisab*;
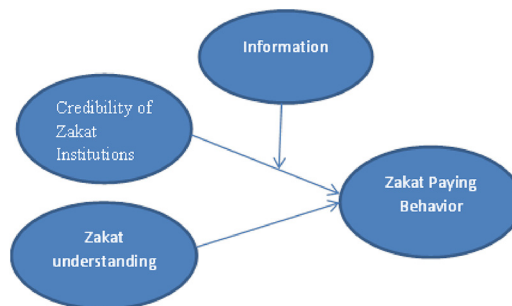
Figure 2.
The best model of behaviour in paying zakat

- various kinds of property that can be forgiven;
- the obligation to pay zakat is equivalent to the obligation to pray;
- those who have the right to receive zakat;
- the benefits of zakat;
- differences in zakat and *sadaqah*; and
- the role of *baitul mal*.

The person will be compelled to pay zakat periodically without coercion as a form of obedience to Allah, and pay zakat at a place in accordance with the applicable provisions.

Based on these findings, if the government wants to increase the receipt of zakat to the desired level, then there should be a lot of effort that must be done to provide a better understanding to Muslim communities related to the zakat. Although the results of this study found that, in general, respondents understood the zakat law, there were still quite a number of respondents who did not understand the main thing about four things, namely:

(1) various types of assets that are zakat;
(2) zakat as an instrument of community empowerment;
(3) zakat can help economic growth; and
(4) the function of LAZ and BAZNAS.

Therefore, community understanding of the four things mentioned above needs to be improved through the zakat propagation movement on an on-going basis.

4.4.2 The effect of credibility on the zakat paying behaviour. The results of this study indicate that the credibility of zakat institutions (which are moderated by the role of information) have a significant positive effect on the zakat paying behaviour. The credibility of zakat management institutions will increase the likelihood of the inclusion of zakat management institutions in the deliberations of *muzaki* when they want to pay zakat. The more credible zakat management institutions, it will be more likely to enter the choice formation as the place to pay zakat. Erdem *et al.* (2006) have argued that credibility empirically has an effect on choice. Furthermore, Alhidari (2014), in his research, found that individual trust in a charitable organization has a direct impact on behavioural intentions (i.e. channelling donations through the organization). The findings of this study indicate that public trust in zakat management institutions in terms of:

- experience in managing zakat funds;
- being able to improve community welfare;
- managing empowerment programs;
- working in accordance with applicable laws;
- providing the best services; and
- transparency in fund management, can encourage people to pay zakat to the official zakat institution.

Furthermore, it relates to the role of information as a moderating variable. Information has an important role to strengthen the influence of credibility on the zakat paying behaviour. Someone who knows about the legal entity status of the zakat management institution, information about what is done by the zakat management institution, the proclaimed programs, the report on program implementation and the financial statements of the use of

zakat funds, will make people trust the zakat management institution as an option to pay zakat. This will have an impact on the willingness of the community to pay zakat to the official zakat institution periodically without coercion as a form of obedience to Allah. In this regard, the zakat management institution should periodically provide information to the public regarding the explanation above.

4.4.3 Influence of religious leaders. Related to the influence of religious leaders on the zakat paying behaviour from the test results (both regression testing by including moderating variables or not including moderation variables) shows that the role of religious leaders variable is removed from the model or does not affect the behaviour of the community in paying zakat. It is possible that religious leaders have encouraged and enlightened the community to pay zakat, but they have not specifically recommended paying zakat through official zakat institutions such as LAZ or BAZNAS. The community pays zakat, but please note that some of them pay zakat through official zakat institutions, while some do not.

5. Conclusion, limitation and future research

This research has tried to develop a model of people's behaviour in paying zakat. Based on the results of the analysis and discussion in the previous section relating to the behaviour of the community in paying zakat, it can be concluded that to shape zakat paying behaviour (in the absence of government regulations relating to the obligation to pay zakat), two things are needed:

(1) increase public understanding regarding zakat law; and

(2) strengthen the credibility of zakat management institutions (LAZ and BAZNAS) accompanied by providing complete information to the community regarding the existence and what has been done (activity report) and what will be done by zakat management agency (work program).

Based on these findings, to increase the target of collecting zakat funds from the community nationally, it is needed to:

• Provide broader education to the public especially about the kinds of treasures that is paid as zakat, zakat becomes as an instrument of community empowerment, zakat can help economic growth, and the function of zakat receiving institutions (LAZ) and national zakat board (BAZNAS).

• Build credibility through transparency to eliminate the community's doubts towards the zakat management institution.

• Strengthen the flow of information about the zakat management institution (what has been done and what will be done) to be conveyed to the community.

It is well recognised that this study still has limitations; this study still discusses the behaviour of paying zakat for zakat mal in general and has not specifically discussed the various types of zakat paid, such as commercial zakat, agricultural zakat and professional zakat (which is currently widely discussed in Indonesia). Therefore for future research it can be done more specifically to determine the behaviour of paying zakat based on the type of zakat as stated.

References

Alhidari, I.S. (2014), *Investigating Individuals' Monetary Donation Behaviour in Saudi Arabia*, Cardiff University.

Al-Kaaf, A.Z. (2002), *Economics in an Islamic Perspective*, CV. Pustka Setia, Bandung.

Al-Qardawi, A.Y. (2006), *Economic Security in Islam*, Islamic Book Service, New Delhi.

Al-Qardhawi, Y. (2004), *Islamic Knowledge System*, Restu Ilahi, Jakarta.

Al-Quránulkarim (2010), *Miracle the Refference*, Sygma Publishing, Bandung.

Azman, F.M.N. and Bidin, Z. (2015), "Factors influencing zakat compliance behavior on saving", *International Journal of Business and Social Research*, Vol. 5 No. 1, pp. 118-128.

Az-Zuhaili, W. (2013), *Ensklopedia Akhlak Muslim*, Noura Books (PTMizan Publika), Jakarta.

Erdem, T. and Swait, J. (2004), "Brand credibility, brand consideration, and choice", *Journal of Consumer Research*, Vol. 31 No. 1, pp. 191-198.

Erdem, T., Swait, J. and Valenzuela, A. (2006), "Brands as signals: a cross-country validation study", *Journal of Marketing*, Vol. 70 No. 1, pp. 34-49.

Espejel, J., Fandos, C. and Flavián, C. (2009), "The influence of consumer degree of knowledge on consumer behavior: the case of Spanish olive oil", *Journal of Food Products Marketing*, Vol. 15 No. 1, pp. 15-37.

Fabrigar, L.R., Petty, R.E., Smith, S.M. and Crites, S. (2006), "Understanding knowledge effects on attitude–behavior consistency: the role of relevance, complexity, and amount of knowledge", *Journal of Personality and Social Psychology*, Vol. 90 No. 4, pp. 556-577.

Goodarzi, P., Aghayan, H.R., Larijani, B., Rafiee, A.B., Falahzadeh, K., Sahebjam, M., Ghaderi, F. and Arjmand, B. (2015), "Tissue and organ donation and transplantation in Iran", *Cell and Tissue Banking*, Vol. 16 No. 2, pp. 295-301.

Hafidhuddin, D. (2002), *Zakat in Modern Economic*, Gema Insani, Jakarta.

Halim, M.N.A. (2001), *Why Is Zakat Regulated*, M2S, Bandung.

Hayashi, M., Masuda, S. and Kimura, H. (2015), "Key information providers, channels, and characteristics of Japanese consumers' informed choices of over-the-counter medications", *SpringerPlus*, Vol. 4 No. 1, pp. 1-11.

Himmelsbach, E. Allen, A. and Fancas, M. (2014), "Study on the impact of food information on consumers' decision making", available at: https://ec.europa.eu/food/sites/food/files/safety/docs/labelling_legislation_study_food-info-vs-cons-decision_2014.pdf

Kasyani, F. (2014), *Islamic Ethics towards Self Evolution*, Sadra Press, Jakarta.

Khamis, M.R. and Yahya, N. (2015), "Does law enforcement influence compliance behaviour of business zakat among SMEs? An evidence via Rasch measurement model", *Global Journal Al Thaqafah*, Vol. 5 No. 1, pp. 19-32.

Kivetz, R. and Simonson, T. (2000), "The effect of incomplete information on consumer choice", *Journal of Marketing Reseach*, Vol. 37 No. 4, pp. 427-448.

Liviu, C. and Georgeta-Mdlina, M. (2019), "The role of advertising in the purchase decision process", available at: http://steconomiceuoradea.ro/anale/volume/2008/v4-management-marketing/163.pdf

Nafis, C. (2015), "Optimalisasi peran tokoh agama", Republika, Monday 12 October, available at: https://republika.co.id/berita/koran/opini-koran/15/10/12/nw3kwh9-optimalisasi-peran-tokoh-agama

O'Rourko, D. and Ringer, A. (2015), "The impact of sustainability information on consumer decision making", *Journal of Industrial Ecology*, pp. 1-11.

Quraishi, M.A. (1999), "The institution of zakat and its economic impact on society", *Proceedings of the Second Harvard University Forum on Islamic Finance: Islamic Finance into the 21st Century*, Center for Middle Eastern Studies, Harvard University, Cambridge, MA, available at: http://ifp.law.harvard.edu/login/contact

Qutb, S. (2000), *Social Justice in Islam*, Islamic Book Trust, Petaling Jaya.

Roberto, C.A., Larsen, P.D., Henry Agnew, H., Baik, J. and Brownell, K. (2010), "Evaluating the impact of menu labelingon foodchoices and intake", *American Journal of Public Health*, Vol. 100 No. 2, pp. 312-318.

Sheeraz, M., Iqbal, N. and Ahmed, N. (2012), "Impact of brand credibility and consumer values on consumer purchase intentions in Pakistan", *International Journal of Academic Research in Business and Social Sciences*, Vol. 2 No. 8, pp. 1-10.

Sulaiman, T.A. (1985), *Overcoming the Economic Crisis according to Islam*, PT. Al-Ma'arif, Bandung.

Toni-Ubari, T.K. and Inusa, B.P. (2009), "The role of religious leaders and faith organisations in haemoglobinopathies: a review", *BMC Blood Disorders*, Vol. 9 No. 6, pp. 1-8.

USAID (2009), "The role of religious leaders and communities in development efforts in Asia and the Middle east", available at: df.usaid.gov/pdf_docs/Pdacp350.pdf

Widiyanto, W. (2017), "An exploratory study on understanding and awareness of paying zakat", in Abdul Ghafar I. and Rose A. (Eds), *Proceedings 5th Asean's International Conference on Islamic Finance*, 1st ed., UNISSA Press, Gadong Brunei, pp. 467-482.

Wohldmann, E. (2013), "Examining the relationship between knowing and doing: training for improving food choices", *The American Journal of Psychology)*, Vol. 126 No. 4, pp. 449-458.

Corresponding author

Widiyanto bin Mislan Cokrohadisumarto can be contacted at: widiyantopunt@hotmail.com