

CAN ACCOUNTABILITY INCREASE THE CONFIDENCE OF ZAKAT PAYERS?

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Abstract	<p><i>This study aims to see the influence of accountability in zakat institutions on the trust of zakat payers. Does it have a significant impact on the trust of zakat payers in Malaysia or not? This study is qualitative, using documentation and observation methods. Findings show that governance effectiveness, reporting transparency, and efficiency in the context of collection and distribution influence the increase in the trust of zakat payers. Thus, the study can provide input and indirectly increase trust and satisfaction among stakeholders. This study can also be a reference for the academy and researchers in the future in improving accountability in an organisation or governance.</i></p> <p>Keywords: <i>Accountability, Integrity, Beliefs, Zakat Institutions, Malaysia</i></p>
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INTRODUCTION

Accountability is one of the main requirements in good governance (UNESCAP, 2008). From a conventional point of view, it is an important element for social well-being in a country and is considered an important pillar from a community perspective. As stated by Adeyeye and Otusanya (2015) & Cartens (2005), where the most important factors affecting tax compliance are government accountability, transparency and the reduction of corruption activities in the governance of a country. With transparency and integrity among leaders, it is able to increase compliance and the trust of the community or stakeholders. Aspects of service provision are also evaluated by the community. Here, the community will make decisions that include service transparency, the principle of justice, the guarantee of enforcement laws, human rights and the development of the service to users (Bird et al., 2008; Feld & Frey, 2007; Luttmer & Singhal, 2014).

From an Islamic perspective, accountability is comprehensive (Roszaini & Mohammad Abdullah, 2011) because it involves the participation of various stakeholders, namely accountability to Allah SWT, and also the community (Abdullah et al., 2018; Shahul Hameed, 2000). In the context of zakat institutions, accountability means the institution's responsibility to carry out the tasks entrusted to it. As a large trustee institution, the concept of accountability is considered and evaluated, especially from the aspect of zakat distribution so that it can be channeled to the eight designated categories of *asnaf*.

Zakat institutions are non-profit organizations established to manage the collection and distribution of zakat funds (Noor Fadzilah et al., 2016). In addition to being the observation of stakeholders, it is also a major contributor in improving the socio-economic status of the country as well as eliminating the poverty gap, especially among the Muslim community (Patmawati, 2008). Recently, many studies have involved trust in the institution

of zakat, but from the aspect of behavior and internal motivation (Hafizah, 2017; Muhammad Ridhwan & Nur Aqilah Hazirah, 2020). Similarly, studies from the aspect of performance are always carried out by researchers because the need is very significant for Muslims (Noor Fadzilah et al., 2016; Nur Mohamad, 2017) and also an emphasis on the disclosure of financial information to ensure accountability (Hairunnizam et al., 2018; Mohd Fadhli & Hairunnizam, 2018; Mohd Fairuz et al., 2016; Norfaiezah et al., 2020a). This clearly shows that society needs good accountability from zakat institutions to evaluate its performance. Through evaluation, the community can determine their satisfaction and trust in zakat institutions.

Only a few studies are related to the accountability of zakat institutions, especially in Malaysia. However, it is widely practiced in Indonesia (Amelia & Indri, 2020; Ika Kartika, 2020; Wahyu Adji & Evony Silvino, 2020). Therefore, this paper attempts to explore the ability of accountability to influence the trust of stakeholders. This is intended as a reference and further study by researchers in the future related to zakat.

LITERATURE REVIEW

According to Ummulkhayr, Musa Yusuf, & Rafidah (2017), the absence of government or institutional support affects ignorance and attitudes towards non-compliance with zakat. This view is also supported by Mohd Asri et al. (2017) where the level of understanding and attitude has a positive effect on the intention to pay zakat.

Nafillan et al. (2019) & Noraini and Nor Suhaily (2021) stated that accountability is seen from the effectiveness of corporate governance policies, not financial information alone. Corporate governance as a mediating variable to compliance through payers' trust in zakat institutions.

Meanwhile, Hasan et al. (2019) found that the strength of the zakat payer's intention to pay zakat is influenced by the zakat institution's reputation, transparency, religiosity and trust. This view is supported by Widiyanto et al. (2020), where the reliability of management and understanding the concept of zakat is an important role in shaping the behavior of zakat payers. Rini et al. (2021) emphasized that the most important measure of accountability is financial statements followed by other factors such as performance, government, public information, compliance and involvement. Euis (2019) said the transparency factor is the most important contributor in determining good governance followed by other factors such as accountability, responsibility and independence. Saunah et al. (2014) stated that disclosure of financial statements as an important instrument in implementing accountability. Many previous studies looked at the aspect of accountability influencing the behavior of zakat payers and subsequently influencing trust.

METHODOLOGY

This study uses a qualitative approach with documentation and survey methods to obtain information related to the discussion topic. The main reference sources are taken from scientific articles, scopus-level journals, web of science and indexed, annual reports and information on websites. Then, the information obtained is mapped according to themes that coincide with the objectives of the study and analyzed conceptually using inductive methods.

RESULTS AND FINDINGS

From previous studies, the researcher classified into several instruments that prove accountability affects trust as follows:

Governance Effectiveness

As stated by UNESCAP (2008), governance is a process of making decisions and then implementing them. According to UNDP (1998) and Huther & Anwar (1998), governance refers to the exercise of economic, political and administrative power in the management of a country's resources. This shows the importance of the role of governance in ensuring that

each management and administration operates efficiently and is not influenced by negative elements whether involving superiors or subordinates.

Therefore, it cannot be denied that the institution of zakat as a trustee body of large funds is in line with the role of governance. Accountability aspects are observed by stakeholders, as stated by Zulfikar and Rusdianto (2018). Accountability can increase public trust in the ability of zakat institutions if they know how the institution manages funds. Moreover, it is an important key to maintain the stability of the organization (Connolly & Kelly, 2011).

Information related to resources obtained, their use in the production of goods and services, meeting standards, program measurements in achieving the objectives that have been set and methods of measuring public satisfaction with the services provided by the government are important factors towards accountability (Suhaiza & Nur Barizah, 2011). Likewise, Nurlinda and Zuhirsyan (2019) found that, in general, accountability for zakat and almsgiving management is still poor. This can lead to fraud and subsequently the level of trust among zakat payers decreases. This proves that accountability for the effectiveness of governance is important to increase trust among payers or stakeholders.

Reporting Transparency

Next, accountability is seen in terms of practices and the transparency of information reported to stakeholders. In order to illustrate accountability in zakat institutions, the disclosure of reporting information in line with Maqasid Shariah can be used in safeguarding the interests of religion and humanity as a whole. The exposure can be categorized according to the level of *daruriyyat*, *hajiyyat* and *tahsiniyyat* (Mohd Fairuz et al., 2016).

This information needs to be conveyed and displayed to prove ethics in every behavior without protection. According to Noor Fadzilah et al. (2016), Norfaiezah et al. (2020a) and Norfaiezah & Norazita Marina (2020b), detailed income and expenditure statements should be disclosed in the performance reporting for the knowledge of stakeholders. This proves the accountability and efficiency of the zakat institution.

The transparency of reporting proves that every organization carries out its duties with full trust and integrity without any distortions and biases between stakeholders. Thus, this practice is important and can increase trust, indirectly compliance can be increased among payers.

Efficiency in the context of Collection and Distribution

In addition to the quality of governance and reporting transparency, accountability is also seen from the perspective of collection and distribution efficiency. Both of these aspects need to be improved and proven with detailed reports so that they can be seen clearly by stakeholders. This is in line with the views of Raedah et al. (2017), where collection and distribution of zakat must be reported in detail in the annual report. Not only financial information, but non-financial information is also proposed for disclosure to address accountability issues in zakat institutions. At the same time, the measurement indicators of zakat distribution need to be seen from the perspective of input, output and also the results obtained from the distribution to identify the effectiveness and achievement of *asnaf* (Naimah et al., 2021). With this, stakeholders will be more confident in the accountability shown and increase trust indirectly.

CONCLUSION

Accountability plays an important role in increasing the trust of zakat payers or stakeholders. Every action and activity needs to be proven and demonstrated to see the operational capability of an organization. This proves the success and excellence of an organization without any deviation either on the part of superiors or subordinates. Therefore, all parties need to play a role in demonstrating their accountability to stakeholders. This can increase trust in their institutions. To strengthen trust and

confidence among stakeholders, this study needs to be developed by future researchers to identify the importance of accountability in an institution, especially zakat institutions.

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