

Corporate Responsibility And Motivating Corporate Zakat Payment

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Abstract

Zakat is one of the five pillars of the Islamic faith, which is an obligatory form of "charity", and every Muslim is expected to contribute. The use of zakat is not only to purify property but to purify the hearts of zakat payers from selfishness and wealth greed. Although it is part of Muslims obligation to pay zakat, the amount collected recorded is still lower and not optimal. The issue of zakat business payment is not often debated particularly on how to increase the number of business zakat payer. This is because zakat on wealth is more than total zakat on the business. Malaysian zakat institution still faces several obstacles to increase the collection of business zakat. Most of the previous studies found that the zakat payer does not know about the basic foundations of zakat especially on business zakat payment. In addition, good leadership in zakat institutions may contribute to the efficiency and effectiveness of zakat funds and indirectly leads to an increase in corporate responsibility and motivating corporate zakat payment. Hence, the purpose of this research is to identify the relationship between the level of knowledge and the leadership of the institution zakat with corporate responsibility and motivating of corporate zakat payment. This research also used the Resource-Based View (RBV) theory. A qualitative method using an in-depth interview with a staff of Hotel Perdana Kota Bharu was applying in this study. The findings show that both were influenced corporate responsibility and motivating of corporate zakat payment.

Keywords: Level of Knowledge, The Leadership Of The Institution *Zakat*, Resource-Based View (RBV) Theory, *Zakat*, *Zakat* Collection

1. Introduction

According to MaRS (2016) stated that social finance is defined as a technique for managing money that provides social dividends and economic returns. It also often used to describe investments and lending to companies that consider being social, charitable, cooperative, and other impact-focused organizations. Based on Investopedia (2016) Islamic social finance also known as Shariah-compliant finance and economics, sophisticated system and a broad one that exists only in Islam. It also aims to promote social justice through the redistribution of wealth and fair financial affairs. Islamic social finance was created during Islamic birth to balance the wealth of society and stop economic exploitation. Zakat is a pillar of Islamic social finance. Moreover, tax on wealth and income, zakat is a kind obligatory aims-giving.

What researcher have found is that Islamic social financial tools such as wakaf (Islamic waqf) and zakat (it was compulsory donations or payments payable by all Muslims who have more than nisab wealth which is a threshold or exemption limit) can effectively support Sustainable Development Goals (SDGs) if developed properly, managed and utilized with transparency, accountability and efficiency (Benedikter, 2011).

Zakat is the third and obligatory rule of Islam for Muslims who fulfil all the requirements. Zakat is "that portion of a man's wealth is designated for the poor" (Azeez, 2003). It is mandatory for every Muslim that has stable finances to pay zakat to the poor and also needy (Afzal & Akram, 2014). According to Islam, Zakat is known to paid to purify the wealth. Thus, Muslims that have enough wealth have to give a little amount of their wealth for example 2.5 per cent. So, it is responsible for the rich people to help the poor by helping them in every way possible.

Companies or business entities are obligated to pay the zakat when the business owned by Muslims, the business owned by an independent Muslim. Perfectly owned, there is enough nisab. Quite haul (even a qamariah year or 354.3 days) and the zakat rate on the company is 2.5 per cent. Therefore, the joint venture between Muslims and non-Muslims is compulsory on the number of shares owned by Muslims only based on the net income assessed after adjustment and rejection of the items.

When the Muslim giving zakat, it will acknowledge that everything that is owned by Allah s.w.t, and so that we can use it to remember Allah s.w.t. and help those in poor. Based on Chapra (1979), the benefit of zakat is it can clean one's character from being a miser. Apart from compulsory payment, zakat also brings much importance because it will help us learn self-discipline, free from desire and excessive greed. The benefit the giving the zakat is it purifies their wealth as Allah says in the Qur'an, it keeps one away from sin and saves the giver from the moral ill arising from the love and greed of wealth and through zakah, the poor have cared for these include widows, orphans, the disabled, the needy and the destitute. According to Ahmed (2008), it helps in the purification of the heart. After that, zakat also helps in reducing poverty in society.

1.1 Problem Statement

Zakat is been paid by Muslim to reducing poverty and promotes equitable sharing of wealth

(Taheri, 2001). Also, zakat on business is one of the zakats on wealth. Corporate zakat is a major contributor to zakat collection in Malaysia, especially in Wilayah Persekutuan. According to PPZ-MAIWP (2017) total corporate zakat payment amounted to RM 106 303 269.21 zakat payment starts to decrease which is RM 118 140 629.41, and for the following year, 2019 also decreases which are RM 114 096 123.42 (PPZ-MAIWP, 2019).

In current circumstances, the issue of zakat on business is not often debated particularly on how to increase the number of business zakat payer. Today, zakat on wealth is more than total zakat on the business (Md Arif et al., 2011). In addition, they also state that this is because the Malaysian zakat institution still faces several obstacles to increase the collection of business zakat.

According to Abd Rahim (2004) stated that this situation cannot occur in future because zakat on business has the potential to be the most contributor to the amount of zakat. However, zakat compliance behaviour still has issues in many Muslims and countries Malaysia is no an exception as it is said to have a bad collection among Muslim entrepreneurs who are responsible to pay zakat on business but fail to do so (Saad & Haniffa, 2014).

Some of the businesses still confuse between zakat on business and tax on business that is charged on them. This is because tax compliance is different from zakat compliance. According to Yarbrough and Song (1978) and Feinstein et al., (1998), tax compliance is the willingness of the taxpayer to comply with tax laws for the country's economic balance, zakat is referred to one of the required Islamic responsibilities that anyone meets the requirements for achieving piousness and good soul (Nawi et al., 2011). In his self- purification. In Malaysia, the law of paying zakat corporate as syaksiyyah 'itibariyyah instead of syaksiyyah tabi'iyah has been continuously discussed among previous and contemporary depth (Chick et al, 2018).

The main issue based on this situation is the collection of zakat funds is yet to be effective and even though there are many businesses in Malaysia but still the zakat collection on business less and not optimal (Sanusi, 2019). This is because some of the companies are paying their zakat business and some of them not pay for their zakat business. To address this issue the discussion is divided into two things which are the zakat collection is not yet optimal and know the factor of the business zakat payment that still unclear. To measure the true achievement of a zakat collection requires a benchmark against the estimated actual collection potential. Therefore, a study is needed to look at what potential of the zakat collection to give as a benchmark for the real achievement of zakat collection. Based on Muda et al., (2005), the reason for this situation could occur because of lack of knowledge among the Islamic business community to pay business zakat and among them do not care to fulfil their obligation to pay the business zakat (Alayuddin, 2008).

Based on Muhammad et al., (2005), the reason for this may have been due to the lack of knowledge among the Muslim business community to pay business zakat and among those who did not care to pay the zakat on business even though it was a duty (Muhammad et al., 2005). For another reason, it could be because of leadership from the institution of zakat. According to Azman and Bidin (2015) and Zainal et al., (2016), to improve zakat collection, the zakat

institution has implemented various measures to attract people to the responsibility of zakat and to increase public confidence in the institution.

More importantly, this study is in line with current developments promoting value-based activities, especially in the Islamic finance industry in Malaysia. Recently, the industry is restructuring its focus on shariah-compliant towards value-based and value-based activities in ensuring sustainable long-term socio-economic growth. Following this initiative, this study will adopt the strategies identified in the two main strategy papers published by Bank Negara Malaysia. Value-Based Intermediation is Strengthening the Roles and Impact of Islamic Finance (July 2017) and the Malaysian Securities Commission, Islamic Fund and Wealth Management Blueprint (January 2017) in enhancing the role and impact of Islamic financial resources management, including zakat corporate.

Moreover, this key strategy is in line with the recommendation to adopt the Sustainable Development Goals (SDGs) introduced at the United Nations Sustainable Development (UNDP) Summit held on 5 September 2015. SDGs, also known as Transforming our world on the 2030 agenda for Sustainable Development, includes 17 goals including injustice, addressing poverty, and imbalance by 2030 (UNDP, 2015).

The emulating of social resource-based view the researcher can study how the level of knowledge and the leadership of zakat institution can influence the corporate responsibility and motivating corporate to pay of zakat business according to the knowledge that corporate has and with the zakat institution itself on managing their institution and used the zakat to make a distribution to the needy and poor people. Besides, based on the previous study, some gaps needed to be highlighted. There is a lack of study about the factors that influenced the business zakah compliance behaviour that has been conducted in Perlis (Saad et al., 2017). It can see that the previous study does not explain more detail about the factor of knowledge of payers on business zakat payment and also the role of zakat institution. Many studies do not include the information of statistic of zakat business payers in Malaysia and its relation with corporate responsibility and motivating corporate to pay of zakat business. More empirical studies such as basic factors that discourage corporate zakat business payment in Malaysia needed to be conducted so that a more precise study of assessing significant factors that influenced corporate responsibility and motivating corporate to pay for zakat business can be carried out.

1.2 Research Objective

This research attempts to attain a few objectives which are all these goals must be considered to make certain the finding is accurate with what researchers are trying to find. The objectives of the study as follows:

- i. To study the relationship between the level of knowledge with corporate responsibility and motivating of corporate zakat payment.
- ii. To study the relationship between the leadership of the institution zakat with corporate responsibility and motivating of corporate zakat payment.

1.3 Research Questions

The following are the research question for this study:

- i. Does the level of knowledge influence corporate responsibility and motivating of corporate zakat payment?
- ii. Does the leadership of the institution zakat influence corporate responsibility and motivating of corporate zakat payment?

2. Literature Review

2.1 The Underlying Study Of Resource-Based View Theory And Corporate Responsibility And Motivating Of Corporate Zakat Payment

According to Nason and Wiklund (2018) is the resource-based view (RBV) is still one of the most successful theories in management studies. More specifically, the Resource-Based View (RBV) argues that the use of the Organization's resources is optimum to achieve excellent performance through sustainable competitive advantage. Besides that, RBV consists of a comprehensive management literary body that is primarily related to the resource and resource nature and the strategic capacity of an organization (Butler, 2001). According to Barney and Mackey (2016), the use of Research Based-View (RBV) as the basis of this research theory is guided, even in its evaluation by works such as McWilliams and Siegel (2010) and it addresses companies that gain competitive advantage by creating private and social values through corporate social responsibility strategies that leverage knowledge creation.

Social responsibility means that individuals and companies have the responsibility to act on the importance of the environment and their community as a whole. Social responsibility, as it relates to business, is known as Corporate Social Responsibility (CSR). Social responsibility has become increasingly important to investors and consumers who seek investments that are not just profitable but also contribute to the welfare of society and the environment. Moreover, corporate Social responsibility is the responsibility of an organization for the impacts of its decisions and activities on society and the environment environmentally responsible business behaviour at competitive prices. The social resource-based view is about the corporate company paying zakat on business because of their willingness and not because of the obligation. The decision also cannot make by one person only it involved many people. This theory was applied in the present study to examine the factor of corporate responsibility and motivating corporate zakat payment on a business.

2.2 Preliminary Study About The Level Of Knowledge With Corporate Responsibility And Motivating Of Corporate Zakat Payment.

The level of knowledge of corporates is one of the factors that can determine corporate responsibility and motivating corporate zakat payment of Hotel Perdana Kota Bharu. Knowledge is may include facts, information, evidence or skills acquired through experience or education. According to Harun et al., (2015) defined knowledge known as a piece of information or fact acquired through education and also experience. This is because, a Muslim need to understand the basic knowledge of zakat which includes the conditions of zakat, the type of property that is

subject to zakat, the nisab rate, zakat laws, zakat calculation method, asnaf of zakat and uruf zakat for the occupied state since the uruf for jewellery is different for each state. The concept of knowledge in taxation is used to denote values or information about tax rules with the financial knowledge to calculate the economic consequences for taxpayers (Fallan, 1999).

Moreover, the other reason is the low knowledge about zakat itself. According to Safri (2006), the zakat payer does not know about the basic foundations of zakat includes zakat term and condition, zakat calculation, zakat recipient, and zakat legal system. These show that level of knowledge of zakat payer is used in this study as less knowledge about zakat and felt that the process of distribution is vague and the information regarding the zakat distribution is unclear (Wahid et al., 2009). The researcher wants to know a level of knowledge about zakat of Hotel Perdana Kota Bharu, especially zakat business is expected to influence corporate company decision on zakat payment. This is because, based on Sutinen and Kuperan (1999) corporate responsibility and motivating corporate zakat payment to a particular law or regulation is said closely related to an internal factor and knowledge is a prerequisite to perform the behaviour (Koufaris, 2002). Thus, the level of knowledge of the corporate company is the internal factors that can determine the extent to which they have control over the corporate responsibility and motivating corporate zakat payment of business zakat. Besides that, the corporate company need to understand clearly the foundations of knowledge about zakat and several aspects of this knowledge that must be understood by every businessman, it is believed that a corporate company who has a high degree of knowledge about business zakat will have high awareness about zakat payment than those who had low knowledge.

The level of knowledge of zakat is positive and significant towards the motivation of paying due to his knowledge to make a corporate company aware of his duty as Muslims to live the command of Allah SWT and avoid all Restriction. It can be said that the higher the understanding of zakat, the higher the motivation to pay zakat. Based on Syed Mohd Ghazali Wafa (2004) reveals that many business entities do not understand the method of calculating and determining the amount of zakat that should be paid. According to Pangestu (2016) the results of this research in line with the research of which gets the result that the knowledge of zakat is a positive and significant influence on corporate responsibility and motivating corporate zakat payment of Hotel Perdana Kota Bharu.

2.3 Preliminary Study About The Leadership Of The Institution Zakat With Corporate Responsibility And Motivating Of Corporate Zakat Payment.

The majority of authors do acknowledge that there are almost as many different definitions of leadership as there are people who have tried to define it (Northouse, 2010). According to Lussier and Achua (2010) stated that one of the most popular definitions of leadership has been proposed as "the influencing process of leaders and followers to achieve organizational objectives through change". The leadership of the institution of zakat are related to how an organization are being ruled or control. This is because an organization or institutions should have good principles such as strong leadership and accountability to stay efficient and effective. Good leadership in zakat institutions may contribute to the efficiency and effectiveness of zakat funds and indirectly leads to an increase in corporate responsibility and motivating corporate zakat payment. This is because, Muslim country such as Malaysia have shown many drawbacks

of the zakat institutions, especially in managing the distribution of zakat and poor service that provided to zakat payers.

Moreover, according to Razimi et al (2016), the efficiency of zakat institutions is affected due to some reasons such as lack of human resource, outdated information communication technology (ICT), poor corporate governance, few numbers of branches and old and ineffective collection method. Besides that, the more satisfied the corporate company towards zakat institutions management or leadership, the higher the degree of compliance of the corporate company to pay zakat at the zakat institutions (Sanep et al, 2005). Furthermore, according to Baba et al (2010) founds that, 45 per cent of business zakat payers pay zakat direct to asnaf, compared to zakat institutions (26 per cent) and amil (28 per cent), this shows that the majority of the business owners feel less confident and dissatisfied with the role and leadership of zakat institutions in redistributing of zakat to the asnaf.

In addition, although the number of zakat collection has increased over the last decade, the payment of zakat through institutions among Islamic business owners is still not encouraging. RM470 million was collected from the business segment in 2012 and it was the second-largest contributor of the total zakat collection. According to Alias (2013) as stated in Ghazali (2016) stated that there is 20 per cent of its potential zakat revenue from this segment and the remaining 80 per cent of uncollected zakat for about RM 1.85 billion remains as a huge potential for the authorities to have their share. Some of the Muslim payer more like to pay directly to the recipients. This is because the Muslim must pay the zakat to the institution while any direct distribution of zakat to the eligible recipients is permissible said the National Council of Fatwa.

Besides that, it is sinful for disobeying the country's Islamic government decision. Based Wahid et al (2009) as cited in Ghazali (2016) stated that, the failure of paying zakat direct to distribution because zakat payers do not trust the leadership of zakat distribution by the institution. According to Hasan and Shahnaz (2005) stated that the management systems in zakat institution influenced business owner in paying the business zakat. The results from the previous studies have proven that the feeling of satisfaction towards the leadership of zakat institution was a positive relationship with corporate responsibility and motivating corporate zakat payment (Abd. Wahab & Abdul Rahman, 2011).

2.4 Theoretical Framework

There are two independent variables which are the level of knowledge and leadership of institution zakat while corporate responsibility and motivating corporate zakat payment is used as dependent variables.

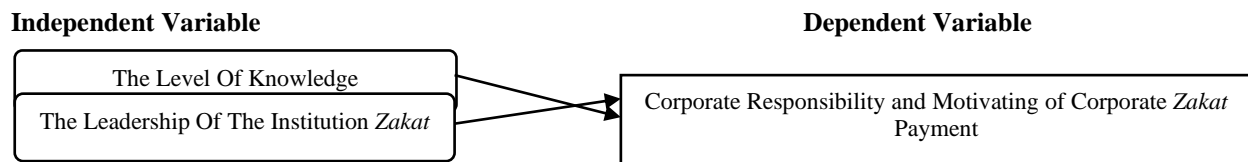


Fig. 1 Theoretical Framework

3. Research Methodology

In this study, the researcher will use the interview technique method which is qualitative research methods which are primary data is obtained through survey and interview with the selected samples and referred to as the first information or data originally obtained by the researcher on the variable. For this study, researchers have decided to use interviews as a method of collecting data. The researchers conduct an interview technique with is selected one respondent from staff from Hotel Perdana Kota Bharu who are known and handle the zakat business payment and to get detailed information about the company as well as future strategy and plans concerning the responsibility and motivation of corporate zakat payment. This section of the interview questions consists of part A, B, C, D, and E. For section A is demographic information, part B is a business profile, part C is an independent variable (level of knowledge), part D is an independent variable (leadership of zakat institution) and section E is a dependent variable (corporate responsibility and motivation of corporate zakat payment).

4. Finding and Analysis

The finding and analysis of part A and part, B will be explained in Tables 1 and 2.

Table 1: Finding and analysis of part A

<i>Theme Interviews</i>	<i>Staff Of Hotel Perdana Kota Bharu</i>
<i>Part A. Demographic Respondent</i>	
Name of Respondent	Muhammad Husni b. Abdullah
Age of Respondent	52 years old
Position Held	Quality & shariah compliance executive
Working Period	5 years 6 month

Table 2: Finding and analysis of part B

<i>Part B. Business Profile</i>	
Business Location	Jalan Mahmood, Bandar Kota Bharu, 15000 Kota Bharu, Kelantan
Number of Years in Operation	The 7-year operation began in mid-June 2013. Originally from the state government and after it renovated it was taken over by PNB
Business Sector Involved	Sector services.
Business Category Involved	Sdn. Bhd
Zakat on Business Payment	Yes, Hotel Perdana Kota Bharu pay zakat on business

Part C is about the factor that influenced corporate responsibility and motivating corporate to pay zakat payment which is the level of knowledge.

- i. The first subtopic in this part C is the respondent will be asked whether he knows that issuing business zakat is one of the pillars of Islam. Zakat is known as the third of the Five Pillars of Islam, is a mandatory activity for all Muslims to commit to donating a percentage of their wealth to those in need. The following is statements from interviewee Muhammad Husni. *"He answered that he knows that issuing business zakat is one of the pillars of Islam and that is why Hotel Perdana Kota Bharu pay the business zakat not only because they are capable but it also because pay the business is one of the pillars of Islam."*

- ii. For the second subtopic of part C, the respondents will be asked how he sees the duty status of paying business zakat by the corporate. Interviewee Muhammad Husni is the Quality & shariah compliance executive and he is responsible to ensure that Hotel Perdana Kota Bharu pays zakat on business.

"He also said that when Hotel earned profit they need to pay zakat on business. They also need to make sure the source of business is 100% halal and follow the shariah compliance. He also adds that Hotel Perdana also receives certification from SIRIM under ISO9001 2015 as well as MS1900 2014 where under this certificate it monitors the shariah-compliant divisions throughout and the Hotels are also audited for the whole section to ensure the source is halal. This is because the total revenue of the hotel will be channelled all under PNB's financial position and the hotel will not retain all of it. Also, Sir Muhammad Husni will only ensure that the zakat on the business is made and paid by PNB because total revenue will be combined with other property in turn."

- iii. For the third subtopic of part C, the respondent will be asked whether this corporate can pay business zakat every year. Hotel Perdana Kota Bharu which supports shariah compliance has no problem in compliance with zakat payment based on zakat payment decision issued by the company's shariah unit. Interviewee Muhammad Husni was interviewed explaining that:

"He stated that as the service company that makes a profit every year, so far, hotels can pay business zakat every year because they make a profit every year to enable hotels to pay business zakat. He also informed that in 2013, 2014, 2015, 2016 and 2017 PNB would make a zakat payment using the proceeds collected to the religious council of Melaka."

Part D is about the factor that influenced corporate responsibility and motivating corporate to pay zakat payment which is the leadership of zakat institution.

- i. For the first subtopic of part D, the respondent was asked to what extent are the leadership of the zakat institution can lead to zakat payment by this corporate. The leadership and integrity of the zakat institution is also an important factor in increasing the confidence level of the company to pay zakat business.

"Interviewee Muhammad Husni suggests zakat institution can give information about the zakat business creatively to the company as well as the community in general. Apart from building company trust, zakat institutions can also channel useful information so that the public can realize the effectiveness of the use of zakat funds. This is one of the leadership values that can be highlighted by zakat institutions. In addition to continuing to conduct research and development studies towards the provision of sustainable institutions. As for Hotel Perdana takes the incentive to reach out to the zakat itself to provide information and awareness to the Hotel, especially to the top management."

- ii. For second the subtopic of part D, the respondent was asked how he thinks about the relationship or engagement of Institution zakat with others corporate the Hotel Perdana Kota Bharu has a good relationship with the zakat institution and always communicates in fulfilling responsibilities corporate to pay zakat business.

"Interviewee Muhammad Husni answered that to motivate other corporate to be more consistently and effectively zakat institution also needs to make visits to companies and provide seminars. When this awareness exists among corporates, every Muslim can fulfil the obligation to pay zakat to those who are entitled to receive it. He also said the companies themselves can take the incentive to invite the zakat institution to their company to give the briefing about the zakat business".

- iii. For the third subtopic of part D, the respondent was asked what are the key element in the governance context that affects the most corporate tendency to decide to pay a zakat business payment. Hotel Perdana Kota Bharu leaves this distribution matter to the authorities which are zakat institutions. It is not the jurisdiction of the zakat payer to ensure this because their responsibility is done.

"Interviewee Muhammad Husni stated that their Hotel ensures that they have fulfilled their obligations and the company trusts the zakat institutions to implement their respective distribution and governance programs. He said that their Hotel handed over completely to the zakat institution to implement the distribution program and he also believes that zakat institutions have good internal controls and meet the required standards in distribution zakat fund."

Part E is about the responsibility and motivating corporate to pay zakat payment.

- i. For the first subtopic of part E, the respondent was asked what motivate the corporate to make payment of zakat. Hotel Perdana Kota Bharu supports shariah compliance in their business dealings. Payment of zakat business is one of the components applied in the Shariah compliance.

"Interviewee Muhammad Husni answered that is more because of the responsibility toward the poor and needy. He also said even though there is no enforcement yet about pay the zakat business but based on hadith Prophet p.b.u.h. said that individuals in a company or group are considered as one without being separate from each other. Whenever a company is set up for business purposes whether it is a service company, law firm, hotel, arbitration, medicine, recreation, exploration and so on, the company is considered to be a trading company obligated to pay zakat on trade and zakat rate is 2.5 per cent. He also added that the poor who can receive zakat can then meet their needs, and, thus, the economic wealth bestowed by Allah s.w.t is spread to everyone and real economic growth can be achieved. He also said that the zakat fund, if managed effectively and efficiently, then it able to reduce the gap between the rich and the poor."

- ii. For second the subtopic of part E, the respondent was asked the respondent will be asked what is the comment to ensure more corporate pay zakat business. To attract more corporate to pay zakat business some action need to be taken.

"Interviewee Muhammad Husni stated that give knowledge and awareness to the top management. This is because any organization or person in charge must provide understanding to the top management about the obligation to pay zakat business. Moreover. If they do not give this knowledge or awareness they will never know and will not be interested in making zakat payment. The second comment from Encik Muhammad Husni is all the corporates can also reach out to zakat institutions which are MAIK to give a briefing

on the obligation to pay business zakat payments, especially to top management. By doing this they will get more knowledge about the obligation to pay zakat on business and it will help create value which is helping the poor and needy and these include widows, orphans, the disabled, and the destitute. the last comment from Encik Muhammad Husni is to attract more corporate to pay zakat business is making a rebate tax. This is because corporates are willing to pay business zakat and pay zakat payments if they receive incentives such as rebates or deductions from business zakat payments. Also, tax incentives such as rebate from business zakat payments can encourage entrepreneurs to pay business zakat. "

5. Recommendation

5.1 To get more knowledge about the business zakat

The first variables which are level of knowledge show a positive relationship between corporate responsibility and motivating corporate zakat payment. Corporates should need knowledge about zakat itself. They can gain knowledge through self-study from reading or take a class regarding it. Read a book or article can enhance more learning process to understanding more about zakat. If lazy to read, they also can go find a good teacher to teach more about zakat or they can invite the zakat institution to come to their company. Because this knowledge can not only teach zakat knowledge but also indirectly build their Iman as it is one of the pillars of Islam.

5.2 To increase the leadership of the zakat institution

The second variables which are the leaders of the zakat institution show a positive relationship between corporate responsibility and motivating corporate zakat payment. Zakat institutions should raise awareness of Muslim society, not only to business owners but also to their spouses and family members. Religious talks either through the mass media or direct face to face lecture, zakat awareness programs and other aggressive promotions should be mobilized comprehensively so that the message of obligatory responsibility reaches the community so that it can help to increase business zakat awareness among Muslim Society. If the understanding of Muslim society increases, then it will directly influence business owners to have strong intentions to pay zakat. Furthermore, the transparency of the zakat institutions in the execution of the collection and distribution of zakat should be taken seriously so it will not cause the business owners to lose faith in zakat institutions. If the society has high trust towards zakat institutions then, more business owners will pay zakat and this will further increase the collection of business zakat in the future.

6. Conclusion

This study conducted to create a better understanding of corporate responsibility and motivating corporate zakat payment as well as to verify the factors that determine the payment zakat by the corporates. This section will discuss the conclusions for the analysis of new data, modelling the new framework, and recommendations of this study.

From a general point a view, it is important to study the factor that influences corporate responsibility and motivating corporate zakat payment to improve the collection of zakat in the future. For this study, corporate responsibility and motivating corporate zakat payment as a dependent variable refers to how it be influenced with the level of knowledge that they have to pay the zakat business and in performing their obligation to pay zakat on business to the official channel (format zakat institution) according to the rules, regulations, and guidelines that have been established.

There are previous studies that examined the relationship between level and knowledge and corporate responsibility and motivating corporate zakat payment (Pangestu, 2016) it was positive and significant influence corporate responsibility and motivating corporate zakat payment. The results show that corporations do not have enough knowledge and information about business zakat, but at the same time, they have the ability and confidence in zakat payments. For example, the literature proves that knowledge of business zakat is the need to pay zakat and it is hoped that the higher the company's knowledge of zakat, the higher their tendency to pay zakat.

According to Hasan and Shahnaz (2005) stated that the management systems in zakat institutions influenced corporate in paying the business zakat. Meanwhile, Abd. Wahab and Abdul Rahman (2011) has shown that results from the previous studies have proven that the leadership of the zakat institution was a positive relationship to corporate responsibility and motivating corporate zakat payment. Moreover, the leadership of the zakat institution does affect the compliance behaviour of business zakat payers. Even though the collection of business zakat has increased every year, but still they are many business owners that are reluctant and avoiding to pay zakat. Furthermore, a previous study has revealed that the majority of Muslim society is willing to pay directly to asnaf rather than paying at the zakat institution. Thus, the zakat institutions shall improve the leadership and develop a strategic plan to increase the awareness and the compliance of corporates zakat payers. So, it will show that the objective of the study will be achieved, and it can see that according to Ram (2010) shows that factors determining influenced corporates in paying the business zakat for both factors which is for the internal factor is level of knowledge meanwhile for external factor is leadership which service quality of zakat institution. It shows that both factors have a significant influence influenced corporates in paying the business zakat.

It is hoped that this study will not only contribute to the exploration and enrichment of knowledge but what is more, hoped the findings of this study can be shared and translated in the form of a work application by any party. The real success of this study is that it can be applied so that the result to attract more corporate to pay zakat business can be realized.

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