

**MODELLING ZAKAT DISTRIBUTION FOR
ENHANCEMENT HUMAN CAPITAL DEVELOPMENT**



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TABLE OF CONTENT

| | Page |
|--|-------------|
| Acknowledgement | iv |
| Table of Content | v |
| List of Tables | vii |
| List of Figure | vii |
| Abstract | viii |
| | |
| CHAPTER ONE INTRODUCTION | |
| 1.1 Introduction | 1 |
| 1.2 Limitation of Prior Research and Significant Research Opportunities | 2 |
| 1.3 Lembaga Zakat Selangor | 4 |
| 1.4 Research Question and Hypothesis | 7 |
| 1.5 Research Implementation | 8 |
| 1.6 Summary Outline of The Report | 9 |
| | |
| CHAPTER TWO LITERATURE REVIEW | |
| 2.1 Introduction | 10 |
| 2.2 Entrepreneurship in Malaysia | 10 |
| 2.3 Poverty In Islam | 11 |
| 2.4 Poverty Alleviation in Islam | 12 |
| 2.5 Zakat As A Tool For Poverty Alleviation | 13 |
| 2.6 Characteristics of Successful Entrepreneurs | 14 |
| 2.7 Influence of Gender on Entrepreneurs' Success | 16 |
| 2.8 Summary and Conclusion | 18 |
| | |
| CHAPTER THREE CONCEPTUAL FRAMEWORK, RESEARCH QUESTIONS AND HYPOTHESES | |
| 3.1 Introduction | 19 |
| 3.2 Conceptual Framework | 19 |
| 3.3 Research Question | 20 |
| 3.4 Research Hypotheses | 21 |
| 3.4.1 Entrepreneurs Orientation | 21 |
| 3.4.2 learning and Innovation | 22 |
| 3.4.3 Customer Relationship | 22 |
| 3.4.4 Products and Services | 23 |
| 3.4.5 Marketing Strategy | 23 |
| 3.4.6 Finance Knowledge | 24 |
| 3.4.7 Islamic Beliefs and Practices | 24 |
| 3.5 Summary and Conclusion | 25 |

| | | |
|---------------------|--|----|
| CHAPTER FOUR | RESEARCH DESIGN | |
| 4.1 | Introduction | 26 |
| 4.2 | Sample Data | 26 |
| 4.3 | Research Instrument | 27 |
| 4.4 | Data Entry and Statistical | 28 |
| 4.5 | Summary and Conclusion | 28 |
| CHAPTER FIVE | RESULT AND DISSCUSION | |
| 5.1 | Introduction | 29 |
| 5.2 | Demographic Characteristics | 29 |
| 5.3 | Reliability Test | 31 |
| 5.4 | Descriptive Statistics | 32 |
| | 5.4.1 Entrepreneurs Orientation | 33 |
| | 5.4.2 Learning and Innovation | 34 |
| | 5.4.3 Customer Relationship | 34 |
| | 5.4.4 Information Products and Services | 35 |
| | 5.4.5 Finance and Knowledge | 36 |
| | 5.4.6 Marketing | 37 |
| | 5.4.7 Islamic Beliefs and Practices | 38 |
| 5.5 | Independent Sample T-Test | 38 |
| 5.6 | Summary and Conclusion | 41 |
| CHAPTER SIX | CONCLUSION | |
| 6.1 | Introduction | 42 |
| 6.2 | Contribution of The Study | 42 |
| 6.3 | Summary of Major Findings and Their Implications | 43 |
| 6.4 | Limitation of The Study | 45 |
| 6.5 | Future Research Avenue | 45 |
| 6.6 | Conclusion | 46 |
| REFERENCES | | 47 |
| APPENDIX | | 52 |

Abstract

One of the functions of business development program of Selangor Zakat Board is creation a business enterprise among *Asnaf*s. As such “*Asnaf* Entrepreneurial Program” was launched in 2003 to facilitate rightful *Asnaf*s to starts business and eventually able to generate stable income to above poverty line through initial business capital assistance. This program is developing through the Economics Development Department of SZB by providing continuous support to rightful *Asnaf*s to elevate their living standards through business activities such as “my burger” and “*Asnaf* market”. The aim of this program is to encourage *asnafs* to be self-sufficient. The initial business assistance provide by SZB to *Asnaf*s are in various form ranging from equipment needed to start business to infrastructure such stalls, booth, workshop as well as financial assistance. The aim is to eventually train them so that they are able to won and operate the business independently. Importantly, the aim of this project is to provide adequate level of opportunities for the *asnafs* so that after certain period of financial assistance they are able to be financially independent. However, most of the capital assistance provide by Selangor Zakat Board ended in failure. Very few of the program participants have become successful entrepreneur. This study aims to provide understandings on the success of the capital assistance via the economic development programs from the Lembaga Zakat Selangor. This study also examined difference between successful male and female *asnaf* entrepreneurs in term of five core values of marketing strategy, product/service innovation, religious belief/practiced, entrepreneurial orientation and financial management. Based on 39 successful entrepreneurs the finding discovered that successful *Asnaf* entrepreneur possessed certain core value of personal qualities factors and skills like communication skills, self-reliance, ability to identify and exploit opportunities, innovative, creativity, willingness to take chances, even it means to expose oneself to risk. The finding also discovered that there are many differences successful male and female *Asnaf* entrepreneurs. Significant different between male and female successful *asnaf* entrepreneur were found in scores on product/services innovation, religious belief/practiced, relationship with customers and marketing technique.

Keywords: Successful *Asnaf* entrepreneurs, Core values, Selangor Zakat Organization