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## An Escalation Model of Muzakki's Trust and Loyalty towards Payment of Zakat at BAZNAS Indonesia

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### Abstract

This study aims to analyze the effect of (a) sharia governance on transparency, muzakki's trust, and muzakki's loyalty in paying zakat to zakat management organizations, (b) trust and accountability on muzakki loyalty in paying zakat to zakat management organizations, (c) transparency, loyalty and accountability on the amount of zakat payments to zakat management organizations. This is explanatory research with data analysis techniques using the smartPLS method. The sample is 117 people who had paid zakat to BAZNAS, Indonesia. The results showed that the sharia governance variable had a significant effect on the accountability, transparency, and muzakki trust variables. The accountability variable has a significant effect on the muzakki loyalty variable and not on the zakat payment variable. The transparency variable has a significant effect on the muzakki loyalty variable and not on the zakat payment variable. The muzakki trust variable has a significant effect on the muzakki loyalty variable, and the loyalty variable has a significant effect on the zakat payment variable. This new model can explain the variables that affect the increase in trust and loyalty in increasing the amount of zakat payments. Muzakki's trust and loyalty improvement model against zakat payment in BAZNAS Indonesia, explains how BAZNAS organizers can increase zakat revenue, loyalty, trust, and good sharia governance.

**Keywords:** Sharia Governance, Zakat, Accountability, BAZNAS

**JEL Classification Code:** M41, M49, H11, L31, H83

### 1. Introduction

One way of overcoming poverty is the support of those who can spend their wealth in zakat funds to those in need. The basic purpose of zakat is to maintain economic balance in society so that the circulation of wealth continues from

rich to poor and never stays in one hand. In this way, we can overcome poverty and other social evils from our society. The issue of poverty has always been one of the main topics of discussion in various economic and social forums. Poverty remains an ingrained problem in Indonesia despite the country's success in cutting its poverty rate to a single-digit level for the first time in 2018. As of September 2018, Indonesia's poverty rate stood at 9.66 percent of the total population. This means that around 25 million people live below the poverty line. In Indonesia in 2019, 9.4% of the population lived below the national poverty or around 25.14 million people (Data from Central Bureau of Statistics (Badan Pusat Statistik (BPS))). In aggregate, these results showed a decrease of 0.41 percentage points compared to the previous year 2018. (Data Science, 2019).

In the Islamic perspective, ethical values are contained in the third pillar of Islam, which is paying zakat. Zakat is an obligation for Muslims (Ibrahim et al., 2020). Muslims pay Zakat as a divine obligation for devotional, spiritual, and social reasons. Zakat means cleanliness, purification, increase, growth, righteousness, blessing, and praise. It purifies is a psychological increase. Zakat purifies the

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heart, mind, and wealth of both the payers and receivers (Junaidi, 2015). Saleh et al. (2020) investigated the relationship and influence between religiosity, reward, and engagement in the public administration sector, both directly and causally via moderation. The results revealed that the direct combined effect of reward and religiosity has a positive and significant influence on the engagement. Auliyah and Basuki, (2021) identified the effects of ethical values reflected on zakat and CSR on the financial performance of Sharia banking in Indonesia. The result of the study showed that zakat disclosure significantly affected financial performance.

National Alms Agency (BAZNAS) chairman Bambang Sudibyo highlighted the significance of zakat for helping alleviate poverty and improve welfare. However, awareness in Indonesia is still low. He said the potential for national zakat in 2020 is Rp. 340 trillion, which has not been optimally captured. In 2018 the potential for zakat in Indonesia was 233 trillion rupiahs or 3 percent of Indonesia's GDP; however, zakat collection was only 8.2 trillion rupiahs or the equivalent of 3.4 percent of the national zakat potential in 2018. As a concrete step, in 2019, BAZNAS and LAZ in Indonesia are committed to reducing the poverty rate by 1 percent by 2020 (BAZNAS, 2020).

The distribution of zakat funds in 2018 was for Asnaf (beneficiaries - the poor) (63.3%), Fisabilillah (one who strives in the cause of Allah for the betterment of the community) (23.08%), Amil (one who is appointed to collect zakat and the expenses incurred in the administration of zakat) (11.34%), Ibnussabil (stranded travelers on a permissible journey) (0.96%), Gharimin (one who is in debt and needs assistance to meet his/her basic needs) (0.85%), converts (those who embrace Islam) (0.44%) and Riqob (human trafficking victims) (0.04%). The distribution is based on fields such as the economy (42%), education (20%), health (16%), social humanity (11%), and da'wah (the act of inviting or calling people to embrace Islam) (11%). The collection of zakat in 2018 amounted to 8.1 trillion, in 2019 amounted to 10.16 trillion and in 2020 amounted to 12.7 trillion. The distribution of zakat funds in 2018 amounted to 6.8 trillion, in 2019 amounted to 8.1 trillion and in 2020 amounted to 10 trillion. ACR performance in 2018 was 83.7%, 2019 was 79.7%, and in 2020 it was 78.8%. Based on ACR calculations for the last three years, it was concluded that BAZNAS's performance was in the effective category.

Ethical values are important for companies for long-term sustainability and gaining trust from the stakeholders (Rahman et al., 2014). Ethical values in Islamic teaching concerns social care. According to Islam, whatever leads to the welfare of the individual or society is morally good and whatever is injurious is morally bad. The ethical system prescribed in Islam is eternally divine and forms the foundation of an Islamic society. The social care concept is in line with the philanthropy concept. Quran suggests

the companies must be responsible socially by giving charity and taking care of people in need (Hasan, 2001). As one of the pillars of Islam, zakat is a form of obligatory charity that has the potential to ease the suffering of millions Islam teaches that zakat payment is obligatory on Muslim individuals and businesses for charity purposes; therefore, it can balance between the rich and the poor (Aribi & Gao, 2010). Zakat disclosure is mandatory for sharia-oriented companies through reports on fund sources and zakat fund distribution in the financial statements (Auliyah & Basuki, 2021). Sharia Statement of Financial Accounting Standard/PSAK Sharia No. 109 on Zakat and Alm/Infaq describes that zakat accounting should comply with sharia principles.

Roziq et al. (2020) explained that the optimization of zakat collection will be achieved if zakat management organizations are able to ward off doubts from muzakki regarding the quality of zakat management by enhancing transparency and accountability of their financial reports. Based on the description above, the authors took the initiative to research to analyze and prove the effect of (a) sharia governance on transparency, muzakki's trust, and muzakki's loyalty in paying zakat to zakat management organizations, (b) trust and accountability on muzakki loyalty in paying zakat to zakat management organizations, (c) transparency, loyalty and accountability on the amount of zakat payments to zakat management organizations.

This study is different from previous research conducted by Rahayu and Roziq (2018). The differences in research are the research subjects, some exogenous variables, intervening variables, and endogenous variables. At the same time, the similarity of the research is the data analysis technique using PLS.

## 2. Theoretical Review

### 2.1. Sharia Enterprise Theory

Sharia enterprise theory is an enterprise theory that has been internalized with Islamic values to produce a transcendental and more humanist theory. Triyuwono (2007) sought to formulate the added value of sharia as a consequence of the adoption of Shariah Enterprise Theory (SET) as the basis for Shariah accounting theory. Enterprise theory is a theory that recognizes accountability not only to company owners but to a wider group of stakeholders. Enterprise theory was then developed so that the theory was closer to sharia's concept, forming a theory known as Sharia enterprise theory. According to SET, the stakeholders of a company include God, humans, and nature, so that this research implies that the highest stakeholder is Allah as the center. Allah is the highest party and is the only purpose of human life. The consequence of establishing Allah as the highest stakeholder is sunnatullah as the basis for accounting

construction. This study raises the value of the Sufistic philosophy of the Unity of God and me as an analytical instrument. The results of this study indicated that the added value of sharia includes economic (monetary), mental and spiritual values. Economic added value is the added value that can be measured monetarily, while mental and spiritual values cannot be measured in this way. In a complete sense, the added value of the shariah includes all added values (economic, mental, spiritual) that are required, processed, and distributed in a halal manner.

SET's second stakeholder is human beings who are divided into two groups, namely direct-stakeholders and indirect-stakeholders. Direct-stakeholders are parties who directly contribute to the company, both in the form of financial and non-financial contributions. Indirect stakeholders are parties who do not contribute to the company either financially or non-financially, but in sharia, they are the parties who have the right to get welfare from the company. The final stakeholder group of SET is nature. Nature is the party that contributes to the company's life. Companies exist physically because they are founded on earth, use energy that is scattered in nature, produce raw materials from nature, provide services to other parties using the energy available in nature, etc.

## 2.2. Zakat Theory

The main objective of zakah is to achieve socio-economic justice. It is considered as an effective divine tool for the alleviation of poverty because Islam looks upon poverty as a religious and social problem since poverty pushes a person to lowliness, sin, and crime (Hasan, 2001). This means that the utilization of zakat managed by the Amil Zakat Board is limited to certain activities based on conventional orientations and can also be used for the people's economic activities such as poverty and unemployment alleviation programs by providing productive zakat to those who need it (as business capital). The strategic value of zakat can be seen through: First, zakat is a religious calling. It is a reflection of someone's faith. Second, the financial sources of zakat will never stop. This means that people who pay zakat will never run out, and those who have paid every year will continue to pay. Third, zakat can empirically erase social inequalities and, on the contrary, can create asset redistribution and equitable development.

Zakat plays an important role in reducing poverty and promotes equitable sharing of wealth. An active role by the wealthy Muslims can be vital in alleviating poverty besides the conventional microfinance, tax collection, and other mechanisms. With zakat funds, the poor will get a steady income, increase their business, develop their business, and they can set aside their income in the form of savings. Recipients of zakat funds have been benefitting from the

institutionalized system. Besides individual and household poverty alleviation, zakat funds can be used to promote infrastructural development, agriculture, and farming. The success of Zakat in reducing poverty depends on the methods used for distributing funds in a particular society. The use of zakat has been clearly defined in the sharia where zakat is only for Asnaf (beneficiaries - the poor), Fisabilillah (one who strives in the cause of Allah for the betterment of the community), Amil (one who is appointed to collect zakat and the expenses incurred in the administration of zakat), Ibnussabil (stranded travelers on a permissible journey), Gharimin (one who is in debt and needs assistance to meet his/her basic needs), converts (those who embrace Islam), and Riqob (human trafficking victims). Also, the accountability issue should be taken into consideration during the processes of fund collection, distribution, and promotion by individuals, mosques, government, and non-government organizations. Therefore, zakat will be more effective in alleviating poverty because the allocation of funds is certain and is more targeted. The only instrument that is directly related to the needs of the poor is the zakat. To find the huge potential of zakat, it should be used as an economic development instrument, especially in areas with a system to apply zakat extensively. This is because national development can rely on the central government and requires regional participation in optimizing its economic potential.

## 3. Methodology

This study uses a quantitative approach with explanatory research methods, namely research that explains the independent variable's influence (sharia governance, accountability, trust, transparency, loyalty) on the dependent variable (zakat payment). This study uses primary data (Sekaran, 2011) where information or data is obtained based on the views, responses, perceptions, or judgments of muzakki/zakat payers on the variables studied. Therefore, this research includes perceptual research (perception research) or opinion research (opinion research). The population in this study was all muzakki (zakat payer) at BAZNAS Indonesia in 2020. Sources of information used were all muzakki using the random sampling method. This study's data type is primary data in the form of explanations, responses, perceptions, and opinions of muzakki about sharia governance, accountability, trust, transparency, loyalty, and zakat payments. Respondents in this study were muzakki totaling 117 persons who had paid zakat to BAZNAS Indonesia.

Path analysis is used for hypothesis testing using Partial Least Squares (PLS) (Abdillah & Jogiyanto, 2015). Ghazali (2006) stated that the PLS regression is a technique that reduces the predictors to a smaller set of uncorrelated components and performs least squares regression on these



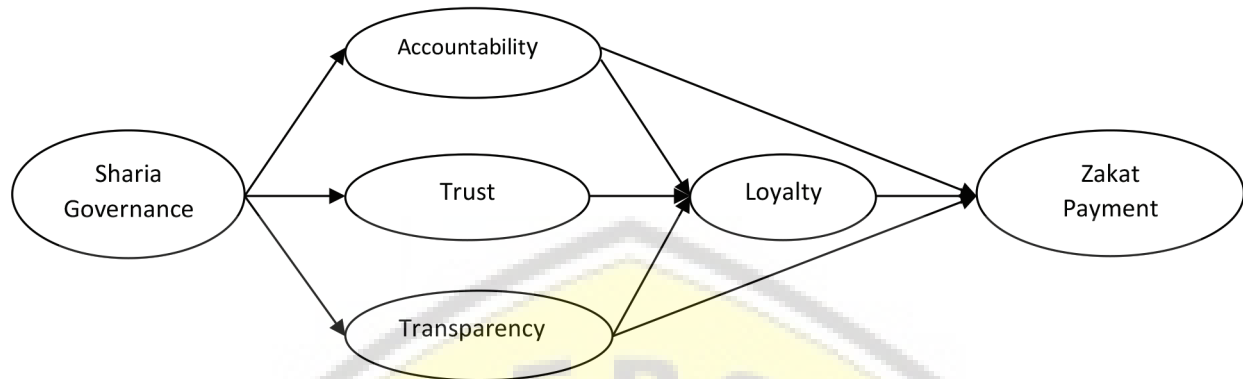


Figure 1: Research Conceptual Framework

components, instead of on the original data. Hypothesis testing is done by carrying out the following steps. First, the outer model with reflective indicators is evaluated based on its substantive content, namely by comparing the relative weights and seeing its significance. Second, the inner model is evaluated by looking at the percentage of variance described by looking at the  $R^2$  value for the endogenous construct (dependent latent construct) and seeing the structural path coefficient's ( $p$ -value) magnitude. A path coefficient indicates the direct effect of a variable assumed to be a cause on another variable assumed to be an effect.

#### 4. Results and Discussion

Analysis of study results is performed using the SmartPLS method. PLS does not assume a specific distribution for parameter estimation, so a parametric technique to test the parameters' significance is not needed (Ghozali, 2006). The PLS evaluation model is based on predictive measurements that have nonparametric properties. The measurement model or outer model with reflective indicators is evaluated with convergent and discriminant validity of the indicator block's indicators and composite reliability. The structural model or inner model is evaluated by looking at the percentage of variance, which is explained by looking at the  $R^2$  value for the dependent latent construct using the Stone-Geisser  $Q$  squares test measure and seeing its magnitude through the structural path coefficient. The stability of this estimate was evaluated using the  $t$ -statistical test obtained through the bootstrapping procedure.

##### 4.1. Measurement Model or Outer Model

The outer model or measurement model in this study was evaluated using the convergent validity test and discriminant validity of the indicator and the indicator block's composite

reliability. Each of the outer model tests is analyzed and described below.

##### *Convergent Validity*

Convergent validity states that tests having the same or similar constructs should be highly correlated. To establish convergent validity, you need to show that measures that should be related are in reality related, however, it should not correlate with dissimilar, unrelated ones. Convergent validity is sometimes claimed if the correlation coefficient is above 0.50, although it is usually recommended at above 0.70. Convergent validity of the measurement model with reflective indicators is assessed based on the correlation between the item score/component score with the construct score calculated by PLS. The individual reflective measure is high if it correlates more than 0.70 with the construct you want to measure (Gozali, 2006). The correlation output results between the indicators and their constructs are shown in Figure 2.

##### *Discriminant Validity*

Discriminant validity is the extent to which the constructs differ from one another empirically. The discriminant validity can be evaluated by using the cross-loading of the indicator. When a variable is found to have more than one significant loading (depending on the sample size) it is termed a cross-loading, which makes it troublesome to label all the factors which are sharing the same variable and thus hard to make those factors be distinct and represent separate concepts. The measurement model's discriminant validity with reflective indicators is assessed based on the construct's cross-loading measurement. If the construct correlation with the item of measure is greater than the other constructs' size, then this indicates that the latent constructs predict the size of their block better than the other blocks' size.

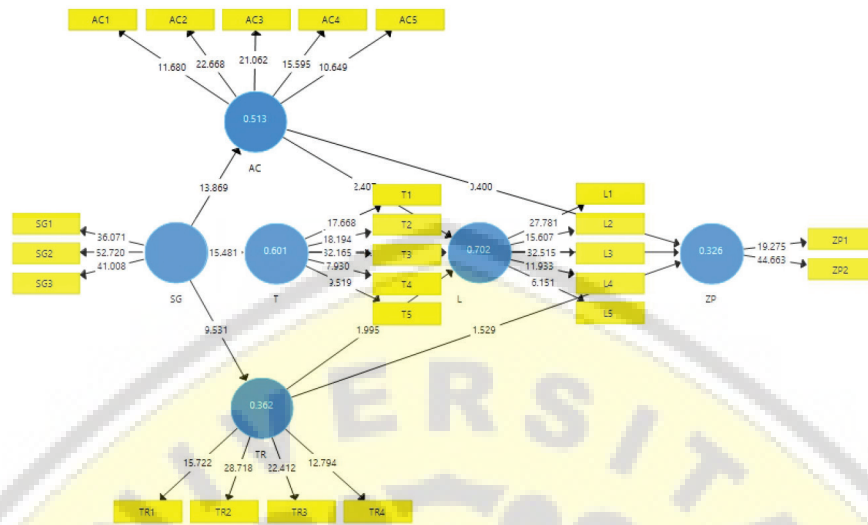


Figure 2: Graph SmartPLS Output

### Composite Reliability

The reliability test used in this study is composite reliability (pc). The research instrument to measure a variable has good composite reliability if it has composite reliability  $\geq$  of 0.7. The composite reliability of the measurement model with reflective indicators can be seen in Table 1 below:

### 4.2. Goodness-Fit Model Test

The goodness of fit test is a statistical hypothesis test to see how well sample data fit a distribution from a population with a normal distribution. Goodness-of-fit establishes the discrepancy between the observed values and those that would be expected of the model in a normal distribution case. Testing the structural model is carried out by looking at the Adjusted *R*-square value, the goodness-fit test model. From Table 2, it is known that the influence of sharia governance variable on the accountability variable provides an Adjusted *R*-square value of 0.508, which can be interpreted that the variability of sharia governance explains 50.8% of the accountability variability while other variables which are not part of the study explain 49.2% of the accountability variability.

The influence of the sharia governance variable on the transparency variable provides an Adjusted *R*-square value of 0.355, which can be interpreted that the variability of sharia governance explains 35.5% of the variability of transparency while other variables that are not part of the study explain 64.5%.

The influence of the sharia governance variable on the trust variable provides an Adjusted *R*-square value of 0.597,

Table 1: Composite Reliability

	Cronbach's Alpha	rho_A	Reliability Composite
Accountability	0.871	0.875	0.906
Loyalty	0.830	0.849	0.880
Sharia Governance	0.904	0.905	0.940
Transparency	0.859	0.864	0.904
Trust	0.822	0.837	0.876
Payment of Zakat	0.783	0.815	0.901

Table 2: Adjusted *R*-square

	Adjusted <i>R</i> -square
Accountability	0.508
Transparency	0.355
Trust	0.597
Loyalty	0.693
Payment of Zakat	0.305

which can be interpreted that the variability of sharia governance explains 59.7% of the variability of trust while other variables that are not part of the study explain 40.3%

The influence of the accountability, trust, and transparency variables on the loyalty variable provides an

Adjusted *R*-square value of 0.693, which can be interpreted that the variability of accountability, trust, and transparency explains 69.3% of the variability of loyalty, while other variables that are not part of the study explain 30.7% of the loyalty variable.

The influence of accountability, loyalty, and transparency variables on the zakat payment variable provides an Adjusted *R*-square value of 0.305, which can be interpreted that the variability of accountability, trust, and transparency explains 30.5% of the variability of zakat payments while other variables that are not part of the study explain 69.5%.

### 4.3. Significance Test

Testing of the structural model is also carried out by looking at the significance of the effect; (a) sharia governance variable on accountability, transparency, and muzakki's trust variables (b) accountability, transparency and muzakki's trust variables on loyalty variables and (c) accountability, transparency, and loyalty of muzakki variables on zakat payments, by looking at the parameter coefficient and the *t*-statistical significance value listed in Table 3.

### 4.4. Discussion

Based on the path coefficient test results in Table 3 above, this study found that the sharia governance variable has a significant positive effect on the accountability variable with a coefficient of 0.714, a statistical *T* value of 13.896,

and a *p*-value of 0,000. This relationship shows that the higher the sharia governance, the higher the accountability will be. On the other hand, the lower the sharia governance will lead to lower accountability. The results of this study support Mauizotun and Kurniawan (2019) who stated that the excellence of Islamic governance is the main orientation of corporate management responsibility, namely Allah as the owner of nature and its contents. Islamic governance can be defined as Islamic systems for governing Islamic countries and managing individuals and organizations within those Islamic countries in light of the fundamental principles of Islam. Islamic governance can also be defined as a system of administration, management, rule, or government based on the basic tenets of Islam. Based on Allah's belief, Islamic governance will motivate honest, fair, and accountable business transactions. The results of this study are consistent with the study by Muftadi (2019) who stated that the concept of Islamic governance can be understood by considering the number of supervisory commissions, the number of professionals in the supervisory commission, and the frequency of meetings with the supervisory commission. Muftadi (2019) explained the need to conduct an empirical study on zakat institutions related to Islamic accountability and Islamic governance, and to find out if Islamic governance has a direct influence on Islamic accountability. Based on the analysis of the research results that have been stated, it can be concluded that the sharia governance variable has a significant positive effect on the accountability variable.

**Table 3:** Path Coefficients

	Original sample estimate	Mean of subsamples	Standard deviation	T-statistic	P Values	Decision
Accountability → Loyalty	0.300	0.330	0.125	2.407	0.016	Significant
Accountability → Zakat Payment	0.055	0.043	0.136	0.400	0.690	Not Significant
Loyalty → Zakat Payment	0.663	0.663	0.162	4.087	0.000	Significant
Sharia Governance → Accountability	0.716	0.721	0.052	13.869	0.000	Significant
Sharia Governance → Transparency	0.602	0.607	0.063	9.300	0.000	Significant
Sharia Governance → Trust	0.775	0.777	0.050	15.481	0.000	Significant
Transparency → Loyalty	0.185	0.158	0.093	1.995	0.046	Significant
Transparency → Zakat Payment	-0.235	-0.212	0.153	1.529	0.126	Not Significant
Trust → Loyalty	0.444	0.446	0.094	4.711	0.000	Significant



Based on the path coefficient test results in Table 3 above, this study found that the sharia governance variable has a significant positive effect on the muzakki trust variable with a coefficient of 0.775, a statistical  $T$  value of 15.481, and a  $p$ -value of 0.000. This relationship shows that the higher the sharia governance, the higher the trust of muzakki. Conversely, the lower the governance of sharia, the lower the muzakki's trust. The study results support the theory described by Mauizotun and Kurniawan (2019) that applying Islamic governance principles will improve company performance and significantly reduce management's financial manipulation to improve earnings management. Earnings management is the use of accounting techniques to produce financial statements that present an overly positive view of a company's business activities and financial position. The implementation of Islamic governance enhances an entity's identity where stakeholders and potential investors are confident to place increased levels of trust, which in turn allows developing stronger, longstanding relationships (Mubtadi, 2019). The results of this study support the research results of Nurohmah (2013), Andayani (2016), and Zhafarina (2017) who proved the variables of corporate governance and sharia compliance have a significant effect on the reputation and trust of customers in Islamic banks. Based on the analysis of the research results that have been stated, it can be concluded that the sharia governance variable has a significant positive effect on the trust variable.

Based on the path coefficient test results in Table 3 above, this study has found that the sharia governance variable has a significant positive effect on the transparency variable with a coefficient of 0.602, a statistical  $T$  value of 9,300, and a  $p$ -value of 0,000. This relationship shows that the higher the sharia governance, the higher the transparency will be. Conversely, the lower the governance of sharia will lead to lower transparency. This study's results support the findings of Syamsul and Ritonga (2017) who found that local governance affects positively the transparency of local financial management. The findings of this study provide a useful contribution to government officials (executive and legislative), in demonstrating the important role of local governance in encouraging the transparency of local financial management. Based on the analysis of the research results that have been stated, it can be concluded that the sharia governance variable has a significant positive effect on the transparency variable.

Based on the path coefficient test results in Table 3 above, this study found that the transparency variable has a significant effect on the muzakki loyalty variable with a coefficient of 0.185, a statistical  $T$  value of 1.995, and a  $p$ -value of 0.046. This relationship shows that the higher the transparency, the higher the muzakki loyalty. Conversely, the lower the transparency, the lower the muzakki loyalty.

The results of this study support the research conducted by Jumaizi (2011), who proved that transparency and accountability variables are important for the good governance of BAZNAS (Indonesia's National Zakat Agency). Transparency and accountability of BAZNAS significantly influence muzaki's satisfaction and loyalty. Based on the analysis of the research results that have been stated, it can be concluded that the transparency variable has a significant positive effect on muzakki loyalty.

Based on the path coefficient test results in Table 3 above, this study found that the muzakki trust variable has a significant effect on the muzakki loyalty variable with a coefficient of 0.444, a statistical  $T$  value of 4.711, and a  $p$ -value of 0.000. This relationship shows that the higher the trust, the higher the muzakki loyalty. Conversely, the lower the trust, the lower the muzakki loyalty. The study results support the theory described by Lau and Lee (1999), who stated that trust in a brand is important and is a key factor in the development of brand loyalty. Brand characteristics are relatively more important in their effects on a consumer's trust in a brand. Trust in a brand is positively related to brand loyalty. Marketers should, therefore, take careful consideration of brand factors in the development of trust in a brand. The results of the study support the results of research conducted by Rakhman et al. (2015), who found that direct trust also affects customer loyalty; if the trust is high, then loyalty will also be high, and vice versa. Based on the analysis of the research results that have been stated, it can be concluded that trust has a significant positive effect on muzakki loyalty.

Based on the path coefficient test results in Table 3 above, this study found that the accountability variable has a significant effect on the muzakki loyalty variable with a coefficient of 0.300, a statistical  $T$  value of 2.407, and a  $p$ -value of 0.016. This relationship shows that the higher the accountability, the higher the muzakki loyalty. On the other hand, the lower the accountability, the lower the muzakki loyalty. This study's results support the results of research conducted by (Jumaizi 2011), who proved that transparency and accountability variables are important for the good governance of Indonesia's national zakat agency. Transparency and accountability of Indonesia's national zakat agency significantly influence muzaki's satisfaction and loyalty. Based on the analysis of the research results that have been stated, it can be concluded that the accountability variable has a significant positive effect on muzakki loyalty.

Based on the path coefficient test results in Table 3 above, this study found that the transparency variable has a significant effect (but negative) on the zakat payment variable with a coefficient of  $-0.235$ , the  $T$  statistic value was 1.529, and a  $p$ -value of 0.126. This relationship shows that the higher the transparency, the higher the amount of

zakat payments. Conversely, the lower the transparency, the lower the amount of zakat payments. The study results are in line with the results of the research by Nugraha (2013), Hakim (2014), and Yuliafitri and Khoiriyah (2016) who proved that financial transparency has a significant positive effect on muzakki's interest in paying zakat. Based on the analysis of the research results that have been stated, it can be concluded that the transparency variable has a negative but significant effect on the amount of zakat payments.

Based on the path coefficient test results in Table 3 above, this study found that the muzakki loyalty variable has a significant positive effect on the zakat payment variable with a coefficient of 0.663, a statistical  $T$  value of 4.087, and a  $p$ -value of 0.000. This relationship shows that the higher the loyalty, the higher the amount of zakat payments. Conversely, the lower the loyalty, the lower the amount of zakat payments. The results of this study support the theory described by Griffin (2005) that consumer loyalty is a behavioral impetus to make repeated purchases and to build customer loyalty to products/services produced by business entities. This study also supports the results of Rakhman et al. (2015) who proved that bank customer loyalty has a significant effect on the amount of third-party savings funds. Based on the analysis of the research results that have been stated, it can be concluded that the muzakki loyalty variable has a significant positive effect on the amount of zakat payments.

Based on the path coefficient test results in Table 3 above, this study found that the accountability variable has a significant effect on the zakat payment variable with a coefficient of 0.055, a statistical  $T$  value of 0.400, and a  $p$ -value of 0.690. This relationship shows that the higher the accountability, the higher the amount of zakat payments. Conversely, the lower the accountability, the lower the amount of zakat payments. Several previous studies support this. Septiarini (2011) proved that Amanah (organizational accountability) has a positive effect on the collection of zakat. Nugraha (2019) proved that financial accountability has a significant positive effect on muzakki's interest in paying zakat. Hakim (2014) also proved that accountability has a significant effect on muzakki interest. Assaggaf (2016) proved that accountability has a significant positive effect on muzakki's interest in paying zakat. Based on the analysis of the research results that have been stated, it can be concluded that the accountability variable has a significant effect on the amount of zakat payments.

## 5. Conclusion

Based on the analysis and discussion results, it is concluded that the sharia governance variable has a significant effect on the accountability variable, transparency variable, and the muzakki trust variable. The accountability

and transparency variables have a significant effect on the zakat payment variable. The muzakki loyalty variable has a significant effect on the zakat payment variable. The transparency and accountability variables have a significant effect on the muzakki loyalty variable. The muzakki's trust variable significantly affects the muzakki's loyalty variable to pay zakat. The study results found a new model that can explain the variables that affect the increase in trust and loyalty to increase the amount of zakat payments. This study suggests that management should improve zakat payments' performance by increasing the loyalty and trust of muzakki and increasing transparency and accountability of the zakat management. To increase muzakki trust and increase transparency and accountability of the zakat management, good BAZNAS governance in accordance with sharia principles are required. This study produces an Escalation Model of Muzakki's trust and loyalty towards payment of zakat at BAZNAS Indonesia, explaining how BAZNAS administrators can increase zakat income, loyalty, trust, and good sharia governance.

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