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The Practice of Record Keeping among Asnafpreneurs: A Review

Siti Zahrah Buyong[1]*, Junainah Junid[2], Sharifah Zannierah Syed Marzuki[3]

[1] Department of Entrepreneurship and Marketing, Faculty of Business and Management, Universiti Teknologi MARA, Branch Selangor, PuncakAlam Campus, Selangor, MALAYSIA. Email: siti280@uitm.edu.my

[2] Department of Entrepreneurship and Marketing, Faculty of Business and Management, Universiti Teknologi MARA, Branch Selangor, Puncak Alam_Campus, Selangor, MALAYSIA. Email: junainahjunid@uitm.edu.my

[3] Department of Entrepreneurship and Marketing, Faculty of Business and Management, Universiti Teknologi MARA, Branch Selangor, PuncakAlam Campus, Selangor, MALAYSIA. Email: szannierah@uitm.edu.my

*Corresponding Author

Abstract:

Asnafpreneurs in Malaysia face persistent and multidimensional barriers that hinder systematic record-keeping practices, despite the importance of documentation for business sustainability and financial well-being. Socioeconomic constraints, limited financial literacy, cultural norms that favour informal practices, and gaps in institutional support collectively weaken their ability to maintain accurate financial records. This literature review synthesises existing studies on record-keeping among micro-entrepreneurs and asnafpreneurship to identify key challenges and propose targeted interventions. Findings reveal that poor record-keeping reduces access to financing, undermines financial planning, and constrains business growth. The review recommends tailored financial literacy training, the integration of record-keeping into productive zakat programs, the provision of simple tools, staged digitalization, and structured mentorship as practical interventions. Strengthening record-keeping practices can support the transition of asnafpreneurs from dependency to self-reliance, contributing to broader socio-economic development goals.

Keywords: Record-keeping; Asnafpreneurs; Micro-entrepreneurs; Zakat; Financial literacy; Business performance

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INTRODUCTION

Micro-entrepreneurs play a crucial role in Malaysia's economic landscape, particularly in underserved and lower-income segments (Rahman, 2014; Al Mamun et al., 2021; Hamdan, 2021). Although their operations are small, their collective contribution to local economic activities, employment creation, and poverty alleviation is significant (Gherghina et al., 2020; Sabri & Karim, 2022; Al Mamun et al., 2021; Hu & Kee, 2022). *Asnafpreneurs,* entrepreneurs classified as *asnaf* under zakat categories, represent one of the most economically vulnerable subgroups (Abdullah & Rahman, 2021; Sabri & Karim, 2022). They often encounter structural constraints such as restricted capital, limited financial literacy, and weak access to entrepreneurial networks (Bahri et al., 2021; Hamdan, 2021; Abd Hamid et al., 2024; Latif & Jamal, 2024). These limitations affect their ability to adopt structured business practices, particularly in maintaining proper financial records (Sulaiman & Hasan, 2020; Malauri et al., 2021; Hamdan, 2021).

Recent national reports indicate that the *asnafpreneur* segment is expanding, with growing economic participation across retail, food and beverage, and service-based sectors (Yusoff & Amin, 2023; Abd Hamid et al., 2024; Basarud-Din & Zainal, 2020). However, challenges remain substantial (Abdullah & Rahman, 2021; Mohamed Esa, 2025; Harun et al., 2024). Table 1 summarises the current landscape of *asnafpreneurs* in Malaysia, highlighting their estimated numbers, economic contribution, operational sectors, and the support mechanisms available to them.

Table 1: Current Landscape of *Asnafpreneurs* in Malaysia

Category	Statistic / Details	Source
Number of *Asnafpreneurs*	Approximately 30,000	Zakat Foundation Malaysia (2024)
Economic Impact	Estimated RM 500 million annual revenue	Economic Planning Unit, Malaysia (2023)
Main Sectors of Operation	40% retail, 30% food & beverages, remainder in services	Ministry of Finance Malaysia (2023)
Challenges Faced	65% face financing difficulties; 50% cite inadequate business training	Malaysian Chamber of Commerce (2023)
Support Programmes	RM 100 million distributed via grants & loans; expanded training and mentorship	Zakat Management Center (2024)
Growth and Development	10% annual growth in successful asnaf enterprises	National Entrepreneurs Foundation (2024)

Source: Compiled from Secondary Literature

The information in Table 1 shows that although asnafpreneurs contribute meaningfully to local economies, they continue to face capability-related challenges that directly influence business administration practices (Abdullah & Rahman, 2021; Bahri et al., 2021; Abd Hamid et al., 2024). One of the most persistent gaps identified across national reports is the lack of systematic record-keeping despite the availability of financial aid and capacity-building programmes (Latif & Jamal, 2024; Noor & Sulaiman, 2024; Mohamed Esa, 2025; Yusoff & Amin, 2023). This gap suggests the need for a deeper analysis of behavioural, socio-economic, and institutional factors that shape asnafpreneurs' financial management practices. Accordingly, this paper aims to review related contemporary literature in an attempt to identify barriers or challenges to effective record-keeping and propose targeted interventions that can strengthen business sustainability within the asnaf community.

LITERATURE REVIEW

Asnaf and *Asnafpreneurs*

In Islamic jurisprudence, the term *asnaf* refers to eight categories of individuals who are eligible to receive zakat: the poor (*fakir*), the needy (*miskin*), zakat administrators (*amil*), new Muslims whose hearts are to be reconciled (*muallaf*), those in bondage (*riqab*), those in debt (*gharimin*), those striving in the cause of Allah (*fisabilillah*), and stranded travellers (*ibn sabil*) (Azhar et al., 2023). This classification is central to Islamic social finance, as it guides the distribution of zakat to promote wealth redistribution, alleviate poverty, and foster social justice. In Malaysia, zakat collection and distribution have been institutionalised through state Islamic religious councils, which oversee assessment, disbursement, and monitoring of assistance (Takril & Othman, 2020).

Over time, zakat authorities have moved beyond consumption-based assistance toward more developmental initiatives. Recent work on Islamic social finance demonstrates that instruments such as zakat, waqf, and related social finance tools are increasingly being framed as mechanisms to advance the Sustainable Development Goals in Muslim-majority contexts (Shahid et al., 2024). These include educational scholarships, healthcare support, and business start-up assistance aimed at enabling asnaf households to become more self-sufficient (Abdullah & Rahman, 2021). Within this context, the term *asnafpreneur* has emerged to describe individuals from the asnaf categories who engage in entrepreneurial activities, often with the support of zakat funds or other Islamic social finance instruments. Asnafpreneurs are encouraged to establish micro-businesses as a pathway to financial independence and improved socio-economic status (Debnath et al., 2015).

The idea of asnafpreneurship signals an important shift from viewing asnaf as passive recipients of aid to recognising them as active economic participants. Conceptual work suggests that when provided with appropriate capital, training, and mentoring, asnafpreneurs can create jobs, generate income, and contribute to local economic development (Bahri et al., 2021). This potential, however, is moderated by persistent challenges such as limited access to capital, weak business skills, and socio-cultural barriers, including stigma and insufficient community support. Many asnafpreneurs lack core competencies in financial literacy, marketing, and basic management, which are critical for running a sustainable business.

Past research indicates that structured training, mentorship, and access to tailored Islamic financial products are necessary for asnafpreneurs to overcome these constraints and translate support into long-term business success (Abdullah & Rahman, 2021; Bahri et al., 2021; Sabri & Karim, 2022). Within this broader capability set, record-keeping can be viewed as one of the foundational practices that enable asnafpreneurs to monitor performance, demonstrate accountability, and plan for growth.

Record-Keeping in Business

Record-keeping has long been recognised as a foundational element of small-business management, shaping how entrepreneurs monitor performance, plan future activities, and meet institutional or regulatory requirements (Rahman, 2014; Sulaiman & Hasan, 2020; Nguyen & Chang, 2023; Latif & Jamal, 2024). For micro-entrepreneurs, simple but consistent bookkeeping practices such as documenting sales, expenses, inventories, and cash flows serve as the main source of financial information for operational and strategic decisions (Malauri et al., 2021). In low-income and informal business contexts, accurate records help entrepreneurs avoid cash mismanagement, estimate profitability more reliably, and identify early signs of operational stress (Sulaiman & Hasan, 2020). However, while the importance of record-keeping is well documented, the level of adoption among micro-entrepreneurs remains uneven, particularly among groups with limited financial literacy, low resource bases, or limited exposure to formal business management principles (Malauri et al., 2021; Sulaiman & Hasan, 2020; Nguyen & Chang, 2023; Latif & Jamal, 2024).

Concept and Importance of Record-Keeping in Micro and Small Enterprises

Evidence from developing-country contexts consistently shows that micro and small enterprises struggle with basic financial record-keeping. In Tanzania, for example, the majority of owners either did not keep formal records or maintained only rudimentary cash books, mainly due to low financial literacy, time constraints, and the perceived complexity of accounting systems (Malauri, et al., 2021). Incomplete or informal records were associated with difficulties in tracking cash flow and in preparing information required by lenders and tax authorities, which in turn constrained business growth and access to external finance (Malauri et al., 2021).

Similar patterns are reported in other SME settings (Gherghina et al., 2020; Hu & Kee, 2022; Sulaiman & Hasan, 2020; Nguyen & Chang, 2023). Studies on small and medium enterprises in South Asia and Africa show that systematic record-keeping is positively associated with business performance indicators such as profitability, sales growth, and survival rates, primarily because records enable owners to monitor costs, price more accurately, and plan inventory and investment decisions (Malauri et al., 2021; Sulaiman & Hasan, 2020; Nguyen & Chang, 2023). However, when records are absent or poorly maintained, owners tend to rely on memory and intuition, which can lead to mispricing, cash shortages, and ineffective cost control (Nguyen & Chang, 2023).

Malaysian evidence on micro-entrepreneurs points in the same direction. Reviews of financial management among Malaysian micro-enterprises show that successful financial management is closely linked to the presence of basic tools, including sales records, expense books, and simple budgets. Micro-entrepreneurs who keep even simple records demonstrate better awareness of profit margins, debt obligations, and working capital needs, which supports better business decisions (Rahman, 2014; Al Mamun et al., 2021). Taken together, these studies suggest that record-keeping is not a peripheral administrative activity, but a foundational management capability for micro-entrepreneurs. Weaknesses in this capability systematically limit access to finance, reduce profitability, and increase vulnerability to shocks.

Financial Literacy, Competencies and Record Keeping

A second strand of research highlights how financial literacy and entrepreneurial competencies shape record-keeping behaviour. Studies on financial literacy among micro-entrepreneurs show that the ability to comprehend basic financial concepts such as revenue, costs, profit, and cash flow is closely linked to whether entrepreneurs maintain and utilise financial records. Micro-entrepreneurs who are more financially literate are more likely to maintain written records, prepare simple budgets, and separate personal and business finances, which improves financial decision-making and business stability (Hamdan, 2021; Sulaiman & Hasan, 2020; Latif & Jamal, 2024). These findings are consistent with broader work on financial management skills in micro and small enterprises. Experience, formal qualifications, and exposure to training are frequently identified as important determinants of "successful financial management," including routine practices such as record-keeping, cash-flow monitoring, and basic reporting (Rahman, 2014; Al Mamun et al., 2021).

This review indicates that poor record-keeping among micro-entrepreneurs, including asnafpreneurs, is not only a technical issue (lack of systems or templates) but also a capability issue. Without basic financial literacy and simple competencies in bookkeeping, entrepreneurs have little incentive or confidence to adopt and sustain systematic record-keeping practices.

Asnafpreneurs, Entrepreneurship and Business Success

Within the specific context of asnaf entrepreneurs, the literature has expanded in recent years to examine how entrepreneurship can move beneficiaries from dependency to self-reliance. Conceptual and empirical work on asnafpreneurs shows that business success is influenced by a combination of individual factors (motivation, competencies), institutional support (zakat programmes, training, mentoring), and the design of "productive zakat" schemes (Bahri et al., 2021; Basarud-Din & Zainal, 2020; Abd Hamid et al., 2024).

Bahri et al. (2021) develop a conceptual framework for asnaf entrepreneurial success that emphasises competencies such as financial management, planning, and administrative discipline as part of the broader construct of "entrepreneurial competency." Although record-keeping is not always discussed in isolation, it is embedded within these managerial and financial competencies, suggesting that systematic documentation should be understood as one of the underlying capabilities that determine whether asnaf businesses can grow and sustain themselves.

More recent empirical work provides direct evidence on these capability gaps. Abd Hamid et al. (2024) report that many asnafpreneurs lack structured business management practices and often do not maintain adequate records of sales, expenses, and stock. Targeted training and business development support, especially in basic accounting and financial management, are associated with improved confidence, better planning, and clearer monitoring of business performance. Other studies link asnaf entrepreneurs to broader sustainable development objectives. For example, Basarud-Din and Zainal (2020) explain that asnaf entrepreneurs can contribute to decent work and economic growth when supported by structured, productive zakat programmes. Furthermore, Shahid et al. (2024) demonstrate how Islamic social finance can be more broadly aligned with and mobilized to support the Sustainable Development Goals.

Institutional Support, Digitalisation, and Monitoring

Institutional actors, particularly zakat institutions and related agencies, play a central role in shaping the business practices of asnafpreneurs (Takril & Othman, 2020; Abdullah & Rahman, 2021; Yusoff & Amin, 2023). Studies on the opinions of zakat officers indicate that current entrepreneurship development programmes increasingly emphasise not only capital assistance but also a hybrid business innovation model that combines internal capabilities, external support factors, and digital technologies (Harun et al., 2024; Munahar, 2023). Zakat officers highlight digitalisation and agency coordination as important levers for improving the monitoring and performance of asnaf businesses, which implicitly requires more consistent and accessible record-keeping from beneficiaries (Harun et al., 2024).

Complementing this, research on the digitalisation of asnafpreneurs in Perlis shows that while some entrepreneurs have begun to adopt digital tools for promotion and online sales, the uptake of digital systems for managing transactions and records remains uneven (Abdul Rahim, Md Noor, Muhammad Zuki, Noor Azman, & Mohd Yusuf, 2023). Limited digital literacy, weak internet infrastructure, and the comfort of traditional cash-based practices often lead to continued reliance on manual or informal record-keeping, which constrains the potential benefits of digitalisation for transparency and data-driven decision-making (Abdul Rahim et al., 2023; Wahid & Ismail, 2024; Noor & Sulaiman, 2024).

Table 2: Selected Studies Related to Record-Keeping, Financial Literacy and Asnaf Entrepreneurship

Author(s) & Year	Context / Sample	Focus of Study	Main Findings	Relevance to Asnafpreneurs
Malauri et al. (2021)	Micro and small businesses, Tanzania	Financial record-keeping practices	Low adoption of formal records due to low literacy, time and cost constraints; poor records associated with weaker access to finance and planning	Shows how basic capacity and resource constraints lead to weak record-keeping in micro-enterprises
Rahman (2014)	Malaysian micro-entrepreneurs	Financial management and business success	Successful financial management (including record-keeping and budgeting) is linked to better performance; experience and training are key determinants	Highlights the role of financial skills and experience in shaping record-keeping behaviour
Hamdan (2021)	Micro-entrepreneurs in Malaysia	Financial literacy determinants	Financial literacy includes record-keeping, budgeting and savings; higher literacy improves financial behaviour	Position record-keeping as a core component of financial literacy relevant to asnafpreneurs
Bahri et al. (2021)	Asnaf entrepreneurs (conceptual)	Success factors of asnaf entrepreneurs	Identifies motivation, competencies and productive zakat as key success factors, including managerial and financial capabilities	Suggests that competencies underlying record-keeping are central to asnaf business success
Basarud-Din & Zainal (2020)	Asnaf entrepreneurs, Malaysia	Asnaf entrepreneurship and SDGs	Argues that productive zakat and entrepreneurial support can promote decent work and economic growth if coupled with good governance and accountability	Implies the need for structured record-keeping to demonstrate impact and sustain support
Hamid et al. (2024)	Asnaf entrepreneurs, Malaysia	Drivers of asnaf entrepreneurial success	Finds that business knowledge, training and mentoring are crucial drivers of success; many asnafpreneurs lack structured management practices	Provides direct evidence that training in business and financial management, including record-keeping, improves outcomes
Harun et al. (2024)	Zakat officers, Malaysia	Business innovation model and support for asnafpreneurs	Zakat officers emphasise internal and external success factors, digitalisation and agency coordination in supporting asnaf businesses	Underlines the institutional expectation for better monitoring and data, which depends on accurate record-keeping
Abdul Rahim et al. (2023)	Asnafpreneurs in Perlis, Malaysia	Digitalisation of asnaf businesses	Shows uneven adoption of digital tools; traditional practices and low digital literacy limit use of digital systems for business management	Indicates that digital record-keeping systems will only work if capability and cultural barriers are addressed
Mohamed Esa (2025)	Systematic review of asnaf development outcomes	Zakat and asnaf development programmes	Finds that many programmes focus on financial aid and general training, with less emphasis on managerial skills such as bookkeeping and monitoring	Identifies a gap in current interventions, supporting the need for targeted record-keeping support for asnafpreneurs

Source: Compiled from reviewed literature in the reference list

Reviews of asnaf development programmes (refer to Table 2) also note that while many initiatives provide financial aid and basic training, fewer programmes incorporate structured follow-up on financial management and record-keeping practices (Mohamed Esa, 2025; Yusoff & Amin, 2023). This gap suggests that existing interventions may improve short-term business viability but may not fully address the underlying capability deficits that limit asnafpreneurs' ability to track performance and plan for growth.

These studies collectively show that record-keeping is integral to business performance and that capability, institutional support, and digital readiness are key determinants of whether entrepreneurs adopt systematic documentation practices (Sulaiman & Hasan, 2020; Latif & Jamal, 2024; Nguyen & Chang, 2023; Abdul Rahim et al., 2023; Hu & Kee, 2022).

METHODOLOGY OF REVIEW

This paper adopts a narrative literature review approach to synthesise existing knowledge on the record-keeping practices of micro-entrepreneurs and, more specifically, asnafpreneurs in Malaysia. The review focuses on scholarly sources published between 2020 and 2024 to ensure the inclusion of contemporary evidence, particularly studies examining financial literacy, micro-enterprise management, and entrepreneurial development within Islamic social finance contexts. Relevant literature was identified through searches conducted in Scopus, Google Scholar, and MyJurnal using combinations of keywords such as *"record-keeping," "micro-entrepreneurs," "asnaf entrepreneurs," "zakat," "financial management,"* and *"SME performance."* Additional sources were identified from backward citation tracking to capture conceptual papers and empirical studies frequently cited in discussions of asnafpreneur development.

Inclusion criteria required that studies:

i. address record-keeping, financial literacy, or managerial practices among micro or small enterprises;
ii. discuss entrepreneurship within the asnaf, B40, or zakat-supported communities; or
iii. provide empirical or conceptual insights relevant to asnafpreneur challenges, business sustainability, and institutional support mechanisms.

Previous studies that are not directly related to financial practices or entrepreneurial capability building were excluded. A total of 35 articles and reports were reviewed. The findings were synthesised thematically and organised around four core domains: (i) record-keeping behaviours and constraints among micro-entrepreneurs, (ii) financial literacy and its influence on business management, (iii) asnafpreneurship and productive zakat initiatives, and (iv) institutional and digital support for business sustainability. This approach allows for an integrated understanding of the barriers and enabling factors that shape record-keeping practices among asnafpreneurs.

RESULTS

Summary of Gaps in Current Research

Although research on asnaf entrepreneurship has increased in recent years, the relationship between *asnafpreneurship* and financial record-keeping remains under-explored. Studies tend to focus on programme outcomes, business performance, or zakat distribution efficiency, with limited attention given to the micro-level behaviours and constraints that shape record-keeping practices (Abdullah & Rahman, 2021; Yusoff & Amin, 2023; Mohamed Esa, 2025). Existing work often treats record-keeping as a secondary outcome rather than a core construct influencing business sustainability. Table 3 summarises the key gaps identified across the reviewed literature.

Table 3: Summary of Research Gaps on Asnafpreneurs and Record-Keeping

Identified Gap	Description	Supporting Sources
Weak record-keeping practices	Micro-entrepreneurs generally maintain incomplete or informal records due to limited skills, reliance on memory, or lack of tools.	Rahman (2014); Sulaiman & Hasan (2020); Malauri et al. (2021); Latif & Jamal (2024)

Influence of financial literacy	Financial literacy consistently emerges as a determinant of record-keeping behaviour and documentation quality.	Sabri & Karim (2022); Bahri et al. (2021); Latif & Jamal (2024)
Socio-economic vulnerability of asnafpreneurs	Asnafpreneurs face additional constraints such as unstable income, low asset ownership, and limited access to formal financial systems.	Hamdan (2021); Abdullah & Rahman (2021); Mohamed Esa (2025)
Limited institutional monitoring	Productive zakat and support programmes emphasise disbursement but often lack structured follow-up and compliance checks.	Yusoff & Amin (2023); Harun et al. (2024); Noor & Sulaiman (2024)
Digitalisation gap	Despite using digital platforms for sales, digital financial tools remain underutilised due to low digital literacy and a preference for manual methods.	Abdul Rahim et al. (2023); Wahid & Ismail (2024); Hu & Kee (2022)
Record-keeping is treated as secondary	Studies often focus on business performance rather than positioning record-keeping as a core entrepreneurial capability.	Nguyen & Chang (2023); Basarud-Din & Zainal (2020)

Source: Compiled from secondary literature

From the synthesis of the reviewed studies, several recurring patterns emerge:

- Record-keeping among micro-entrepreneurs is generally weak due to capability and resource constraints.
- Financial literacy strongly influences record-keeping behaviour.
- *Asnafpreneurs* face additional challenges arising from socio-economic vulnerability.
- Institutional programmes often lack structured monitoring and follow-up.

Together, these patterns highlight a clear gap for more focused inquiry and policy attention on record-keeping as a foundational capability within the *asnafpreneur* ecosystem.

DISCUSSIONS

Barriers or Challenges to Effective Record-Keeping

The findings of this review show that record-keeping challenges among asnafpreneurs arise from overlapping socio-economic, cultural, behavioural, and institutional constraints. These constraints form a reinforcing cycle: low financial literacy limits understanding of the importance of record-keeping, while limited resources restrict access to tools or training that could strengthen these practices. This pattern is consistent with broader research on micro and small enterprises, where inadequate financial management skills and the absence of systematic records impede planning, pricing, and monitoring of business performance (Malauri et al., 2021; Rahman, 2014).

A recurring theme across the literature is the centrality of financial literacy and basic managerial competencies. Studies on Malaysian micro-entrepreneurs show that entrepreneurs with stronger financial literacy are more likely to maintain written records, separate personal and business finances, and apply simple budgeting tools (Hamdan, 2021; Sulaiman & Hasan, 2020). Among asnafpreneurs, this capability gap is more pronounced, as many enter entrepreneurship out of necessity rather than prior business experience (Abd Hamid et al., 2024). These findings suggest that record-keeping weaknesses are best understood not only as a technical issue but also as a matter of capability, confidence, and exposure (Latif & Jamal, 2024; Nguyen & Chang, 2023)

Institutional support emerges as another critical determinant. Although productive zakat programmes and entrepreneurship training initiatives have expanded in recent years, several studies have pointed out that many programmes emphasise financial assistance without providing sustained follow-up on managerial practices, including bookkeeping (Mohamed Esa, 2025; Yusoff & Amin, 2023). Zakat officers in recent studies also note the need for stronger coordination, digitalisation, and monitoring systems to improve the long-term success of asnaf businesses (Harun et al., 2024). These insights indicate that institutional actors recognise the importance of record-keeping but face constraints in enforcing or monitoring its implementation (Hu & Kee, 2022).

Digitalisation presents both an additional opportunity and a challenge. While asnafpreneurs increasingly use digital platforms for promotion and sales, the adoption of digital financial management tools remains limited (Abdul Rahim et al., 2023; Wahid & Ismail, 2024; Hu & Kee, 2022). The preference for manual or memory-based record-keeping, combined with low digital literacy, continues to limit the benefits of digitalisation for business transparency and decision-making.

Targeted Interventions to Strengthen Record-Keeping Practices

Based on the synthesis of the reviewed literature, several interventions can be proposed to enhance record-keeping practices among asnafpreneurs. These interventions directly address the objectives stated and fill the identified gaps in the review.

Strengthening Financial Literacy Through Tailored Training

Training programmes should move beyond generic entrepreneurship modules and incorporate hands-on, simplified financial literacy content. This includes teaching asnafpreneurs how to record their daily transactions, prepare simple profit-and-loss summaries, and separate personal from business expenses. Evidence from micro-enterprise training programmes suggests that practical, scenario-based learning significantly improves adoption of financial tools (Hamdan, 2021; Rahman, 2014). For asnafpreneurs, such targeted modules may bridge the capability gap and build confidence in maintaining systematic records.

Integrating Record-Keeping into Productive Zakat Programmes

The literature emphasises that productive zakat schemes contribute to business growth when financial support is combined with guidance, monitoring, and follow-up (Bahri et al., 2021; Basarud-Din & Zainal, 2020). Integrating record-keeping requirements into zakat-funded entrepreneurship initiatives can enhance accountability and enable institutions to assess business performance more effectively. For example, beneficiaries could be required to submit simple monthly summaries of sales and expenses using standardised templates. Such integration aligns with the institutional expectations highlighted in studies involving zakat officers (Harun et al., 2024).

Providing Simple, Low-Cost Record-Keeping Tools

Given the limited resources of many asnafpreneurs, low-cost tools such as pre-designed record books, standardised log sheets, and mobile-based templates can reduce the cognitive and financial burden of record-keeping. Evidence from micro-enterprises suggests that entrepreneurs are more likely to adopt tools when they are simple, familiar, and require minimal training (Malauri et al., 2021). For asnafpreneurs, customised tools distributed through zakat centres or NGOs could improve consistency and reduce reliance on memory-based practices.

Leveraging Digital Platforms in Stages

Although digital record-keeping tools have potential, many asnafpreneurs face digital literacy barriers (Abdul Rahim et al., 2023). A staged digitalisation approach is therefore more practical. Initial stages may focus on creating awareness of digital tools and introducing basic functions such as digital receipts, WhatsApp-based daily log submissions, or simple spreadsheet templates. Gradual progression to cloud-based accounting systems can be encouraged once foundational digital skills are established.

Strengthening Institutional Monitoring and Mentorship

Several studies emphasise that business training must be accompanied by structured mentorship and follow-up to reinforce behavioural change (Hamid et al., 2024; Mohamed Esa, 2025). Zakat institutions and partner agencies could establish periodic check-ins or assign mentors to review record books, provide guidance, and address any issues that arise. Such monitoring not only encourages consistency but also helps institutions evaluate programme effectiveness and identify cases requiring additional support.

Overall Implications

The reviewed evidence highlights that effective record-keeping is not merely an administrative practice but a foundational capability that influences financial management, business planning, and long-term sustainability. For asnafpreneurs, improving record-keeping can facilitate better cash flow awareness, build credibility with lenders and institutions, and enhance the ability to monitor business progress.

At the policy level, the findings suggest that productive zakat programmes should incorporate structured capacity-building components focused on financial literacy and managerial practices (Abdullah & Rahman, 2021; Yusoff & Amin, 2023; Harun et al., 2024). Integrating simple record-keeping tools, staged digitalisation, and mentorship can collectively strengthen entrepreneurial resilience and reduce dependency among asnaf beneficiaries. Strengthening these practices not only supports individual entrepreneurs but also contributes to broader socio-economic development agendas within the Islamic social finance ecosystem.

CONCLUSION

This review shows that record-keeping remains as one of the most persistent and structural challenges faced by asnafpreneurs in Malaysia. Although entrepreneurship is increasingly recognised as a pathway for financial independence among the asnaf community, many of these entrepreneurs continue to operate with minimal documentation of sales, expenses, and inventory. The literature consistently demonstrates that these weaknesses stem from overlapping socio-economic limitations, low levels of financial literacy, and cultural preferences for informal business practices (Hamdan, 2021; Latif & Jamal, 2024; Noor & Sulaiman, 2024; Sulaiman & Hasan, 2020). These factors shape how asnafpreneurs understand, value, and ultimately engage in record-keeping.

The review also highlights that record-keeping is closely tied to broader managerial and financial competencies. Studies across micro and small enterprises indicate that entrepreneurs with stronger financial knowledge and basic accounting skills are more likely to adopt systematic recording practices, apply budgeting tools, and make informed financial decisions (Hamdan, 2021; Rahman, 2014). Among asnafpreneurs, this capability gap is more pronounced due to limited exposure to formal business training and the necessity-driven nature of their entrepreneurial activities (Hamid et al., 2024). As a result, many rely on intuition or memory to manage their business finances, which increases the risk of mispricing, cash shortages, and poor financial planning.

Institutional support from zakat authorities and partner agencies has expanded in recent years, yet gaps remain in the monitoring and follow-up mechanisms that reinforce record-keeping behaviour. Productive zakat initiatives tend to focus on capital assistance and general entrepreneurship training, with fewer programmes offering sustained mentoring or structured tools that encourage consistent documentation (Mohamed Esa, 2025). At the same time, digitalisation efforts show promise but are limited by uneven digital literacy and the continued reliance on manual practices among asnafpreneurs (Abdul Rahim et al., 2023; Wahid & Ismail, 2024). These findings suggest that institutional interventions must extend beyond financial aid by incorporating record-keeping as a mandatory and monitored component of entrepreneurship programmes.

To address these challenges, this review proposes several targeted interventions: (i) simplified and practical financial literacy training; (ii) embedding record-keeping templates and reporting requirements into productive zakat programmes; (iii) distributing simple, low-cost tools that reduce the burden of documentation; (iv) introducing digital solutions gradually; and (v) strengthening mentorship and institutional follow-up (Hamdan, 2021; Sulaiman & Hasan, 2020; Rahman, 2014; Bahri et al., 2021; Basarud-Din & Zainal, 2020; Harun et al., 2024; Malauri et al., 2021; Abdul Rahim et al., 2023; Wahid & Ismail, 2024; Abd Hamid et al., 2024; Mohamed Esa, 2025; Yusoff & Amin, 2023).

Overall, improving record-keeping practices is more than an administrative task. It is a foundational capability that influences business survival, growth, and the transition of asnaf households from dependency to self-sufficiency (Rahman, 2014; Sulaiman & Hasan, 2020; Nguyen & Chang, 2023; Bahri et al., 2021). Strengthening these practices through targeted interventions, institutional support, and capacity-building initiatives will not only benefit individual entrepreneurs but also enhance the effectiveness of zakat-based development programmes and contribute to Malaysia's broader socio-economic goals.

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