THE ROLE OF ZAKAT LITERACY AND SERVICE QUALITY ON MUZAKKI TRUST

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Abstract

This research aims to determine the level of financial literacy, especially zakat among Muzakki, as well as a summary of the level of Muzakki trust in the accountability of Zakat management institutions in Palopo City. Data was collected using a purposive sampling method with an online survey approach. 115 Muzakki participated in the research and Structural Equation Modeling (SEM) was used to analyze the data and test the hypothesis. This research found that financial literacy, especially regarding Zakat, has a positive and significant effect on the trust and accountability of Zakat Management Institutions. On the other hand, the service quality of Zakat Management Institutions does not have a positive effect on trust and accountability. Furthermore, the accountability of Zakat Fund managers influences Muzakki's trust in Zakat Management Institutions. This proves that financial literacy increases people's awareness of paying zakat.

Keywords: Financial literacy; Service quality; Accountability; Trust; SEM

1. Introduction

Developing countries are not free from the problem of poverty. Poverty in developing countries is one of the main problems that must be addressed by the government. High levels of poverty in developing countries have various social and economic consequences. Fighting poverty in developing countries is not easy (Alvin & Hukom 2023). Developing countries are not the only countries that face problems of income inequality and poverty, and developed countries are also not free from these problems. The difference lies in the level of inequality and poverty that exists and the difficulty of overcoming it, which depends on the size and population of the country. The higher the poverty, the more difficult it is to overcome it.

Indonesia is a developing country that has a relatively high level of poverty. Based on information from statistical agencies, the poverty rate in Indonesia is 14.16 million people in March 2023. The problem of poverty is a complex and multidimensional problem. even though the government has implemented many poverty alleviation programs in Indonesia. The problem of poverty or a bad economy will have a big impact on people's lives. The rampant unemployment and poverty have resulted in crime rates continuing to increase. This has become one of the government's concerns in providing solutions that can alleviate the problem of poverty.

As we know, Indonesia is a country with a majority Muslim population, so it has the potential for large zakat fund revenues. Zakat is the third pillar of Islam. As a pillar of Islam, Zakat is an obligation for all Muslims who are able to pay it and is intended for those who have the right to receive it. Therefore, every Muslim who can afford it is obliged to pay zakat according to the provisions in force in Islamic Sharia. The implementation of zakat is not only an abortive obligation for Muslims to fulfill their religious obligations, but is also a form of Islamic sharia policy which has an important role in society, namely eliminating economic disparities or inequalities that exist in society (Hakim & Amalia 2023). However, current zakat funds have not been able to eradicate poverty, one of which is due to the low level of zakat literacy so that there are still Muslims who have not paid zakat, especially the maal type of zakat and zakat funds have not been managed properly. Ghofur (2018) also stated that there are many factors that influence Muslims in paying zakat, one of which is that the level of public trust in existing zakat amil institutions is still low. This low level of trust can cause muzakki to prefer distributing zakat themselves because they can verify the recipient directly. However, this makes it possible for zakat recipients to receive double zakat from other muzakki.

When making zakat payments, this can be done through a zakat management institution or agency. Zakat management in Indonesia has entered a new phase since the government officially enacted Law No. 23 of 2011 concerning Zakat Management which revoked Law No. 38 of 1999 because it was deemed no longer in accordance with current developments and legal needs in society. Law No. 38 of 1999 is considered not to provide a national zakat institutional regulatory framework for good governance. Zakat institutions in Indonesia are divided into two categories, namely government-owned zakat institutions and community-owned zakat institutions. The government-owned zakat institution is the National Amil Zakat Agency (BAZNAS) which is tasked with collecting and distributing philanthropic funds from and to Indonesian Muslims as well as accommodating private zakat management institutions. Private zakat institutions are further divided into several classifications, namely national, regional and regional zakat institutions. Community-owned zakat institutions are experiencing very rapid growth (Permana & Syam 2023) both in quantity, namely in increasing numbers and variety, as well as in quality. As the number of institutions or institutions managing zakat increases, Muslims will choose the right place to pay their zakat. Every zakat management institution or agency has differences, both in terms of service quality and accountability.

The potential for zakat in Indonesia, which has a Muslim population of 87%, is fantastic. A study conducted by IPB and Baznas in 2011 revealed that the potential for zakat in Indonesia reached IDR 217 trillion. However, the total zakat collected by all zakat institutions in Indonesia is still less than IDR 2 trillion. In a different study, PIRAC (Public Interest Research and Advocacy Center) identified that the potential for zakat could reach IDR 4.3 trillion. In the latest research carried out by the Culture and

Language Center of UIN Syarif Hidayatullah in Jakarta, it was revealed that this potential reaches IDR 19.3 trillion (Kahar Muzakir 2023). These data show that good management of zakat funds by zakat management institutions or institutions can be one solution to reducing poverty in Indonesia.

2. Literature Review
2.1 Zakat Literacy

Literacy is the entire ability to identify, interpret, understand, create, communicate, calculate, and use printed and written materials related to various contexts that enable individuals to achieve goals, develop knowledge and potential, and participate fully in society in general" (Sevima , 2020). Zakat literacy is also understood as a person's ability to read, understand, calculate and access information regarding zakat which will ultimately bring greater awareness in paying zakat. Understanding Zakat motivates people to pay Zakat and the intention to pay Zakat influences the realization of Zakat income. You must be able to read and write to achieve your goals, expand your knowledge and possibilities, and participate actively in social life (Ulfa, 2023).

Zakat is from the Arabic word Ziyadah, which means "to increase". Every Muslim is required by Allah SWT. To spend part of his assets according to the provisions stipulated in the Al-Qur'an and As-Sunnah, both in terms of conditions and amount. Calculation of the amount and assets that must be released according to the terms and conditions (Ningsih & Fitriah, 2022). Zakat can be divided into two types, namely zakat nafs (zakat of the soul) and zakat mal (zakat of assets). Zakat nafs (soul) or better known as zakat fitrah (zakat al-fitr) is zakat that is required of every soul of both Muslim men and women which is carried out in the month of Ramadan. Meanwhile, Zakat mal (wealth) is a portion of a person's wealth (including legal entities) which must be distributed to a certain group of people after having owned it for a certain period of time and in a certain amount or minimum. Zakat on Plants and Fruits, Zakat on Plants and Fruits is based on the principle that Zakat is levied on all types of plants that have economic value. Therefore, there are many plants in Indonesia that are required to pay zakat. These types of plants include: grains, fruits, vegetables, etc. (Dimyati, 2017). Apart from that, Allah SWT said as follows:

خُذْ مِنْ أَمْوَٰلِهِمْ صَدَقَةً تُطَهِّرُهُمْ وَتُزَكِّيهِم بِهَا وَصَلِّ عَلَيْهِمْ ۖ إِنَّ صَلَوٰتَكَ سَكَنٌ لَّهُمْ ۗ وَٱللَّهُ سَمِيعٌ عَلِيمٌ

Which means: Take zakat from some of their wealth, with that zakat you cleanse and purify them and pray for them. Indeed, your prayer is (becomes) peace of mind for them. And Allah is All-Hearing, All-Knowing. (Q.S. At-Taubah 9:103)

2.2 Service quality

Service is an activity carried out by individuals or groups to provide satisfaction to service recipients. Services become routine and continuous, covering the lives of the entire community. Service is essentially the activity of a person, group, or institution aimed directly or indirectly at fulfilling a need according to (Saputra, 2018). Service is a process of fulfilling needs through the activities of other people directly. Standards in service are measurements that have been determined to become a standard of good service. In service standards there are also service quality standards. Quality is a dynamic condition related to products, services, people, processes and environments that meet or exceed the expectations of those who want it

Service quality is a dynamic condition that has a relationship with products, people, services, processes and the environment where quality assessments are determined when the community service occurs (Langingi et al., 2018). Service quality is considered quite important in an institution/company. To attract Muzaki's attention, zakat management institutions must provide, maintain and improve services to Muzaki. (Amalia and Widiastuti, 2020).

Accountability

In general, accountability refers to the obligation to provide explanations to parties who have the right or authority to request information or accountability, or to account for the performance or actions of a person or organization. Meanwhile, according to Tomo in his book, accountability means that every leader and worker in every work unit is able to openly show their responsibility for a job, both in the form of programs, finances and institutional mechanisms implemented (Riyanto & Tesmanto, 2023).

In an Islamic perspective, accountability is a form of human responsibility to Allah SWT as the caliph or representative of Allah on earth. Because everything entrusted to Allah is a trust, and every human being is responsible for their own actions. Accountability from an Islamic perspective, according to Abdussalam Mohammed Abu Tapanjeh in research (Grahesti et al., 2023), there are several indicators of implementation, including: a.) All activities must pay attention to and prioritize the benefit of the people. b.) Carrying out institutional activities fairly. c.) The activities of the institution do not damage the environment.

2.3 Trust in zakat management institutions

Trust is a hope, also a person's belief in the honesty, kindness, etc. of other people. In terms of trust, trust is defined as the attitude someone shows when they feel they understand the truth and come to the conclusion that they have arrived at the truth. (Maulida & Anshor, 2022). Trust in zakat institutions is defined as muzzaki's willingness to rely on zakat management institutions to distribute zakat funds to people who are entitled to receive zakat (mustahik) zakat because muzzaki believe that these institutions are professional, trustworthy and transparent. Muzakki's trust can be seen from how a muzakki will continue to pay zakat directly to mustahiq (Putra & Deviani, 2023). Building a sense of trust in the long-term relationship between the institution and muzakki is an important factor for the sustainability of the institution and is a benchmark for institutional loyalty. So it can be concluded that trust is a positive hope, as well as an assumption or belief held and directed by someone towards another person that that person will behave as expected and required.

3. Material and Method
3.1 Questionnaire design

This research uses a quantitative approach in collecting information, and data uses an online survey method or distributing questionnaires. According to Sugiyono (2014) the survey method is used in research that uses questionnaires as a research tool in large and small populations. The data obtained corresponds to a sample determined from an existing population, so that relative, distributive events and relationships between variables can be found (Viphindrartin et al., 2021). As an initial stage in the process of preparing the research instrument, the author conducted a pretest on 10 muzakki in Palopo City with the aim of testing potential participants' understanding of the contents of the revised questionnaire. The data source in this research was obtained through primary data, to get a score from each respondent's answer. Apart from that, this pretest can also help the author avoid potential bias and misunderstandings from participants. The next trial is to carry out a pilot test before the questionnaire is officially distributed to the public. The purpose of the pilot test is to identify various respondent responses related to the statements in the pretest.

3.2 Population and Sample

The population in this study was muzakki. The sampling technique used was purposeful sampling with a total sample of 115 respondents came from the city of palopo. Data collection was carried out online using Google Form. Control of respondent data is anonymous and statements for all constructs are random to avoid bias and increase validity.

3.3 Measurement

The items used during the measurement are listed in the respondent demographics appendix, including gender, age, education level. The questionnaire includes five five-point Likert scales anchored from 1 ("strongly disagree") to 5 ("strongly agree") for all scale items.

3.4 Data analysis

The statistical software programs used in analyzing the data were AMOS 22 and SPSS 22. Structural Equation Modeling (SEM) was used to test the proposed model and research hypotheses. The main benefit of using SEM is that it can analyze different factors and regressions to test the model so that all path coefficients can be estimated simultaneously. There are three method features provided by SEM. First, it is used to determine the causal effects of observed variables, and the structural relationships between variables

allow a clear description of the theory studied in this research. The comprehensive hypothesized model was used to validate all variables to determine consistency with the investigation. Both descriptive analyzes use valid frequency distributions. Third, CMV common method variance) has been adopted as an anticipatory and post-detection procedure.

4. Result and Discussion
4.1 Measurement Model
The results of the CFA model for the observed variables have a good match. Model fit and Cronbach's for all constructs showed excellent convergent validity and reliability for all measurement items of the constructs. Fit statistics (N = 350)
$\chi2$/df = 2.854, Ggoodness-of-FitIndex(GFI) = 0.829,Nnormalized fit index(NFI)= 0.744,CcomparativeFitIndex (CFI) = 0.815,Iincremental fit index(IFI)= 0.818,andRootmeanSquareEerror ofApproximation (RMSEA) = 0.080.Furthermore, the results of the measurement model (CFA) show that all constructs have a good fit (Hair Jr et al., 2019). Table III. Demonstrates adequate discriminant validity of this study.

Table I. Measurement results

Constructs	MLEeestimatesfactorsloading/measurementeerror	Squared mmultiplecorrelation (SMC)	Compositerreliability (CR)	Average ofvArianceextracted (AVE)	Cronbach'sα
Zakat Literacy			0.733	0.315	0.561
X1.1	0.533 0.716	0.284			
X1.2	0.615 0.622	0.378			
X1.3	0.608 0.630	0.370			
X1.4	0.531 0.718	0.282			
X1.5	0.538 0.711	0.289			
X1.6	0.536 0.713	0.287			
Service quality			0.692	0.373	0.611
X2.1	0.506 0.744	0.256			
X2.2	0.441 0.806	0.194			
X2.3	0.605 0.634	0.366			
X2.4	0.823 0.323	0.677			
Accountability			0.766	0.453	0.673
X3.1	0.803 0.355	0.645			
X3.2	0.655 0.571	0.429			
X3.3	0.607 0.632	0.368			
X3.4	0.609 0.629	0.371			
Trust in Zakat Management Institutions			0.804	0.507	0.712
Y1	0.696 0.516	0.484			
Y2	0.724 0.476	0.524			
Y3	0.645 0.584	0.416			
Y4	0.776 0.398	0.602			

Source: Data processed by researchers (2023)

4.2 Structural Model

Figure I. Proposed model results

Causality analysis was carried out to determine the relationship between variables in the research. In this research, it is hoped that through causality testing, the influence that occurs between exogenous variables and endogenous variables can be determined. Apart from the relationship between variables, this research also examined the mediation relationship. The results of the hypothesis test are shown in the following image.

Zakat literacy has a big and positive effect on accountability ($\gamma_{11}=0.263$, $p<0.0001$), and service quality has no positive effect on accountability ($\gamma_{21}=0.263$, $p<0.001$) so that H1 and H2 are accepted. And accountability has a positive effect on Trust in zakat management institutions($\beta_{21}=0.384$, $p<0.001$), H3 is accepted.

Figure 1. Proposed model results
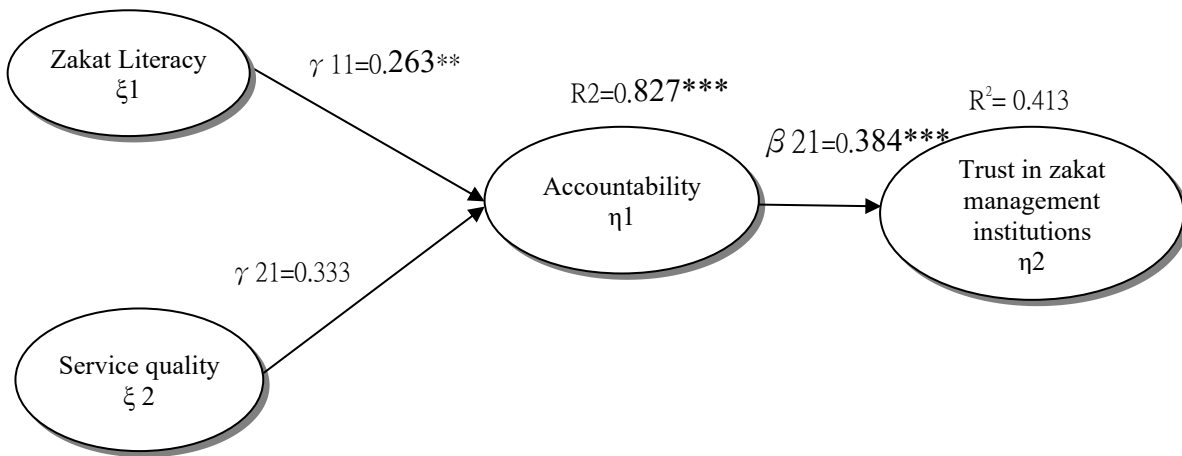
From the picture above, we can illustrate that there are variables that are related but there are also those that are not related. First, it can be seen that zakat literacy has a positive effect on accountability. Why is this because muzakki who have good zakat literacy will be moved to pay zakat if the zakat management institution has a good accountability report. Because good literacy mastery will also have an impact on a person's ability to think critically and analyze, be able to solve problems well, be able to communicate effectively and efficiently, be able to develop existing potential and will be moved to actively participate in reading, writing or other literacy activities. other.

If it is related to accountability, every institution must have an accountability report that is in accordance with applicable regulations. Zakat Management Institutions are institutions that have the task of not only collecting but also utilizing zakat funds from various muzakki which can then be handed over to people who are entitled to receive them or mustahiq. One of these tasks causes the Zakat Management Institution to be held accountable. Service quality does not have a positive effect on accountability. Why is that, because service quality is the result of an evaluation process where customers will compare their perceptions of the services provided by zakat management institutions that are fast, precise and accurate to muzakki.

Apart from that, the quality of service is more related to the attitude or treatment given to muzakki, such as being friendly and polite or making it easy for muzakki to make zakat payments so that this provides comfort for muzakki in distributing their zakat. Meanwhile, as we know, accountability is a form of accountability for the management of zakat funds and shows the achievement of program results that have been implemented. Accountability has a big and positive influence on trust in zakat management institutions. Why is that, as we know, the better the accountability report of a zakata management institution, the greater the muzakki's trust in that institution, whereas if the accountability report is not in accordance with the truth, it will reduce the muzakki's level of trust.

This is in accordance with agency theory which explains that the relationship between accountability and muzakki's belief is that accountability is an obligation on the part of the trustee (agent) to provide accountability, present, report and disclose all activities and activities which are his or her responsibility to

the party giving the trust (principal) who has the right and authority to hold him accountable. Therefore, if the zakat management institution is able to carry out its responsibilities over the authority that has been determined, it will make muzakki feel satisfied with the performance of the zakat management institution and increase and will continue to trust the zakat management institution in distributing zakat.

5. Conclusion, Implication, and Recommendation

The results of this research found that zakat literacy, service quality, accountability influence muzakki's trust in zakat management institutions and increase muzakki's interest in paying zakat to zakat management institutions. Zakat literacy has an important role in influencing people to pay zakat. This indicates that people who have a good understanding of zakat will definitely be influenced to pay zakat because as we know, zakat is a Muslim's obligation which must be paid and is the 3rd pillar of Islam. Good quality service will attract muzakki to pay. zakat because if the good service provided by the muzakki zakat management institution will make the process of paying zakat easier so that the muzakki will feel comfortable. Institutions that have good accountability will be more trusted by the public because if an institution's accountability report is submitted in accordance with the results of programs or fund distribution activities, it will increase trust in the institution so that muzakki will be influenced to pay zakat at the zakat management institution.

Just as humans were created far from perfect, so is this research. There are several limitations in this research, including (1) this research uses quantitative methods by collecting data online, so that future research can use qualitative or collect data directly. (2) this research only took samples from the community in the Palopo city area with a total of 115 respondents. so that future research can take samples from a wider community, (3) this research only uses a few variables, so that future research can add several more variables related to the research topic and current issues.

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7. Appendix
7.1 Zakat Literacy
1. Zakat is an obligation of a Muslim
2. I know the terms and conditions of zakat
3. I know the types of zakat and their differences
4. I know the nisab or amount of assets required for zakat.
5. I know when is the right time to pay zakat
6. I understand that zakat aims to cleanse wealth and souls and is beneficial for the economy

7.2 Service quality
1. I can easily access information about zakat
2. The zakat fund management organization has carried out outreach to the community
3. The zakat pick-up service makes it easy for muzakki to pay zakat
4. Zakat management organizations provide good services to muzakki

7.3 Accountability

1. The zakat fund management report is in accordance with the regulations.
2. The zakat fund management report shows the achievement of program results and activities effectively.
3. Organizational accountability reports are easy to understand, accessible and open to interested parties
4. Accountability reports are able to increase public trust in zakat management organizations

7.4 Trust in zakat management institutions
1. Management of zakat funds in zakat management organizations is in accordance with applicable regulations
2. Amil zakat has sufficient knowledge of good zakat
3. I believe in zakat management organizations
4. The zakat management organization explains all activities regarding the management of zakat funds to the public