

Trust as a Catalyst for Zakat Compliance: An Ibn Khaldunian Perspective from the Malaysian Context

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Abstract

This conceptual paper examines how trust influences zakat compliance among Malaysian Muslims, using insights from Ibn Khaldun's perspective. Although zakat institutions in Malaysia are well established, many eligible Muslims still prefer to pay zakat directly rather than through official channels. This situation reflects a gap in public trust toward zakat institutions. Guided by Ibn Khaldun's ideas of justice ('adl), trustworthiness (amanah), and social cohesion ('asabiyyah), this paper proposes a framework that views trust as a key factor connecting institutional practices to compliance behaviour. Three main elements are identified as building; (1) trust: transparency, reflecting openness and accountability in zakat management; (2) service quality, relating to the efficiency and responsiveness of institutional services; and (3) ethical integrity, referring to the moral and religious credibility of zakat officers. By combining classical Islamic thought with modern governance concepts, this paper offers a clearer understanding of how trust can strengthen zakat compliance. The proposed framework provides valuable insights for zakat institutions and policymakers to improve public confidence and encourage more effective zakat collection and distribution.

Keywords: Zakat Compliance, Ibn Khaldun, Transparency, Service Quality, Ethical Integrity, Institutional Trust

Introduction

Zakat, one of the five pillars of Islam, is a religious obligation that mandates Muslims to give a portion of their wealth to eligible recipients, thereby promoting social equity and welfare within the community. In Malaysia, zakat plays a significant socio-economic role, functioning concurrently with the country's formal tax system to support poverty alleviation and

community development (Mokhtar et al., 2017). Despite its importance, zakat compliance among Malaysian Muslims remains a persistent challenge, with substantial gaps between eligible payers and actual contributors. For instance, non-compliance rates in states like Selangor and Kedah have been recorded as high as 70% (Mokhtar et al., 2017). In addition, according to data reported by Mohamed (2024), around 1.5 million Muslims in Selangor, have yet to fulfil their zakat obligations, highlighting a significant level of non-compliance among the Muslim community in the state. This non-compliance issue is even more pronounced among the younger generation, which threatens the sustainability and effectiveness of zakat institutions in fulfilling their socio-economic roles. Studies consistently show that zakat compliance varies by age groups, with youth demonstrating lower compliance rates compared to older populations (Tajuddin et al., 2015).

Several factors influence zakat compliance behavior in Malaysia, including convenience, knowledge, religious understanding, and trust in zakat institutions. Zakat institutions globally continue to face persistent challenges, including inefficiencies in collection and distribution processes, inadequate monitoring and governance mechanisms, poor inter-agency coordination, and administrative mismanagement (Elmaghrabi et al., 2020). Sori & Mohd (2023) suggested that there is a critical need for a well-structured zakat management framework grounded in good governance principles, encompassing transparency, accountability, efficiency, and fairness, to ensure that zakat institutions discharge their duties effectively and equitably in serving the poor and the underprivileged. Business zakat compliance is another critical area, with small and medium enterprises (SMEs) exhibiting diverse compliance behaviours influenced by self-efficacy, incentives, and peer influences (Saad et al., 2024).

Therefore, this paper seeks to address this issue by exploring the pivotal role of trust as a catalyst for zakat compliance. The absence of trust leads to decreased formal zakat collection and increased self-distribution practices, undermining institutional effectiveness and sustainability of zakat systems. Drawing upon the classical socio-philosophical framework of Ibn Khaldun, this conceptual study proposes that trust, built on the pillars of (1) transparency, (2) service quality, and (3) ethical integrity, is the critical missing link between institutional performance and contributor behaviour. By integrating this historical perspective with modern governance concepts, this paper aims to offer a deeper understanding of three key factors that establish trust as a mediating variable, providing valuable insights for developing effective strategies to enhance zakat compliance in Malaysia and beyond.

Background of Study

Zakat, an obligatory form of almsgiving in Islam, has been integral to Malaysia's socio-economic fabric since the pre-colonial period. The administration of zakat in Malaysia dates back to the state of Malacca, a prominent trading hub where Muslim traders paid zakat on agricultural produce and livestock, traditionally managed by religious teachers acting as intermediaries for collection and disbursement (Sapingi, 2020). Over time, this evolved with the establishment of formal zakat institutions under state religious councils, which now govern zakat collection and distribution in accordance with respective state Islamic enactments (Sarif, 2020). Malaysia has established a state-centralised zakat system that administers the collection and redistribution of zakat, while simultaneously allowing the existence of other zakat-collecting entities initiated by individuals or organisations outside

the state framework (Migdad, 2019). These institutions have leveraged technology, offering online payment portals and detailed reporting, to enhance accessibility and operational reach. The Malaysian government has also integrated zakat into its broader Islamic finance ecosystem, recognising its potential contribution to national development goals.

Despite this robust institutional framework, the system's efficacy is not fully realised. For instance, data from 2024 reported by Mohamed (2024) indicate that around 1.5 million Muslims in Selangor, Malaysia, have yet to fulfil their zakat responsibilities, reflecting a significant rate of non-compliance within the state's Muslim community. Conversely, the Chief Executive Officer of Lembaga Zakat Selangor (LZS) reported that the number of Asnaf families in Selangor is expected to rise to approximately 157,000 by 2030, based on projections from the Department of Statistics Malaysia (DOSM) (Samsu Hadi, 2024). A substantial segment of the Muslim population, while religiously committed to paying zakat, exhibits a behavioural preference for distributing their zakat directly to known recipients or through informal channels (Abdul Rahman et al., 2022). This behaviour indicates that the challenge is not a lack of religious obligation but rather a complex interplay of socio-economic and perceptual factors. The contemporary literature on public administration and tax compliance has increasingly highlighted the centrality of trust in fostering voluntary compliance, suggesting that citizens' perceptions of institutional fairness, competence, and integrity are as crucial as the institutions' legal authority (Said et al., 2021). This background sets the stage for a deeper investigation into the trust deficit that appears to undermine the formal zakat system in an otherwise conducive environment.

Problem Statement

Malaysia has successfully built a robust zakat infrastructure yet now faces the critical challenge of translating this foundation into fully realized outcomes. For example, in the state of Perak, there are 400,000 Muslims who earn enough to pay zakat. However, only 80,000 of them (just 20%) actually pay through the official zakat centre (Ikram, 2022). While this low compliance is often attributed to a lack of public awareness, a deeper issue appears to be at play: a significant trust deficit. This gap between institutional capability and public participation suggests that many potential contributors may be hesitant to channel their religious payments through official means, likely due to concerns over transparency, efficiency, or the final distribution of funds. The central problem confronting zakat administration in Malaysia is the paradoxical coexistence of a well-structured official system and a prevalent tendency among eligible Muslims (Muzakki) to bypass it. While official channels are designed to ensure systematic, widespread, and equitable redistribution of wealth, many contributors opt for direct, informal payments. This preference undermines the potential scale and impact of zakat, limiting its ability to function as a comprehensive social safety net and a tool for systematic poverty eradication (Mohdali et al., 2021).

Thus, one critical determinant influencing compliance behavior is the level of trust that payers place in zakat authorities. Trust encompasses perceptions of accountability, transparency, fairness, and service quality of zakat institutions. Lack of trust often leads payers to bypass formal channels and engage in direct distribution to beneficiaries, or even to engage in outright non-compliance (Tajuddin & Takril, 2023). The problem, therefore, transcends mere operational inefficiencies. It is a multifaceted issue rooted in public perceptions of transparency in fund management, the quality of service delivered, and the perceived ethical

integrity of institutions and their officers (Said et al., 2021). If Muzakki doubt whether their religious dues will be managed competently, with accountability, and with moral probity, their rational response is to disintermediate the institution. Consequently, the core problem this paper addresses is the trust gap that erodes institutional legitimacy and hampers optimal zakat compliance, thereby stifling the socio-economic objectives of one of Islam's primary pillars.

Gap of Study

Existing research on zakat compliance has productively identified various determinants, including religious understanding, income level, and system accessibility (Abdul Rahman et al., 2022). The role of trust has also begun to receive scholarly attention, often examined through the lenses of modern marketing or public administration theories (Mohdali et al., 2021). However, a significant gap remains in grounding this trust-compliance nexus within a foundational Islamic socio-philosophical framework.

There is a scarcity of research that systematically integrates the profound insights of classical Muslim scholars to explain contemporary institutional challenges. The work of Ibn Khaldun (1377/2015), particularly his concepts of 'adl (justice), amanah (trustworthiness), and 'asabiyyah (social cohesion), provides a powerful, yet underutilised, theoretical lens. His analysis directly links the prosperity and stability of a civilization to the moral character and trustworthiness of its institutions. Therefore, the primary gap this paper aims to fill is the lack of integration between classical Islamic thought, specifically Ibn Khaldun's perspective, and modern empirical research on zakat compliance. By bridging this gap, the study offers a more culturally and conceptually resonant understanding of how trust can be cultivated to strengthen the religious and social contract between Malaysian Muslims and zakat institutions.

Literature Review

Trust and Zakat Compliance

Zakat is fundamentally a mandatory act of worship intended to purify wealth and foster social equity by redistributing a portion of wealth from the affluent to the needy (Qardawi, 1999). In a modern state context, compliance transcends individual religious observance and becomes a matter of public policy and institutional effectiveness. Zakat compliance is defined as the willingness of eligible Muslims (Muzakki) to calculate and pay their zakat obligation accurately and on time, preferably through official channels (Mohdali et al., 2021). Early studies on determinants of zakat compliance primarily focused on socio-demographic factors (e.g., income, education) and religious knowledge (e.g., fiqh rulings). However, as Abdul Rahman et al. (2022) argue, high religious knowledge does not automatically translate into compliance through official bodies, indicating that other mediating factors, such as institutional trust, are at play.

Research on zakat compliance in Malaysia reveals that trust is a critical factor influencing zakat payments through zakat institutions. Febriandika et al., (2023) reveals that accountability and credibility play a crucial role in shaping trust, while both trust and religiosity significantly affect zakat compliance. Samargandi et al. (2018) found that disclosure practices significantly influence zakat payers' trust in institutions, though stakeholder management does not, emphasizing the importance of transparency. Similarly, Erlane et al.

(2018) demonstrated that perceived board management influences trust, while governmental models do not, suggesting institutions should focus on operational efficiency to build trust. Jamaludin et al. (2025) established that trust has both direct and indirect effects on zakat payment behaviour, strengthening intentions and influencing actual payment behaviour. Their study identified key concerns, including a lack of transparency in administration and distribution inefficiencies. Hence, trust is not merely a belief but a relational bond between zakat payers and institutions, strengthened by the institution's ability to demonstrate transparency, service efficiency, and ethical integrity.

Transparency as a Foundation of Trust

Research on zakat institutions consistently demonstrates the critical relationship between transparency and trust among zakat payers (muzakki). Parris et al. (2016) conducted a systematic literature review to provide a unified definition of transparency as "the extent to which a stakeholder perceives an organization provides learning opportunities about itself," and to present a comprehensive framework for responsible business management. Multiple studies confirm that transparency significantly influences muzakki trust in zakat management institutions. Takidah & Pratiwi (2017) found that transparency, along with accountability and sharia compliance, positively influenced muzakki trust in Indonesia's Baznas, with transparency being a key governance factor. A quantitative study in Malang, Indonesia, found that both transparencies significantly influence muzakki compliance with zakat payments through Amil Zakat institutions (Nadlifah, 2015). Similarly, Aziz & Anim (2020) demonstrated that disclosure practices have a significant positive relationship with trust among Muslim business owners in Malaysia, emphasizing the importance of financial transparency to stakeholders. Litriani et al. (2021) found a 71.18% correlation between institutional transparency and muzakki trust at BAZNAS Palembang, Indonesia, concluding that better transparency leads to increased trust in zakat fund management. Nafi'Hasbi et al. (2023) reinforced these findings, showing that transparent income and expenditure reporting increases both fund collection and public trust in zakat institutions.

Rufaedah & Patih (2024) listed several key components of transparency, including disclosure of fund management information, distribution mechanisms, and achieved results. They stated that supporting factors for transparent governance include robust financial management systems, independent monitoring mechanisms, and active community participation in decision-making. However, Adiwijaya et al. (2024) reported contrasting results: transparency negatively affected muzakki trust at LAZIZMU Central Java, whereas accountability had a positive effect. Despite this anomaly, the majority of evidence supports transparency as fundamental to building and maintaining trust in zakat institutions.

From Ibn Khaldun's perspective, transparency aligns with the principle of 'adl (justice), which holds leaders accountable to their people. When institutions act justly and disclose their activities, societal trust and cooperation flourish. Thus, transparency is not only an administrative requirement but also a moral obligation consistent with Islamic governance.

Service Quality and Institutional Credibility

Service quality is a critical component of business activities that significantly influences customer satisfaction, loyalty, and organisational success (Papadopoulos et al., 2024). It represents the level of excellence achieved in delivering products or services to customers,

with customer expectations serving as standards against which service performance is judged (Dimaro, 2023). Research on zakat institutions consistently demonstrates a strong relationship between service quality and trust, with both factors significantly influencing donor behavior. Muhammad & Saad (2016) established that service quality is a reliable and valid dimension of trust in zakat institutions, alongside public governance quality and distribution quality. Ruslan et al. (2022) found that trust mediates the relationship between service quality and muzakki decisions to use Zakah Management Organisation services, demonstrating that service quality indirectly influences donor behaviour through trust. Khalwani (2024) confirmed that both trust and service quality have positive and significant effects on public intention to pay zakat, infaq, and sadaqah through amil zakat institutions. Similarly, Mahdar (2020) showed that service quality directly affects both trust and loyalty among muzaki, with trust partially mediating the relationship between service quality and loyalty, accounting for 65% of the variance in muzaki loyalty.

In addition, high service quality engenders positive experiences, fostering confidence and loyalty among zakat payers (Ansori, 2025). When zakat institutions deliver transparent, efficient, and respectful services, including timely disbursements, clear communication, and accessible channels, donors are more likely to develop trust in these organisations (Jabbar, 2024). Conversely, poor service quality can erode trust, leading to decreased community compliance and engagement (Yusuf, 2022). Improving service quality, therefore, not only satisfies immediate functional needs but also fosters long-term trust, which is crucial for sustained zakat compliance and institutional reputation.

Ibn Khaldun's 'asabiyyah (social cohesion) concept supports this notion when institutions serve the community effectively, a sense of unity and mutual respect develops. Service quality, therefore, acts as a bridge connecting institutional performance and payer confidence, ultimately motivating consistent zakat compliance.

Ethical Integrity and Moral Trustworthiness

Ethical integrity in zakat institutions encompasses several interconnected dimensions according to recent research. Integrity is fundamentally defined as trustworthiness and honesty that should be inherent in individuals working within zakat institutions (Tamizi et al., 2024). This concept extends beyond individual behavior to institutional mechanisms, where integrity and hisbah (accountable monitoring) are essential for quality zakat management, requiring institutions to display transparent data of donors and recipients (Doktoralina & Bahari, 2019).

Ethical integrity is a key attribute that significantly influences trust in zakat institutions. It encompasses principles such as honesty, transparency, fairness, and accountability, which are fundamental to establishing and maintaining stakeholder confidence (Abdullah et al., 2019). When zakat institutions adhere strictly to ethical standards, ensuring equitable distribution, honest management, and transparent reporting of funds, they foster a perception of reliability and moral credibility among the Muslim community (Ansori, 2025). This perceived integrity cultivates trust, which is essential for encouraging voluntary compliance and active engagement with zakat services.

Studies indicate that ethical lapses or perceived misconduct, such as mismanagement or favouritism, can severely undermine trust, even if the institutions are legally compliant (Abdullah & Kamarudin, 2019). Conversely, organizations that prioritize ethical integrity and demonstrate consistent ethical conduct tend to build stronger trust relations with stakeholders, leading to higher levels of zakat contribution and social support (Azhar & Othman, 2020). Ethical integrity also enhances the reputation of zakat institutions, facilitating greater community cooperation and long-term sustainability.

Ibn Khaldun argued that the decline of moral integrity among leaders leads to societal decay and loss of public trust (Ibn Khaldun, 1967). Hence, ethical integrity is not only an individual virtue but a determinant of institutional legitimacy. In the context of zakat, integrity ensures that governance remains aligned with Shariah values, fostering both spiritual and administrative trust among payers.

Integrating Ibn Khaldun's Perspective

While modern empirical studies provide critical insights, they often lack a deep philosophical foundation rooted in Islamic civilization. The 14th-century scholar Ibn Khaldun, in his monumental work *Al-Muqaddimah*, provides a profound theoretical framework that remains strikingly relevant. His analysis of the rise and fall of civilizations hinges on the moral character of its institutions.

Justice ('Adl): Ibn Khaldun's concept of justice ('adl) represents a foundational principle that integrates legal, economic, and social dimensions of governance. His notion of al-'adl law emphasises that legal systems should be enforced fairly and equally, with significant implications for just law enforcement and for the formation of modern legal frameworks (Hasan et al., 2023). From an Islamic perspective, Ibn Khaldun views justice as essential for achieving societal happiness and connecting people to fulfilment in both the worldly and the spiritual life, advocating its implementation through political structures (Saeed, 2023). In the context of zakat, 'transparency' can be viewed as a direct operationalisation of 'adl. A just institution is open and accountable, ensuring that the rights of both Muzakki and Mustahiq (the recipients) are fulfilled without prejudice.

Trustworthiness (Amanah): Ibn Khaldun posits that the prosperity of a kingdom depends on its rulers being amanah (trustworthy) and avoiding treachery. The concept of amanah represents a fundamental aspect of Islamic ethics and human character development. Amanah serves as the foundation of social relations and is considered essential to the development of quality human character among Muslims (M. Shuhari et al., 2019). In Islamic leadership, trustworthiness functions as the core principle, encompassing both vertical relationships with Allah (including Iman, Islam, Ihsan, and Taqwa) and horizontal relationships with humanity (involving justice, responsibility, integrity, and accountability) (Alimin et al., 2018). Empirical research reveals that trustworthy individuals are perceived as reliable and possessing positive character traits, with the construct comprising three key factors: integrity, task fulfilment, and virtue (Agung & Husni, 2016). This concept aligns perfectly with the modern construct of 'ethical integrity'. When zakat officers and administrators embody amanah, they fulfil a sacred trust, which in turn fosters public confidence and legitimises the institution's authority.

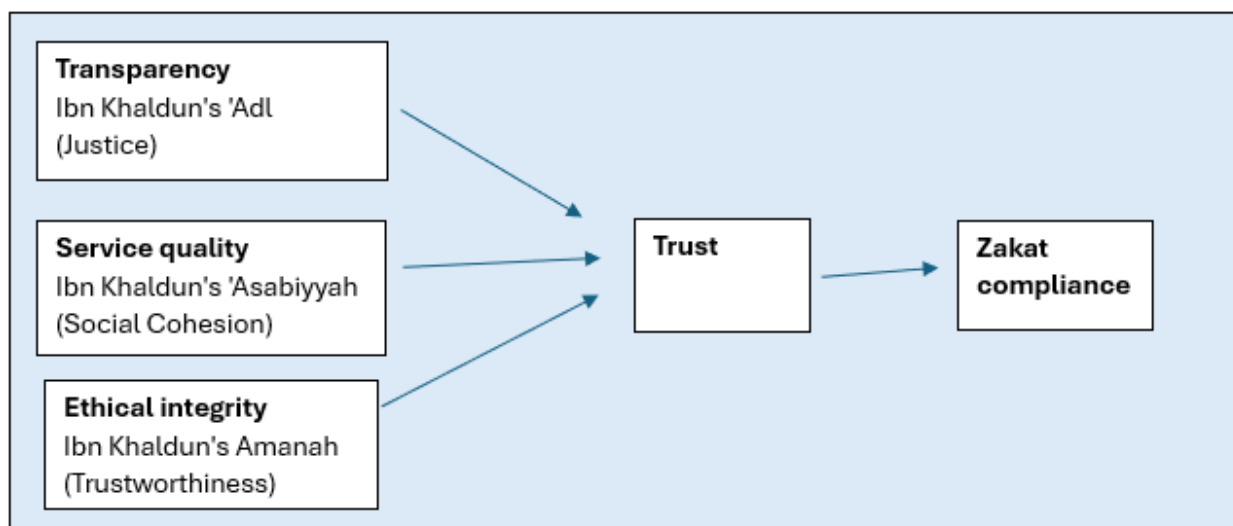
Social Cohesion ('Asabiyyah): This refers to the group solidarity or social bonds that unite a society. Ibn Khaldun argues that strong 'asabiyyah is the engine of civilization. Asabiyyah refers to group consciousness and solidarity that makes individuals subordinate personal interests to group interests, serving as the binding force that holds societies together (Dusuki, 2016). Originally based on kinship ties, Ibn Khaldun expanded this concept beyond blood relations to include sustained connections among group members, encompassing group feeling and solidarity (Sumer, 2012). According to Ibn Khaldun's cyclical theory, strong 'asabiyyah enables tribal peoples to conquer urbanized regions and establish dynasties. However, this cohesion gradually weakens in urban settings, leading to eventual conquest by new groups with stronger social bonds (Darling, 2007). Contemporary applications of this concept include group-based lending schemes for rural poor communities and small entrepreneurs, where social solidarity serves both as a means of creating human capital and as a substitute for collateral, thereby facilitating access to financial services (Obaidullah & Latiff, 2008).

Effective zakat institutions should strengthen, not weaken, this solidarity. High 'service quality' and the equitable distribution of zakat enhance social welfare and reinforce community bonds, thereby strengthening 'asabiyyah. When trust is broken, this social cohesion frays, leading to individualistic behaviours like direct payment, which, while fulfilling individual obligation, undermines the collective potential of zakat.

By integrating Ibn Khaldun's classical framework, this study moves beyond a purely utilitarian analysis of trust. It re-contextualizes the modern antecedents of trust through transparency, service quality, and ethical integrity as contemporary manifestations of timeless Islamic principles necessary for civilizational health and social solidarity.

Conceptual Framework

Based on the synthesis of the literature, this paper proposes a conceptual model that positions Trust in Zakat Institutions as the central mediating variable between key institutional characteristics and Zakat Compliance Behaviour. The model is uniquely grounded in the socio-philosophical principles of Ibn Khaldun, providing a classical Islamic justification for the selected modern constructs. The proposed framework is illustrated in Figure 1 below:



Explanation of the Model Constructs

The model posits three independent variables (antecedents of trust) that directly influence the mediating variable (trust), which in turn drives the dependent variable (compliance behaviour).

Independent Variables: The Antecedents of Trust

1. **Transparency (Reflecting 'Adl - Justice):** This construct is operationalised as the perceived openness and accountability of the zakat institution in its financial management and decision-making processes. It includes transparent reporting on fund collection, the criteria for identifying eligible recipients (Asnaf), and the distribution outcomes. Following Ibn Khaldun's emphasis on justice as the foundation of civilization, we argue that transparency is a tangible manifestation of 'adl. A just institution has nothing to hide and is accountable to its constituents, thereby fostering trust (Saad et al., 2022).
2. **Service Quality (Reflecting 'Asabiyyah - Social Cohesion):** This construct refers to the efficiency, accessibility, and responsiveness of the services provided by the zakat institution. It encompasses ease of payment, professionalism of staff, and the speed of query resolution. We conceptualise high service quality as a mechanism that strengthens 'asabiyyah. By providing efficient and respectful service, the institution reinforces the social bond between itself and the community, making Muzakki feel valued and part of a cohesive system working towards a common good, which builds trust (Said et al., 2021).
3. **Ethical Integrity (Reflecting Amanah - Trustworthiness):** This is the perceived moral and religious credibility of the zakat institution and its officers. It involves honesty, incorruptibility, and a demonstrable commitment to Islamic principles in all operations. This construct is the most direct translation of Ibn Khaldun's amanah. The institution must be seen as a trustworthy custodian of religious funds. Without this foundational ethical integrity, other factors like transparency and service quality become less effective, as the core moral contract is broken (Wahid et al., 2020).

Mediating Variable: Trust in Zakat Institutions

Trust is the central mechanism through which the antecedents influence behaviour. It is defined as the Muzakki's confident belief in the reliability, truth, and ability of the zakat institution. This paper posits that improvements in Transparency, Service Quality, and Ethical

Integrity do not directly cause compliance but, instead, cultivate the essential psychological state of trust (Mohdali et al., 2021).

Dependent Variable: Zakat Compliance Behaviour

The outcome variable is Zakat Compliance Behaviour, defined explicitly as the behavioural intention and actual action of paying zakat through official, formal channels. This moves beyond mere zakat payments to capture the specific behaviour that enhances institutional capacity for large-scale poverty alleviation.

Methodology

Research Design

This study adopts a conceptual research design, which aims to develop a theoretical framework rather than test empirical data. Conceptual research allows for the synthesis of existing theories, models, and findings to propose a new perspective or framework that addresses identified gaps (Sekaran & Bougie, 2020). In this study, the design integrates both Islamic philosophical insights from Ibn Khaldun's thought and modern institutional trust theory to explain zakat compliance behaviour among Malaysian Muslims.

The proposed framework focuses on trust as a mediating factor linking three institutional antecedents: (1) transparency, (2) service quality, and (3) ethical integrity to zakat compliance. This theoretical model is developed through an extensive review of contemporary zakat literature, Islamic governance theories, and classical Islamic scholarship.

Data Sources and Literature Selection

The conceptual framework is developed through a systematic literature review of academic sources, including journal articles, books, and policy reports related to zakat compliance, Islamic governance, and trust theories. Databases such as Scopus and Google Scholar were used to identify relevant studies published mostly between 2000 and 2025.

The inclusion criteria focused on literature that:

- Discussed zakat compliance behaviour in the Malaysian or Islamic context.
- Examined trust and institutional performance.
- Explored Ibn Khaldun's philosophical or economic thought; and
- Provided empirical or conceptual insights applicable to Islamic institutions.

This approach ensures that the conceptual model is rooted in both classical Islamic values and contemporary empirical evidence.

Discussion

This conceptual study set out to address the paradoxical issue in Malaysian zakat administration: a well-structured system coexists with a prevalent tendency among Muzakki to bypass it. The proposed framework, grounded in the socio-philosophical lens of Ibn Khaldun, positions trust as the critical mediating variable between institutional characteristics and zakat compliance behaviour. The discussion synthesizes how the classical principles of 'adl (justice), amanah (trustworthiness), and 'asabiyyah (social cohesion) provide a profound and culturally resonant explanation for the trust-compliance nexus.

First, the literature consistently underscores that transparency is a non-negotiable pillar for building trust. Recent studies confirm that transparent reporting on fund collection, distribution mechanisms, and outcomes significantly boosts Muzakki confidence. From an Ibn Khaldunian perspective, this aligns perfectly with the principle of 'adl. Ibn Khaldun argued that justice is the very foundation of a prosperous civilization, and a just ruler or institution is inherently accountable and open. When zakat institutions operationalise transparency, they are not merely fulfilling a modern governance standard but enacting a form of distributive justice, ensuring the rights of both the payer (Muzakki) and the recipient (Mustahiq) are upheld. This demonstration of 'adl legitimises the institution in the public's eyes, making trust a rational outcome.

Second, the dimension of service quality, encompassing efficiency, accessibility, and staff professionalism, emerges as a key driver of trust, indirectly influencing compliance. Ibn Khaldun's concept of 'asabiyyah powerfully illuminates this finding. High-quality service does more than satisfy a transactional need; it strengthens the social bond between the institution and the community. When Muzakki experience respectful, efficient, and helpful services, it fosters a sense of shared purpose and collective identity. This reinforces 'asabiyyah, transforming the act of zakat payment from an individual religious duty into a participative act of social solidarity. Conversely, poor service quality frays this social fabric, encouraging individualistic behaviours like direct payment, which, while valid, diminishes the collective impact of zakat.

Third, and most fundamentally, is the role of ethical integrity. This construct, which reflects the moral and religious credibility of the institution and its officers, embodies Ibn Khaldun's amanah. Recent research emphasises that integrity and hisbah (accountable monitoring) are essential for quality zakat management. Ibn Khaldun posited that the decline in moral integrity among leaders directly leads to societal decay and a loss of public trust. In the context of zakat, which is a sacred trust (amanah) from God, any perceived ethical lapse, be it mismanagement, favouritism, or corruption, constitutes a breach of this divine and social contract. Without a foundational understanding of ethical integrity, efforts to improve transparency and service quality are likely to be seen as superficial, thereby failing to cultivate the deep moral trust required for sustained compliance.

By integrating Ibn Khaldun's framework, this study moves beyond a utilitarian analysis of trust. It demonstrates that transparency, service quality, and ethical integrity are not merely modern "best practices" but are contemporary manifestations of timeless Islamic principles essential for civilizational health and social solidarity.

Conclusion

This paper has argued that trust is the central catalyst linking institutional performance to zakat compliance in Malaysia. The persistent preference among Muzakki to bypass official channels is not merely an operational issue but a profound symptom of a trust deficit. By integrating Ibn Khaldun's classical framework with modern governance concepts, we have reconceptualized the core trust-building antecedents: transparency as a manifestation of 'adl (justice), service quality as a reinforcer of 'asabiyyah (social cohesion), and ethical integrity as the embodiment of amanah (trustworthiness). This synthesis provides a culturally resonant explanation for the compliance paradox, moving beyond purely utilitarian analyses by

grounding the solution in the very principles that underpin civilizational health in Islamic thought.

The primary contribution of this research lies in its successful bridging of a critical gap in the literature. While previous studies have identified trust as a factor, they often lack a foundational Islamic philosophical grounding. This study demonstrates that modern governance constructs are not alien imports but are contemporary expressions of timeless Islamic principles. This alignment offers a more nuanced and powerful narrative for zakat institutions to communicate with their stakeholders, framing operational improvements not just as best practices, but as religious and ethical imperatives derived from a revered intellectual tradition.

For practitioners and policymakers, the implications are direct and actionable. Rebuilding trust requires a strategic and visible commitment to all three pillars. Institutions must move beyond basic financial reporting to proactive disclosure of impact and decision-making processes. Investments in digital infrastructure and professional customer service are crucial to strengthening the social contract with the community. Most critically, a zero-tolerance policy towards ethical lapses, supported by independent Shariah audit mechanisms, is non-negotiable to secure the moral legitimacy that is the bedrock of amanah.

In conclusion, addressing the trust deficit is essential for unlocking the zakat system's full socio-economic potential. The challenge is not one of religious conviction among the Muslim populace, but of institutional credibility. By consciously aligning their operations with the Khaldunian pillars of justice, solidarity, and trustworthiness, zakat institutions can transform compliance, reinforce social solidarity, and fully realise their role as cornerstones of Islamic social justice.

Recommendation

Based on the conceptual framework developed in this study, a series of targeted recommendations is proposed for zakat institutions, policymakers, and researchers to systematically address the trust deficit and enhance zakat compliance in Malaysia.

For Zakat Institutions, a proactive and transparent governance approach is paramount. It is recommended that institutions move beyond annual reports by implementing public, real-time digital dashboards that track zakat collection and distribution to final beneficiaries. This radical transparency directly operationalizes the principle of 'adl (justice). Concurrently, a significant investment in service quality is crucial, focusing on user-friendly digital payment systems, streamlined procedures, and professional staff training to strengthen 'asabiyyah (social cohesion). Most fundamentally, institutions must visibly champion ethical integrity (amanah) by establishing independent Shariah audit committees, enforcing a strict code of conduct, and publicly showcasing the moral credentials of their leadership to rebuild their foundational moral contract with the public.

For Policymakers and Regulatory Bodies, such as state religious councils and the Department of Awqaf, Zakat and Hajj (JAWHAR), the goal should be to create an ecosystem that incentivizes and standardizes trustworthiness. We recommend developing and enforcing a National Zakat Governance Code. This code would mandate uniform standards for financial

transparency, set minimum benchmarks for service quality and responsiveness, and require all zakat institutions to undergo regular, independent, ethical, and Shariah-compliant audits. By creating a level playing field and holding all institutions to the same high standards, policymakers can systemically restore public confidence and ensure the zakat system operates with maximum efficiency and integrity.

Finally, for Future Research, this conceptual study provides a foundation that requires empirical validation. We recommend that researchers conduct quantitative studies using Structural Equation Modelling (SEM) to test the proposed relationships among transparency, service quality, ethical integrity, trust, and compliance behaviour. Furthermore, qualitative inquiries, such as in-depth interviews and focus groups with both compliant and non-compliant Muzakki, are essential to gain nuanced insights into the lived experiences and perceptual thresholds that govern trust. Investigating the specific concerns and expectations of the younger generation represents a particularly critical avenue for future work.

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