

EFFECTIVE ZAKAH DISTRIBUTION: HIGHLIGHTING FEW ISSUES AND GAPS IN KEDAH, MALAYSIA

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Abstract. *Effective Zakah Distribution: Highlighting Few Issues and Gaps in Kedah, Malaysia.* The aim of this paper is to identify what are the impediments in implementing an effective Zakah distribution in Kedah, Malaysia. Auspiciously, post-colonial Malaysia is experiencing robustness in terms of Zakah collections, as the statistics are currently signifying, but at the same breath the degree of effectiveness in Zakah distribution has not been providentially catching that optimistic evolution. And even if, the Zakah is duly distributed, the point to note is that the effectivity of that distribution has indubitably remained in question. So this gap is an issue that has been observed by the givers, and if the collection is to increase further, the issue of effectivity in Zakah distribution needs to show a healthier trend to convince these worried payers. The implications of resolving the issues discussed below may assist to enhance this sector, if timely addressed and taken applicable measures for remediation.

Keywords: *zakah, effective distribution, sustainable balanced scorecard*

Abstrak. *Penyaluran Zakat Efektif: Penekanan Pada Beberapa Masalah dan Kesenjangan di Kedah, Malaysia.* Tujuan dari penelitian ini ialah untuk mengidentifikasi persoalan-persoalan terkait pelaksanaan penyaluran zakat yang efektif di Kedah, Malaysia. Pengalaman Malaysia pada setelah kolonial menunjukkan pengalaman dalam hal pengumpulan zakat, hal ini terlihat dari data statistik yang signifikan, akan tetapi di sisi lain derajat efektivitas dalam hal penyaluran zakat belum mampu menunjukkan evolusi yang optimistis. Bahkan jika zakat sepatutnya disalurkan, maka yang perlu diperhatikan ialah efektivitas dari penyaluran tersebut akan tetap dipertanyakan. Kesenjangan ini adalah masalah yang telah diamati oleh si pemberi, dan jika pengumpulannya semakin meningkat, isu terkait efektivitas dalam penyaluran zakat harus menunjukkan tren yang semakin baik dalam rangka meyakinkan para pembayar yang khawatir. Implikasi penyelesaian masalah yang dibahas di bawah ini dapat membantu meningkatkan sector ini, jika ditangani tepat waktu dan diambil tindakan yang sesuai untuk pemuliharaan.

Kata kunci: *zakat, penyaluran efektif, sustainable balanced scorecard*

Introduction

Zakah has become a very important Islamic fiscal tool for the concerned scholars as well as to many Islamically inclined states, to address the social injustices that need rectification and compensation for the needy. Historically, Zakah played a prominent and promising role in the early Muslim history (Nadzri et al., 2012). It was reasonably successful¹ until the invasion of Muslim territories by the medievalist's forces from the west (Mohsin *et al.*, 2011). After the annexations by these western colonial powers and at times unfair masters (please visit, <https://www.youthconnect.in/2014/05/01/was-the-british-raj-good-or-bad-for-india/>), Zakah as a religious and powerful instrument regrettably lost its true momentum. But soon after the independence and rebirth of Muslim nations, Zakah has again become a device, which is, at least seen as, to be able to assist the poor and deprived entities to have their rightful dues in a fairer and progressive manner (Bakar et al., 2011; Hassan, 1987).

And fortuitously, the Zakah scenario is slowly taking a positive derivation in assisting the impoverished and the disadvantaged. Collection is slowly growing, across territories, but the potential seems still untapped. Nonetheless the gloomy issue so far is, whatever small or big amount that is collected, is not gratifyingly and routinely distributed in the most effective way, and that is keeping the concerned givers of Zakah as well as the scholars of Zakah in uneasiness, and that perception has indisputably turned out to be a worrisome to many (Bakar et al., 2011; Lubis et al., 2011; Ramli et al., 2011). Statistically, it has been observed that the distribution gap or distributive effectiveness, is considered an immense unresolved issue, even after addressing the woes for many years, and the researchers and commentators are trying their best to address the problem, recommending different ideas and prescriptions, but to no avail. And even if the distribution is said to be as par as the amount of collection in some instances, the question is further raised by the learned scholars on the point of effectiveness of the alleged distribution. Therefore, further studies is rightly required to see if any meaningful ideas or issues that can be shared, at least from a researchers viewpoint, so that if implemented, the Zakah institutions may possibly benefit as well overcome (at the least) few of the shortcomings.

The paper comprises, a bit of introduction, following with a simple background, then raising few minute issues and debates from selected literature, as well as issues related to collection and distribution of Zakah, then furthering with

¹ Though questions have been raised by few researchers, like Lessy (2013) on accessibility of historical data regarding the perception or assertions.

few requests for reconsiderations by the learned scholars, and finally concluding with a small note. The paper is conceptual in nature.

In Islam, Zakah provides very much a basis for social rights (Jawad, 2009) or social welfare (Bello, 2009), when it incorporates both the payers and also the receivers in an approved and unwavering manner (Quranic ayat 9.60 and 2.177). The main aim, according to Wahab and Rahman (2011), is to defend the socio-economic welfare of the poor and the needy and ensure socio economic justice in society (Hasan, 2006; Kahf, 1999). It is also the basis of modern fiscal measures and public finance, in terms of introducing the entitlements, grants, benefits and setting the social-insurance (i.e. Zakah as social-insurance or like a social benefit scheme as seen in the west) against the tyranny of the state to tax the poor, as in the case of stating the minimum nisab requirements before enforcing or administering Zakah on citizens (Bello, 2009). The process makes both the giver and the receiver to seek heavenly pleasure (Wahab and Rahman, 2011), and compensation hereafter (Bello, 2009), based on sound, effective and accountable governance of Zakah institutions (Abdul-Rahman, 2003; Wahab and Rahman, 2011).

In history, Zakah has been an effective tool to alleviate poverty, as was observed during the reign of righteous Caliphs, and especially of Omar Al Khattab and Omar Bin Abdul Aziz (Nadzri et al., 2012). The issue of collection, the issue of distribution, or the issue of effective or efficient delivery, none were raised during these times as the intention or administration of Zakah were done with utmost caution, justice and in good faith. Though Zakah is primarily to ensure redistribution of wealth, but it is not solely reliant on welfare as per se, but an obligation that must be carried out to qualified recipients (Johari et al., 2013; Kasri, 2016b). Zakah is highly researched, and highly sought after in addressing poverty and hardship woes of Muslim society in Malaysia (Ab Rahman et al., 2012; Bakar et al., 2011; Hassan et al., 2007; Ramli et al., 2011). As mentioned earlier, historically the collection and distribution of Zakah have been positive, but in the advent of colonial rule, that feat has unfortunately lost its magnificence (Nadzri et al., 2012).

Again Zakah started being institutionalised in Malaysia since 1915 and in stages across all states (Ahmad, 2012). Preceding to the twentieth-century, Zakah in Malaysia was mainly a very personal spiritual obligation towards Lord Almighty (Sarif et al., 2013). And it gained momentum since 1990s (Ab Rahman et al., 2012; Sarif et al., 2013) during the corporatisation era, when laws were passed to deduct salary for collecting compulsory Zakah (Bakar et al., 2010), and these initiatives and institutional challenges have brought increased collection as well as distribution and better systematic management in place. Sarif et al. (2013) have mentioned, that the diversity of flexible collection instruments has eased the payers contributing

Zakah on time. This solidification has brought robustness in Zakah management as well. But statistically it has been observed that only below 20% of the potential Zakah payers have been tapped (Ab Rahman et al., 2012; Bakar et al., 2010; Yusof, 2013) with this huge added emphasis and jurisdictions, and many researchers feel that even what is collected, is unfortunately not fittingly and effectively distributed with earnest intention and careful consideration (Ab Rahman et al., 2012; Hassan, 1987; Lubis et al., 2011). These issues are further highlighted by some researchers that huge untapped collection that are not put in right use and also not given to the deserving asnaf, who can be easily be brought out of the poverty trap if right mode and the right amount is given and timely monitored and duly assisted (Ab Rahman et al., 2012; Bakar et al., 2011; Hassan et al., 2012; Lubis et al., 2011; Othman et al., 2011, 2012). So the present study is intended to look into the possibility of findings what are the gaps in the area of effective distribution, as these issues have gained momentum and the issues became a great concern for the Malaysian researchers, because the increment in collection is based on customer's undivided perception of transparent and commendable distribution (Ab Rahman et al., 2012; Bakar et al., 2010).

The paper intends to ignite future researchers to look into the Zakah situation in Kedah in particular in comparison to other Zakah institutions, whether autonomous or non-autonomous. Issues regarding Zakah in Kedah has been analysed by many researchers for the past few decades (Ab Rahman et al., 2012; Hassan, 1987; Mahamod, 2011). The Zakah collection trend in Kedah is showing very positive for the customers' awareness, but researchers are still questioning pertaining to effective distribution, and questioning the reason why the poverty may have remained as a minute bottleneck in Kedah's developments (Mahamod, 2011). The paper requests impending researchers to brood over while analysing the success as well barriers in Kedah Zakah development towards the effective dissemination of Zakah to the prescribed asnaf, and hindrances towards the upliftment of the status Quo.

Literature Review

Zakah is painstakingly used as a latest tool by concerned researchers in combating hardship reduction or in poverty reduction measures in the Islamic world (Adebayo, 2011; Ahmed, 2004; Ahmed, 2008; Hassan, 2010; Nadzri et al., 2012). Over the years, the collection is increasing (Lubis et al., 2011), as awareness is building (Ab Rahman et al., 2010; Lubis et al., 2011), and consciousness has been built on paying the Zakah dues (and receiving the heavenly blessings), and that has facilitated in shaping the Zakah as a base for poverty alleviation, but nevertheless,

many warrants, that distribution (or mostly its effectiveness), has not catch up to the level of collection (Ab Rahman et al., 2012; Lubis et al., 2011; Nadzri et al., 2012; Wahid, 2014).

Even though collection has been increasing, but still being questioned by researchers that as it has not been able to achieve beyond a level, i.e., at the most 25 % of its potential (Bakar et al., 2010). Furthermore, this mere 25% Zakah collection out of the potential, is still not being converted to timely, equal, indisputable and effective distribution as expected by many (Lubis et al., 2011). Besides, the process of delaying in promptness in Zakah distribution (Lubis et al., 2011) gives rise to further debates, and as such, many researchers as well as concerned faith-based citizens are worried that the whole Zakah process may not be able to solve the most wanted issue, and that is, the issue of poverty reduction, as anticipated by numerous scholars, which was vividly targeted as the key and the core objective by the authorities in concern.

Researchers are unanimous that the issue of effective Zakah distribution is overriding in today's scenario if the policy is to decrease the hardship (or in cases poverty) in society through the suitable implementation of the effective management in the Zakah system. And besides, the investigators are trying to address this particular issue from different aspects, diverse dimensions and vibrant measurements (Ab Rahman et al., 2012; Bakar et al., 2011; Bakar et al., 2010; Lubis et al., 2011; Ramli et al., 2011; Wahab and Rahman, 2011; Wahid, 2014). The prime emphasis in their research is to detect on theoretical breakthrough or making a framework that may truly work in an effective Zakah system or network, or at times testing the empirical findings to measure the causative factors that may have impeded in the effective notion of healthy and desired distribution. Nevertheless, further research may assist, as well as hoped, in filling these gaps. Moreover, as the resources are limited at a given time, it may be essential to look for best way suggestion by researchers to tackle the issues (primarily effective Zakah distribution), and to identify the possible barriers if any, towards the achievement of the desired goals of effective Zakah distribution.

In any systematic analysis it is not possible to ignore the successes that may have been achieved over the years, so putting forth the successes as well as the potential barriers to efficaciously achieve a desired and effective notion of distribution goal is particularly noteworthy. Numerous research papers (Wahab and Rahman, 2011; Wahid, 2014) have been initiated to address empirically the effective implementation of Zakah funds and this is a positive development towards gaining the desired goals. If impending research papers (and projects) can address the issues (mentioned in the literature), systematically and thoroughly (Ab Rahman

et al., 2012; Ali et.al., 2014), then it may help in the upcoming studies and will also assist the policy makers to re-think about possible forthcoming strategies and ways out before probable enactment or implementation of a better approach and mechanism.

Conceptually, various factors or issues or means or impediments have been mentioned by researchers as possible barriers to a systematic and effective distribution of the Zakah fund. And so far, few of these factors have already been observed or detected, but the need for further research and identification of such factors (or even newer concerns) is also due, and before the concerned researchers partakes any extensive exploration, it is necessary to seek vigilant academic and orderly look through.

It is worth mentioning that hardly any research in the area of Zakah so far been conducted through expressive focus group study, so it will be a step forward and significant to identify possible gaps and investigate the connections to meaningful inquiries and debates that have been raised through such studies or cases. Though it has been observed that experts' advice in Zakah research have been prevalent as per se, but seeking further advice may lend a better approach in undertaking the future research before exploring the factors in Zakah issues particularly in the context of effective distribution. It is noteworthy to highlight that in not-for-profit (as mentioned in the literature as NFP or NPO) organisational studies, it is mentioned that the trust remains the focal point of any meaningful expansions (Gray et al., 2006).

It was observed in fund raising activity for the Imran Khan's Cancer Memorial Hospital set-up that, only that trust let his foundation receive millions just in few hours. The foundation receives all kinds of charities, including yearly Zakah assistance from donors until today (<https://www.shaukatkhanum.org.pk/how-to-help.html>). So it seems, if the issue of trust is at stake, it may indicate the organisational weaknesses and jeopardise any compact growths. Besides, trust has been mentioned sparingly in Zakah topics (Abioye et al., 2011, 2013; Shirazi, 1996; Siswanto et al., 2012).

But it has also been mentioned as well, that the issue of disregarding the plea to pay the Zakah due voluntarily by the givers and at the right hour, is a matter of grave concern (Sapingi et al., 2011). This issue is discussed in the perspective of increasing the level of potential of Zakah collection from the existing level. Therefore, to find the true cause of this negligence, or in cases may be ignorance, a standard questionnaire may not be adequate, but an interview whereby the interviewee is assured that the identity remains safe, and thereby, this noble process of interviewing may prompt the investigators to identify the true cause, whether it may be due to

negligence or wilful avoidance, or may be outright ignorance as cause, as ignorance has also been mentioned in the literature (Othman et al., 2015).

Nonetheless, few queries have been raised by concerned researchers like countless studies in the west on not-profit organisations (NPOs), placed the guiding vision, mission and strategy as focal themes, before nurturing the problems or debates on NPO substances (Kaplan, 2001; Moore, 2000). It is correspondingly significant to annotate that the importance of vision and mission statement has also been discussed in the area of Zakah and related literature (Bakar et al., 2014; Hassan et al., 2005, Tajuddin et al., 2014). But additional stress on the standing is imperative in future research initiatives. Therefore compliance towards the stated goals, objectives may provide a better depiction, and it may require a more in-depth qualitative analysis as backup to justify the quantitative findings.

And fore mostly, the issue of satisfaction has been raised by many of the researchers in the area of Zakah (Abioye et al., 2011; Ahmad et al., 2011; Ahmad et al., 2014; Bakar et al., 2010; Lubis et al., 2011; Mohit et al., 2011; Nadzri et al., 2012; Siswantoro et al., 2012; Wahid, 2014; Zakaria, 2014). Furthermore the issue of satisfaction in Zakah has been empirically tested by the following researchers, Mohit et al. (2011), and Yusof et al. (2013). The issue is of importance to all investigators due to primarily whether the giver is happy giving the due, and next whether the receiver is happy in receiving the meagre amount. And not to ignore, that the matter of satisfaction in collecting as well as distributing the alms by the amil or any distributor as it may be, is equally important, as it gives ease to the process. Therefore this issue is important, because often the issue of satisfaction may bid the accountability processes, and that might also demand thorough investigation and correction in the Zakah literature as has been considered in the west (Gray et al., 2006). The issue of accountability in Zakah literature has been noted as well, by the following researchers, Abdul-Rahman et al. (1998, 2003), Ousama and Fatima (2010), Velayutham (2014), and Wahab and Rahman (2011). It is widely assumed that such accountability may possibly safeguard sustainability of the due Zakah process in the most anticipated and effective way. And it is important to note that sustainability issue has also been duly addressed by the following researchers, Abioye et al. (2011), Raimi et al. (2014), Sarea (2012), Wahab and Rahman (2011). So from the above literature, it is seen that the matter of trust is raised in the process, as the issue of trust invites other concomitant issues like satisfaction, accountability and sustainability of the Zakah processes, and that is the reason why trust remains significant for both the giver and receiver. Consequently, this specific issue requires a bit more cautious assessment by the upcoming researchers.

Most researchers agree that undoubtedly the effective Zakah distribution may

lift the mark of perception, satisfaction, trust, accountability and so on, and that may aid in increasing the volume of collection, as the givers can realise the value of these components along with the increased level of transparency and sustainability in the process (Wahab and Rahman, 2011). Researchers have repeatedly mentioned that the issue of efficiency and effectivity of a system seems to be the pivotal elements when the argument on internal rejuvenation takes root (Kaplan & Norton, 1992).

Similarly, the authors have mentioned that empowerment of asnaf as well as of staff of Zakah institutions is important (Ab Rahman et al., 2012; Bakar et al., 2011; Bashir et al., 2012; Wahid, 2014). Nevertheless on the issue of empowerment, however, the subject of autonomous vs non autonomous body of Zakah institution is important too. The reason is, the researchers have identified that the autonomy might aid the institution to accelerate the empowerment process, but it may require further academic probe. On the topic of autonomy in a Zakah establishment, research has also been carried out on the various benefits of decentralisation (Wahid, 2014; Wahab et al., 2015). A decentralised entity may aid better in Zakah management as it is able to pledge a prompt and quick delivery, as have been mentioned in the literature. Still is it effective in every instances, and that query may require a thorough investigation. The Zakah Kedah is a non-autonomous body, and whether the non-autonomous body can have a decentralised system, requires a detailed study and a very vigilant and careful scrutiny.

Researchers have also mentioned that this improved Zakah structure can influence the economy positively. If the assistance rendered is proper timed, it can possibly assist the asnaf significantly, as has been mentioned in cases of paddy planters in Indonesia. The issue is, the paddy farmers looking for Zakah assistance before the rain starts, and if the assistance is rendered after the rainy season, then it may be trying for them to be benefitted from the assistance, as the assistance will be just for mere consumption, and not used for a productive or fruitful cause. So seeking and receiving assistance at the hour of need will help the needy, as the late assistance can make the cash crop growth inconsistent. Hence the intention and promptness in disbursement of Zakah among the giver as well as the entrusted adjudicator of Zakah is important, as the positive, prompt and timely service can help a deserving asnaf become more reliant in becoming self-sufficient and may also be an asset to a growing economy (Lubis et al., 2011). Therefore, timely assistance may help the economy to be safe from any recessionary pressure in society.

Thus, understanding the Kedah Zakah perspective on the above issues will give some light to the academia and also on the future management of the Zakah fund, and that may help other entities in such jurisdictions.

Few research targeted on the benefits of reaching out to hard core poor's issues

to make these destitute be solvent and be at ease in their hardship (Hassan et al., 2007; Hassan, 2010; Hassan et al., 2012; Obaidullah, 2008; Sadeq, 1996, 1997; Shariff et al., 2011). On this point, occasional research papers further highlighted the issue of fund utilisation (Anwar, 1995; Bakar et al., 2011; Oran, 2009). And it is remarkable to note that the topic of optimum, efficient and effective fund utilisation issue may bring forth the matter of competency and timeliness in reaching out and completing the task in satisfactory manner to different stakeholders. Few research papers also pointed out the issue of efficiency in the context of Zakah distribution (Wahab and Rahman, 2011, 2012, 2015). On the side note, recently a research was done in Malaysia that the gap between rich and the poor is widening at a worrisome level.

Similarly, a point have been noted in few research papers regarding the issue of authentic caring (Idris & Muhammad, 2013), adequate training (Clark, 2001; Hassan, 2010; Hassan et al., 2012; Yusoff et al., 2012), appropriate guidelines (Adnan et al., 2009; Bakar, 2007; Mohammad et al., 2015; Othman et al., 2011; Raquib, 2011), understanding the customer needs (Adnan et al., 2013; Halim et al., 2012; Wahab and Rahman, 2011; Zakaria, 2014), as these factors may assist the in-charge persons to take pragmatic decision and ensure better service control (Adnan et al., 2013; Lubis et al., 2011; Nadzri et al., 2012; Wahab and Rahman, 2011). So the question can be raised that are these issues raised above accurately signify the impeding factors in the Kedah Zakah distributive system, keeping in view that the Kedah Zakah functions under a stricter dominion, and also a point to ponder whether such non-autonomous organisations will benefit from aforesaid studies and explorations. As a result, it is judicious to inspect painstakingly and also to prudently look-through whether any of the factors mentioned above has also been tested or not, in such non-sovereign purviews.

Yet again, hard-core poverty is still a very minute issue in Kedah (Ali et al., 2009; Mahamod, 2011; Sadeq, 1996), though Malaysia aims to be a developed nation by 2020. So it remains to be seen if effective management of Zakah can truly state these woes and also remedy the shortcomings. The main aim of Zakah institutions are to bring out the hard core poor from the poverty trap, and assist the down trodden to be as self-reliant as possible. Accordingly, it is important to see, if future research can duly gauge in giving any recommendation after examining the hard-core poverty reduction issue through the effective Zakah distribution to the Zakah authority of Kedah, and such advice may be a momentous addition to awareness-raising achievement and a tangible breakthrough in the erudite literature.

Improving the knowledge base has been said as extremely important factor in NPO, and also most likely in the area of Zakah disbursement and management (Ab Rahman et al., 2012; Bakar, 2007; Kaplan, 2001; Kaplan et al., 2000; Yusoff,

2011). In addressing the afflictions of just determining the financial factors in a conventional setup, the inventors of Balanced Scorecard (BSC by Kaplan and Norton, 1992), not only brought other non-financial factors to measurement, but also made that the learning and growth perspective (along with four perspectives stated below, in figure 1) as the driving force of any organisation. Additionally, the authors identified that this learning and growth perspective is even more important for the NPO sector (Kaplan, 2001).

If the staff in Zakah department are inspired by furthering knowledge, that may expedite the process of understanding the proper meaning of authentic caring and the accurate importance of following through the guidelines. But this statement also requires further testing and verification in the context of Zakah institutions. And truly if such enhanced situation takes place, it is further assumed that it will help to revitalise the monitoring aspect of the management and distributive channels effectively, which will most likely turn the yearend trend to be upwards, and that consequently may inspire the contributors of Zakah to give more generously and compassionately (as assumed).

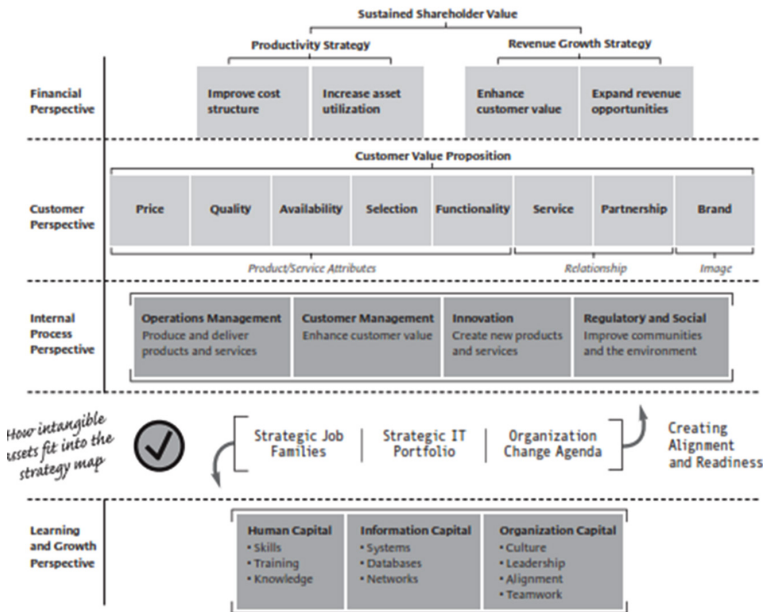


Figure 1. Taken from Kaplan and Norton (2004), Harvard Business review

This is what in similarity that have been captured in the detailed analysis by the BSC developers and promoters over the last twenty years or so, and their

revolutionary emphasis on learning and growth perspectives (along with other three distinctive and unique perspectives) seems to play a very decisive and pivotal role in shaping profit, non-profit or governmental organisations. Additionally it has been accordingly observed that, if the organisation runs in a healthy way, then it may compel many undecided payers finally to contribute their Zakah dues as the peer pressure (due to healthier inclination observed) may work as well in such hale and hearty situations (Bidin et.al., 2009; Hassan, 2010).

In addition, the word of mouth promotion may most likely help the collection to gain a momentum, and thereby it is highly assumed that this positive observations might lead to betterment in service and supervision in such an upgraded scenario, and this enhanced supervision (it is further assumed), may in turn lead to increase in transparency, and as a result, such transparency may become the yardstick in such an effectively managed Zakah institution. But all these scenarios are possible if the distribution is up to the level of customers' perception, and to gain such level of achievement by any NPO, may require setting the customers perspectives, internal perspectives, financial perspectives as well as the learning and growth perspectives (as prescribed by Kaplan and Norton in 1992 and onwards by them in various legendary works and recommendations) at the core of the mission and vision development. And similarly the four distinguishing dimensions of BSC, that is, the financial perspectives, the customer perspectives, the internal perspectives and above all, the learning and growth perspectives are equally important in the entire strategically executed management. It is highly sought that the future research projects in Zakah works will try to attempt to ascertain if such goals and visions are in the forefront, and how that target to realise that vision and mission might be achieved in entirety thus far.

And to gain these essential qualities, the literature agrees that it is important to address towards human capital development which may be the paramount and the most necessary condition to uplift the status of the poor (Ab Rahman et al., 2012; Adnan et al., 2013; Ahmed, 2008; Hassan, 2010; Yusoff, 2011). First of all, it is assumed that the staff development will enhance as well as ease the managerial decision making processes (Adnan et al., 2013; Kaplan and Norton, 1992), and secondly the importance of human capital development in relating to asnaf advancement is to make them self-reliant, so as to make them away from the asking basket. In the research conducted by Adnan et al. (2013), they found that intellectual capital plays a significant role in asnaf development and service orientation. Similarly, this human capital development is also important when an organisation takes up the Balanced Scorecard as the core strategic initiative to make the needful decisions and orientations.

The aim of this research is just to address the inadequacies in the effective notion of Zakah distribution, so that the imminent and future researchers can as

well as may, effortlessly ascertain the prospective and perceptible gaps, and look for pragmatic and rational solutions to overcome the looming issues. Until now, the collection has been increasing, but further could be achieved if the factors effecting the effective dissemination of Zakah disbursement is well addressed by the in-charge of Zakah institutions to convince the stakeholders, and if improvements in the effective distribution can be made, it may translate to show better results through enhanced data in the area of collection and distribution (and similarly is presumed, will create a momentum in the economy). The contributing factors of successes as well barriers have been mentioned and discussed, few have been measured (and further few needed to be measured) but some measuring technique may require qualitative exploration, as there can be limitations in just sheer quantitative analysis.

Balanced scorecard method has been mentioned in Zakah literature, and tested in minute scale. If the Zakah organisations want to take up BSC model, a more rigorous prior study may be required to assist the organisations to fit-in the best proposed model in optimum possible manner. Whether plain BSC measurement criteria is applicable for such Zakah organisations is also a matter to be pondered upon. So a vigilant study is indeed required further. A Zakah institution may have different goals to be attained, and asking such institutions to follow a basic BSC model may require additional prior study and likewise understanding the limitations, if any. If the said institutions have implemented the BSC model, then question can also be raised, if it is still lagging in giving a more favourable and better picture in terms of collection or effective distribution. Furthermore, BSC generally is top down approach, whereas, the beauty of adaptability of BSC may incorporate bottom up technique as mentioned by Kaplan 2001. In a BSC instigated NPO, the mission as well as vision will become the guiding standard of the entity, similarly learning and growth objective will be leading, and that will lead the entity to focus on the customer needs (i.e. both the giver as well as receiver); and that in turn may inspire the right strategy to be implemented by the said NPO.

Though there are instances that BSC may fail due to improper implementation of any one of the components or at times failing to prioritise the learning and growth matrices as required in a profit or NPO entities, therefore a follow up review to the model may give whether any essential or decisive elements that may have gone missing during the execution, or any of the periodic reviews were not done as prescribed, or whether any of the strategic staff or strategic manager was left out from wide-ranging understanding of the strategic decisions taken so far, or any similar issues that may require intermittent review, but finally, incorporating a comprehensive indulgent and complete implementation of the BSC measurement may give an improved scenario and also to get an enhanced desired outcome (Kaplan et al.,

1992, 1993, 1996, 2000, 2001, 2004). The Balanced Scorecard (BSC) model has been researched in the Zakah literature. Taha et al. (2014) have investigated whether the BSC can be implemented by the Zakah authorities in the East Coast Region of Malaysia. The researchers likewise endeavoured to find in their study whether the BSC model, if accepted, can it enhance the public confidence, in turn, can it improve the collection prospect and at the end, can it also increase the distribution potential. The researchers have similarly tried to show that the incorporation of the BSC framework in Zakah institution may boost the effective as well as the efficiency factors in Zakah distribution. It is imperative to jot that the BSC model have already been positively implemented by the Lembaga Zakah Selangor (LZS), according to Tajuddin et al. (2014). It is further important to note that, after the implementation of BSC in LZS, is there any untapped potential in terms of collection (Yusof, 2013).

So it's remarkable to find out how far that BSC model benefitted the LZS, and if the target has not been attained up to the level of expectation, then what could be the possible reasons of non-attainment of goals or reasons of non-achievement as was expected earlier, or what were the missing points that were mistakenly left at the very start. But the present research cautions that, a goal towards implementing a sustainability induced BSC model (MacKrell et al., 2011; Petrini et al., 2009, referred to figure 2), in the context of non-autonomous Zakah body, may provide an enhanced insight on how that can benefit the Zakah authority of Kedah in gaining the desired outcome and competing in the gratification tally, if desired so. Möller and Schaltegger (2005) further discussed on this sustainable BSC framework along with eco-efficiency spectrum to gauge the businesses or other entities to greater heights. This can also assist the Zakah scholars to review from multi angles, and also provide a better depiction for the Zakah body.

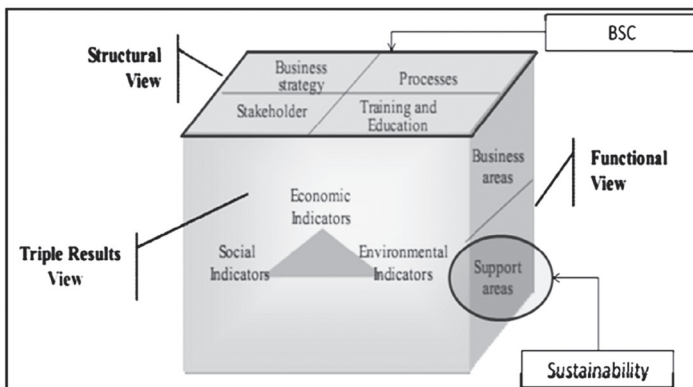


Figure 2. Taken from Petrini and Pozzebon (2009)

While explaining the Zakah distribution effectiveness, Zakaria (2014), clarifies that, it is the performance of a programme initiated by Zakah institution in meeting its defined objectives, and this effectiveness can be positively evaluated by Balanced Scorecard (Kaplan & Norton, 1996). According to the author, the financial performance of the program is measured on its attainment in meeting its goals to uplift the livelihood of Zakah recipients. Therefore, ‘...BSC is adopted due to its holistic features that look at multiple measures of performance’ (Zakaria, 2014). Furthermore, on elaborating the BSC measurements, it has raised awareness on the importance of aligning and integrating businesses as well as information technology management with the Balanced Scorecard. Mooraj et al. (1999), raised a question, whether, BSC a necessary good, or an unnecessary evil. According to the authors, it is a ‘necessary good’ for today’s organisations. Because BSC adds value to organisations, as it provides balanced information and gives executives a strategic planning tool to perform as well as create an advantageous learning atmosphere in the organisations. Balanced Scorecard relies on both formal and informal methods to achieve a desired success.

In the research on multidimensional performance of Zakah collection model, the researchers (Taha et al., 2014) have also mentioned that the implementation of BSC framework in the Zakah institutions may assist such organisations to be in better position to formulate a more wide-ranging strategy to overcome the shortcomings that have been discussed above in the context of Malaysian Zakah institutions. In the BSC framework, the importance of learning and growth perspective plays a decisive role. In line to that understanding, Adnan et al. (2013) discussed broadly the importance of intellectual capital and the significance of innovativeness in Zakah institutions, and the benefit it can provide further to the decision making body in articulating an enhanced mechanism in tackling and gaining the public confidence in Zakah institutions.

In their case study research, Bakar and Tajuddin (2014) mentions the possibility of incorporating the Ferreira and Otley (2009) Performance Management System (PMS) framework while studying the mosque performance achievement and goal setting. But the literature on Zakah indicates that most researchers opine that BSC framework is still better applicable in the Zakah organisations, and similarly many research papers in the area of Zakah, awqaf and Islamic banking, are done in Asean countries and elsewhere based on BSC framework and splashed forward its relevance in the context of Zakah and awqaf organisation and development (Adriansyah et al., 2016; Kasri, 2016a; Masyita, 2012).

In several studies in the Zakah and related literature, the importance of sustainability has been clearly identified (Mohammed et al., 2010; Moller and

Schaltegger, 2005; Sarif 2016). MacKrell et al. (2011) have incorporated the concept of sustainability in the BSC framework suiting the not-for-profit sector. The sustainability framework incorporating BSC, was initiated by the famed research done by Petrini and Pozzebon (2009). This is an important and potential area of exploration in the context of Zakah literature and this study recommends that as the importance of sustainability has also been repeatedly mentioned in Zakah works, and likewise the BSC framework is a possibility that can be applied for comprehensive measurement, and besides BSC has been mentioned in the Zakah research papers, but to see such sustainability induced BSC model in the Zakah institution or organisation or framework may be a potential contribution to the prevailing literature. While digging the barriers and successes of effective Zakah distribution in Malaysia and elsewhere, various authors have stressed that, the need of effective Zakah distribution (Bakar et al., 2011; Lubis et al., 2011; Ramli et al., 2011; Halim et.al., 2012) is still a matter of concern due to intense public scrutiny (Wahab and Rahman, 2011). Additionally, such inspection is perceived to ensure that Zakah institutions are truly effective in fund utilisation as that will assist in improving the clientele's perception and customers (givers and takers) satisfaction (Bakar et al., 2010; Ab Rahman et al., 2012; Wahab and Rahman, 2011). Often, perception is seen as prime in the area of collection increment, and a better and improved perception by the givers may contribute in broadening the area of distribution, and that is where the issues require further look through (Lubis et al., 2011).

Method

The above background leads us to develop a study that will be spread out through particularly purposes and methodology. The purpose of this study was to identify what are the impediments in implementing an effective Zakah distribution in Kedah, Malaysia. This is among the reasons why this research is needed. By using qualitative description method through content/documents analysis this research basically attempt to complete grounded theory to the relevance references pertaining to Islamic prayer and productivity.

Result and Discussion

The Concerns and Circumstances of Collection and Distribution of Zakah

Since 1990s, the statistics show that the Zakah collection and distribution is increasing rapidly in Malaysia, and also likewise in Kedah, but still, the issue of hard-core poverty is noticeable in Kedah (Mahamod, 2011; Nadzri et al., 2012).

Few researchers highlighted that the issue is related to the way the distribution is meted in few states where the Zakah body is still not-autonomous, like Kelantan, Kedah and Terengganu (Mahamod, 2011). Also researchers have mentioned that these non-autonomous bodies tend to be less risk takers, and hence these Zakah institutions play safe in terms of giving Zakah assistance to deserving asnaf, and which results in asnaf not getting-out of the poverty trap (Mahamod, 2011). It is noticeable that continuation of monetary assistance is undeterred, but the self-sustainability assistance, which may bring an asnaf out of the subsistence level, is still requiring. It is noteworthy to mention that, in states like Selangor, where the Zakah body is quite autonomous, there it has been observed that the effective entrepreneurial success stories in terms of resource allocation and Zakah empowerment may have brought some changes to ponder upon how Zakah should and can be managed, and effectively distributed, in contemporary period (Halim et.al., 2012; Ramli et al., 2011). And it has also been seen that many asnafs if not all, have been successful in becoming Zakah givers within a short period (Muhamat et al., 2013), and that sounds a very commendable achievement to many researchers (Haron et al., 2010). It also appears that the non-autonomous Zakah authorities do not mind in continuing financial support, but to lift the status from asnaf to sahib-e-nisab in many such non-autonomous regions is still unfortunately missing (Mahamod, 2011).

Numerous researchers have raised the issues in the areas of effective distribution, from the point of intention (Abioye et al., 2013; Ahmad et al., 2014), reaching out (Mahamod, 2011), competency (Abioye et al., 2011; Ismail & Zain, 2015), efficiency (Wahab and Rahman, 2011), issues related to capacity building (Ab Rahman et al., 2012; Sarif, 2016), training (Ab Rahman et al., 2012; Wahab and Rahman, 2011), appropriate guidelines (Bakar, 2007; Ab Rahman et al., 2012), understanding the customer needs, perceptions, and pragmatic decisions while assisting the asnafs and so on (Lubis et al., 2011; Wahab and Rahman, 2011).

The authors have argued that to have an effective distributive mechanism, it is indeed important to address few key factors that may impact the process of effective distribution, and those are, whether the Zakah institutions have effective guidelines or policies (Ab Rahman et al., 2012; Ahmed, 2004; Bakar et al., 2011), whether there is any lack of in-depth knowledge, a question has also been raised in addition whether there is any lack of proper capacity building and training in terms of fulfilling these huge tasks, and furthermore, whether there is any lack of effective monitoring (Ab Rahman et al., 2012; Ahmed, 2004; Bakar et al., 2011; Hassan et al., 2012; Sarif, 2016) or effective service control. Equally questions have been posed whether there are any lack of understanding of the customer needs or satisfaction (as

both, payers and receivers, are customers), any lack of empowerment of dedicated staff, and additionally, whether there are any red tapes or administrative bottlenecks, or are the Zakah institutions transparent enough, and how the payers perceive so far about the fund utilisation and so on (Ab Rahman et al., 2012; Ahmed, 2004; Bakar et al., 2011).

Unfortunately, the impeding snags raised above might have made the task of distribution harder to achieve as required or intended, even though relentless effort were made - to decentralize the Zakah institutions to make them truly accountable and sustainable (Ab Rahman et al., 2012; Oran, 2009; Wahab and Rahman, 2011;). But in terms of distributive efficiency, the processes still lack true accomplishment (Wahab and Rahman, 2011). Even if many factors, reasons, causes might have been discussed, but still further investigation is undeniably required to address what causes the barriers to effective Zakah distribution, and how it can be possibly remedied.

The researchers have also identified that to have an effective monitoring in place, workable and effective guidelines are important (Adnan et.al., 2009; Bakar, 2007). Although monitoring has been identified as a factor influencing Zakah distribution (Hassan et al., 2012), but there is still bit of gap observed to substantiate the degree of supervision, monitoring or influence. Likewise, few authors have further justified, that to ensure effective monitoring, the capacity building (Ab Rahman et al., 2012; Ahmed, 2008; Sarif, 2016; Wahab and Rahman, 2011) has to be increased, and equally it is important to enhance the effective training (Ab Rahman et al., 2012; Hassan, 2010) so as to acquire different skills that are significant to augment the services, to boost promptness and to warrant customer satisfaction. Therefore, it requires a thorough study to look into these linkages and find possibilities of impact and ways to overcome if needs to.

Another important aspect requires consideration. The concern of empowerment (Ahmed, 2004; Bakar et al., 2011) has played a role by researchers. But it can be stated that the issue can be viewed from both angle, the supply and the demand side. Empowerment encompasses two areas, one empowering the asnaf, and the other empowering the staffs at Zakah institutions (Othman et al., 2011; Wahid, 2014). If the staffs in Zakah institutions are empowered, then that might let them to have a better strength in assisting the management and also in the distribution effort. The empowered staff may disseminate an improved service and may earn a better client perception and client satisfaction and that which might require further revision in understanding the factors that may have impacts in the effective Zakah distribution.

Similarly, if the agenda of empowerment is also in the giving ends while allocating to asnaf, it may also solve the status quo (Bashir et al., 2012). An empowered asnaf, might become an engine of growth and production due to timely

assistance from Zakah institutions, and resultantly, if the asnaf can achieve financial independency, he/she is likely to contribute towards the Zakah stream, as was witnessed in LZS and also in Quantum Zakah Fund of Bangladesh (Muhamat et al., 2013). So from both angle it seems the subject necessitates a methodical exploration. Undoubtedly, the empowerment gained momentum in different states in Malaysia, but why such empowerment efforts are not esteemed yet in non-autonomous regions (Mahamod, 2011), are bone of contention and may give more insights if further researches are conducted to ascertain the motives of missing points. Consequently it requires to be seen whether the staff empowerment can truly boost the effective notion in terms of Zakah distribution and management.

Until now, research has concentrated on poverty alleviation without fully bifurcating the issue of structural and incidental poverty in society (Farooq, 2008) in an Islamic framework. Therefore, a research is also required to highlight based on the above shortcomings. But the present research, intends to address the issues related to effective distribution, thereby will restrain any further discussion on the raised topic.

Besides, authors on the subject are unanimous that the purification measures of Zakah can have a robust effect in the society. On this note, Sarea (2012) explains that, increment of Zakah fund may boost the level of faith in society, and also it may enhance the economic growth and help in redistribution of wealth. This may also assist in easing inflationary pressure and other social problems in society, according to the said author. But to attain desired level of Zakah management, it has been argued that solid enforcement of Quranic and prescribed guidelines is important, and to ensure focused direction, improvement of provision for the asnaf as well as enhancement in supervision, building capacity and above all establishing just and effective distribution (Ab Rahman et al., 2012; Bakar et al., 2011). The factors mentioned above may entail further academic attention and careful revision.

Marginal propensity to consume (MPC) plays an important role in terms of multiplier effect in the economy. Hassan (1987) asserts that as the MPC is high in the poorest sector, any injection may lead to have a multiple affect in terms of boosting the economy and reducing the recessionary possibilities. Rahman (2013) elaborates that, if the society adopts the proposition that the MPC is higher in case of poor, and then any redistribution of income through Zakah may induce increase in aggregate consumption. Therefore, there is also a need to analyse whether through Zakah empowerment, can there be a multiplier effect in the economy in terms of income generation (Bakar, 2007; Sarea, 2012; Al Arif, 2012). Besides, the need may arise to look into, whether through solid enforcement of effective factors that have been raised above, can the society experience growth as well as economic

enlargement. And in addition, it is desired to be seen, if, by constructive efforts, can the have-nots become giver of Zakah eventually, through a solid empowerment-monitored-regiment in non-autonomous regions, then it might be a decent accomplishment in terms of attaining hardship reduction in the mentioned region.

But the issues raised above might require to do further investigation in terms of how that multiplier concept may work in addressing the issues, or in the least, reducing poverty or hardship. So a gap is noticed in the effort, which requires further revision. But it is still indeterminate which factor may affect the Zakah increment to have the multiplier effect in the economy and how that can be attained in the context of contemporary issues. Thus, there is also a pressing need to investigate further what stops the authorities in providing the required support and dissemination in making the Zakah distribution process easier, effective and efficient (Ab Rahman et al., 2012). The authors point out, "No matter how good the system is developed, if it could not cater to the needs of the community especially the poor and needy, such institution is considered as inefficient. In order to empower Zakah institutions in Malaysia a number of issues need to be addressed" (Ab Rahman et al., 2012).

Accordingly, the need has arisen to look further into what are the issues, and why Zakah institution may still lack to attain the required goal of satisfactory level of managerial attainment in the area of Zakah distribution (Wahab and Rahman, 2011). Hassan (1987), Ab Rahman et al. (2012) and Yusoff (2006) and have raised the issue of Zakah as a punitive tax on idle money, therefore any amount entering as investment to avoid remaining as idle money in the economy, may induce economic growth (Ab Rahman et al., 2012; Yusoff, 2006). So it is important to figure out, that, can an effective and robust Zakah management may ease the hardship due to effective Zakah injection in non-autonomous regions. This is another area that requires academic review.

If the empowerment of asnaf can lead to the reduction in hardship, it may also be assumed that it will help towards the reduction of income gap (Sarea, 2012); henceforth this notion requires added investigation. Besides, as discussed earlier, the concern of distributive justice (Bakar et al., 2011) entails that a minimum level of comfort is essential for the asnafs while distributing the Zakah funds. That may ensure welfare and peace in society. But the issue of hardship remains as troublesome, where the asnafs are far greater in number to the number of givers in society. Because in that society, it might require more prudence in terms of giving and dividing the asnafs in categories where one getting the assistance (who might not be able to generate income due to ill health or lack of skills) and the other getting the empowerment through monitored goal of making them sahib-e-nisab in the shortest time possible (Hassan et al., 2012). So it will be assumed that in each

year, few of the asking ones are out from the demanding basket, even if they are not contributing to the Zakah fund significantly right after. But the question remains, if theoretically it was that easy, what stops the non-autonomous authorities not to adopt such ideal measures, and this requires further investigation towards the causes of barriers to effective distribution.

Sapingi et al. (2011) point out that awareness campaign can raise the base of Zakah collection, and that will in turn assist to have a better environment in increasing the distributive base. So a research is indeed anticipated to see how to increase the level of awareness and assurance in terms of increasing the base of Zakah in society. Johari et al. (2014) saw the need of interviewing the asnaf so as to go to the root cause that may have engulfed in asnaf development. Therefore, a process of interviewing asnaf (Ramli et al., 2011) and not just through structured questionnaires may shed some light and may give more insight about the issues on distribution in terms of Zakah management. To understand the issues as well the successes and barriers, the paper intends to kindle to future researchers the point of analysis on the factors that may play a role. Future studies may necessitate to study the objectives of Zakah institutions and need to understand the significance of guidelines and policies that may affect the decision making process regarding improving the distributive base, and issues related to prompt measurements and effective disbursements of Zakah funds. Furthermore, the reading finds that few researchers have highlighted the importance of acquiring the necessary knowledge and the required skills, the importance of developing the human capital to achieve a healthy Zakah management system as utmost to have an unsurpassed customer oriented delivery system and hence warranting the required accomplishment in the matter of customer satisfaction.

Moreover it is required to be seen whether there can be any possibility of expansion of newer resources such as in terms of enforcing on newer Zakah able funds, and similarly how to ensure monitoring in every levels of effective delivery and likewise to safeguard an improved services rendered to the deserving recipients as well as clients. These factors may require looking into the possibility of empowerment in every level to ensure the distribution achieves its desired objective and hence a ground can be set to, if the expected outcomes and recommendations can also be prescribed in other Zakah institutions. If prospective research projects can provide an improved scenario, it may equally assist to advance better client perception and in turn may support the inflow of Zakah funds towards these institutions and hereby the Zakah base institutionally may become stronger. Because, as it is seen that, many Zakah givers tend to rely on direct payments to asnafs as they prefer to ensure the effective direct assistance than institutional development, and that often due to the

lack of improved perception or similar (Bakar et al., 2010; Sari et al., 2013). Not to ignore the fact that, the issue of research and development (R&D) is important in any institution, therefore it is equally imperative to look into whether such R&D plays any significance in these Zakah institutions (Kadir et al., 2014; Muhamat et al., 2013). Future studies might require to stress further on interviewing asnaf more, who might have received Zakah for their betterment and also who were empowered and monitored, and how such measures might have impacted their satisfaction levels or otherwise. Besides that, other factors that had to be considered are efficiency and productivity of zakah foundation (Al Parisi, 2017).

Recommendations

From the literature, it has been observed that most researcher wishes that effective Zakah management is implemented (Ab Rahman et al., 2012; Bakar et al., 2011). Researchers have consistently suggested that only through the effective distribution of Zakah, the level of hardship can be lessened. But still the issue of hardship perplexing in non-autonomous regions demand further investigation, even though many investigations have been conducted, and the situation is improving as well, but the perception among clients as well as researchers, are still not that satisfactory (Mahamod, 2011). So forthcoming research may appreciate the successes along with barrier factors that require urgent attention to boost and empower the institutions, and also to find, if any, further reasons that may still hinder the effective notion in these regions. Therefore, the emphasis in future might require understanding that how through effective Zakah distribution as well as management there can be any significant improvement, with austere, effective control and strict monitoring of the entire empowerment system.

The issues raised may lead further research and may benefit future researchers, and specifically, the policy makers, the academics, Zakah institutions, students and also the general public, in terms of analysing both the success and barrier factors, and will be of immense scrutiny to understand the impediments. Interviewing asnaf is a solid option. The academia and Zakah authorities hopefully will benefit from the above interviews, analysis, discussions, and may take further steps to remedy the shortcomings.

Conclusion

Zakah's role in addressing hardship along with other charity and fiscal measures has been discussed intricately and overwhelmingly by learned researchers. It has been agreed by many, that to increase the base of Zakah, the effective

management, and above all, effective distribution of Zakah is vital. Few key factors have been mentioned by researchers, which have been narrated, but it requires more look through as it is important to understand if any further analysis in regards to these factors is indeed required, so as to understand the successes and barriers to effective notion of Zakah distribution, and whether a more thorough findings and inquiries are necessary.

Kedah Zakah entails maximum and crucial care and consideration to make the destitute and the vulnerable, if any, to make them self-reliant as much possible. And that may be reached through pragmatic and logical responses to the concerns raised and in the same way tackled with far-sighted vision and with firm and effective distribution of the limited Zakah funds and warranting such unremitting progressions.

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