

## **Literacy on The Fundamental Knowledge of Business Zakat among Muslim Entrepreneurs in Kedah**

Mohd Firdaus Hanizam, Mohammadtahir Cheumar

Universiti Islam Antarabangsa Sultan Abdul Halim Mu'adzam Shah (UniSHAMS), Malaysia

To Link this Article: <http://dx.doi.org/10.6007/IJARBSS/v14-i2/20886>

DOI:10.6007/IJARBSS/v14-i2/20886

**Published Date:** 12 February 2024

### **Abstract**

Zakat is one of the foundations of Islam and must be performed by every Muslim who is subject to specific requirements. This study aims to examine literacy on the fundamental knowledge of business zakat among Muslims entrepreneur in Kedah. Based on three main objectives, this study focuses on several main issues, namely the knowledge of business zakat among Muslims entrepreneurs in Kedah, the contributors to the knowledge of business zakat among Muslims entrepreneurs in Kedah and the ways Muslims entrepreneurs in Kedah pay their business zakat. For the first objective, this research describes the knowledge of business zakat among Muslims entrepreneurs in Kedah. Secondly, this research also identifies the contributors to the knowledge of business zakat among Muslims entrepreneurs in Kedah. Third, this study identifies the ways Muslims entrepreneurs in Kedah pay their business zakat. Hence, to ensure that all the objectives that have been listed are answered gradually, the most relevant method that can be used in this study is qualitative research method. This research combines appropriate literature sources as well as interviews. At the end of this paper, the researcher found that the level of knowledge towards business zakat among Muslims entrepreneurs in Kedah. The elements that influence knowledge of business zakat from the perspectives of location, demography, education, and socio-cultural aspects have been identified. The researcher also identified the contributors to the knowledge of business zakat among Muslims entrepreneurs in Kedah. The most relevant factors contributing to the knowledge of business zakat among Muslim entrepreneurs in Kedah have also been determined. Apart from that, the researcher also identified the ways Muslims entrepreneurs in Kedah pay their business zakat in order to raise awareness of zakat payment in business. The researcher also suggested some improvements to Lembaga Zakat Negeri Kedah (LZNK) to overcome the problems occurred. In conclusion, LZNK should take several actions to ensure that the degree of understanding and awareness towards the knowledge of business zakat among Muslims entrepreneurs in Kedah can be enhanced.

**Keywords:** Zakat, Literacy, Knowledge of Business Zakat, Contributors, Ways to Pay Zakat.

## **Introduction**

In Arabic, zakat signifies "clean, pure, fertile, blessed, and flourishing." The meaning of clean and pure in the term zakat is to clean the property and clean the rich from being stingy. Zakat, in terms of syara', is the distribution of certain property at a specified rate under certain conditions to specific people. According to al-Raghib al-Asfahani, the meaning of zakat is fecundity that results from Allah SWT's blessings, and it is tied to matters of this world and the afterlife. Zakat is one of the foundations of Islam and must be performed by every Muslim who is subject to specific requirements. The obligation of zakat is expressed in Allah SWT's words, which means: *"And perform prayer, and give zakat, and bow down along with those who bow."* (Surah Al-Baqarah, 2:43). Meanwhile, Ibn Umar R.A narrated one of the hadiths of the Prophet SAW that mentions the obligation of zakat, saying: *"Indeed, Rasulullah SAW said: I was ordered to fight people until they testify (acknowledge) that there is no god but Allah and that Prophet Muhammad is Rasulullah SAW, they establish prayer, and they pay zakat."* (Hadith Narrated by Bukhari and Muslim). Zakat brings advantages and benefits for people, society, and the country in addition to satisfying obligations as a Muslim (Nasir et al., 2018). Moreover, zakat has many advantages, including reducing poverty, maintaining economic justice, retaining dignity and obligation to Allah SWT and acting as a stimulus for the country's economic rebirth. Zakat worship encompasses a wide range of issues, including religious, political, social, and economic concerns for both Muslims and non-Muslims (Muaz et al., 2016). A best zakat collecting and distribution system is capable of reducing poverty and bridging the gap that has developed between the wealthy and the poor. Zakat is rich people's charity giving to the poor. Furthermore, zakat is Allah's right and the poor people's right found in affluent people's property (Dauly, 2018). Zakat fitrah and zakat maal are the two types of zakat (Siti Umairah, 2017). Zakat fitrah is self-zakat that is compulsory on every able-bodied Muslim man and woman who meets the prescribed qualifications. While zakat Maal is zakat that is required when the nisab of a property has been attained. Zakat Maal covers the proceeds of business, agriculture, livestock, income, gold, silver, and money, where each property has its own nisab rate.

## **Problem Statement**

The study of literacy on the fundamental knowledge of business zakat as determined by a group of persons and society. The elements that influence knowledge of business zakat from the perspectives of location, demography, education, and socio-cultural aspects will be identified and the most relevant factors contributing to knowledge of business zakat among Muslim entrepreneurs in Kedah will be determined. In addition to paying zakat, Muslims must ensure that they have understanding of business zakat in order to raise awareness of zakat payment in business. According to Donsu (2017), knowledge can be defined as information or facts gained through education and experience. Curiosity leads to knowledge through sensory processes, particularly in the eyes and hearing for certain objects. Knowledge is an important thing in the formation of open behavior. A Muslim must have a full understanding of the principles of zakat such as the nisab rate, the types of property that are liable to zakat, the conditions of zakat, the law of zakat, the asnaf of zakat, the technique of calculating zakat, and others. One of the elements that can influence how far a Muslim entrepreneur can help with zakat payment compliance is their level of understanding.

Therefore, this study will discuss on literacy on the fundamental knowledge of business zakat among Muslim entrepreneurs in Kedah. Zakat is an Islamic country's contribution of economic resources to enhance the financial situation of its citizens, particularly asnaf. Knowledge of business zakat is critical for Muslim entrepreneurs in Kedah due to they are future business owners. Knowledge of business zakat can raise the degree of awareness of Muslim entrepreneurs about business zakat. Furthermore, a high degree of business zakat awareness helps boost zakat payment compliance. Zakat payment is very significant for Muslims because it is a requirement. A lack of awareness regarding business zakat will result in a drop in zakat collection, affecting the asnaf. In addition, to having inaccuracies in their corporate records, small businesses lack understanding in the appraisal and assessment of zakat, which has a negative influence on their zakat collection potential (Ibrahim et. al., 2016). Muslim entrepreneurs in Kedah must comprehend the fundamentals of business zakat such as the technique of calculating zakat, zakat criteria, zakat terms and so on. The understanding of business zakat by Muslim entrepreneurs is critical for Muslim economic growth.

## **Literature Reviews**

### **Literacy on the Knowledge of Zakat**

Literacy refers to a person's knowledge, awareness, and capacity to affect their behaviour or decision- making on a certain topic. Business zakat literacy refers to a person's knowledge, comprehension, and capacity to satisfy their zakat commitment via increased awareness. Business zakat literacy refers to the desire and capacity to obtain zakat-related knowledge. According to Hasanah and Qomar (2021), literacy is linked to a person's intention towards something. In this situation, a person's poor degree of business zakat literacy will influence their willingness to pay business zakat. Meanwhile, there are several definitions of knowledge. According to the Business Dictionary (2020), knowledge is described as the individual workforce deriving from perceived personal data; acknowledging that it derives from its huge amount of data, competence, experience, and intended meaning. Furthermore, experience knowledge derives from our direct interactions with the environment. It could be the outcome of a strong interface of demonstrative, rational, and otherworldly consciousness, as well as active engagement of the full body and mind (Bolisani, 2018). For instance, to learn more about business zakat, a person will try to investigate it and have a better understanding of it by reading. Skills are primarily about how we apply them by doing things on a regular basis and gaining knowledge and skills in the process. Others use knowledge assertions to describe how well they believe they grasp a specific piece of information. It all comes down to how we express what we know. Language is a dynamic mode of communication. Its purpose is to bring people together. Hence, the primary goal of this research is to learn about literacy on the fundamental knowledge of business zakat among Muslim entrepreneurs in Kedah.

Furthermore, every Muslims should be knowledgeable and aware towards concept of zakat. The low level of business zakat literacy in Kedah may be attributed to the community's lack of awareness and comprehension of the zakat payment system, which can be optimised through Lembaga Zakat Negeri Kedah (LZNK). Literacy level impacts zakat management, including collection and distribution. People prefer to donate zakat directly to those they deem *mustahiq*, indicating a lack of knowledge about how to raise cash through zakat. Moreover, the direct and personal delivery of zakat demonstrates inadequate literacy. Studies indicate that literacy has a significant impact on people's inclination to give zakat to management institutions or organisations. Research by Afiyana et al (2020); Haki (2020)

indicates that zakat literacy is a factor influencing people's inclination to pay to Zakat Management Organisations.

### **Awareness**

According to the Cambridge Dictionary (2011), awareness is a conscious awareness of something existing, or a current assessment of a situation or topic based on facts or experience. In general, being aware is being knowledgeable and conscious; being cognizant, informed, and awake. Awareness is the condition or ability to detect, experience, or be mindful of activities, things, or sensory patterns. At this stage of consciousness, an observer may validate sense data without implying recognition. A knowing individual must be aware, yet awareness is not a sort of knowledge. It is the expression or attribute of realizing something in a broader meaning (Gafoor, 2012).

Previous zakat study did not pay enough attention to the significance of zakat awareness. Zakat awareness broadens a person's future understanding of Islamic wealth purification techniques. Raising awareness is crucial because it encourages citizens and the younger generation to think about and value zakat. Understanding a process to accomplish and fulfill the needs of wealth purification is fundamental to Zakat knowledge. Zakat awareness fosters an understanding of the significance of purifying capital in accordance with Islamic law (Ismail & Abidin, 2020).

However, research have been done in order to spread the importance of the zakat supply chain. According to Doktoralina et al (2020), the study is primarily concerned with investigating the effectiveness of the association between zakat hashtag and zakat awareness and *mustahiq* economics. The study was carried out when it was discovered that one of the problems encountered when those who are compelled to pay zakat lack awareness of the topic. As a result, awareness is the most important part of zakat because it has a direct impact on the zakat supply chain. A rise in zakat collections enhances the zakat supply chain, which benefits and has a greater influence on the *mustahiq* people and economy (Doktoralina et al., 2020).

Besides that, zakat is highly essential not only because it is a mandatory act of worship, but it can also help to alleviate the poverty problem that exists around us. Zakat will assist the underprivileged in the community, eliminating poverty and unemployment (Widyatama et al., 2020). When people become more aware of the importance of zakat, they become more aware of the importance of helping others. According to Widyatama et al (2020), it is critical for people to be informed of the legislation that requires them to pay zakat. An increase in awareness will result in an increase in zakat payment. However, the promise of zakat cannot be completely fulfilled if individuals do not understand the rule of zakat payment (Widyatama et al., 2020).

### **Understanding**

Cambridge Dictionary (2019) defines understanding as knowledge of a topic, scenario, or how something works. Zakat also means to grow, increase, or multiply. The goal of zakat collecting is to achieve equitable wealth distribution, improve the quality of life for *Mustahiq* (zakat recipients), and close the income gap (Ahmed et al., 2017; Raies, 2020; Rini et al., 2020; Wijayanti & Ryandono, 2020). This indicates the spiritual and material growth, as well as the wealth, of the destitute who are entitled for zakat. By paying zakat, someone can obtain Allah's blessings and increase his religious recompense. Giving zakat will increase good deeds and hence rank in Allah's eyes.

Accounting for firm zakat is an important part of appraising it. Commercial zakat accounting has been influenced by the Quran, al-Hadiths, al-Ijma' Ulama and al-Qiyas. Firm zakat is levied on the net assets of a corporation after a certain haul. As a result, different types of businesses employ varied zakat accounting techniques. In contrast, the working capital model used to compute company zakat has been proved to be useless for all sorts of enterprises. Commercial zakat accounting was developed using the Quran, al-Hadiths, al-Ijma' Ulama, and al-Qiyas. As a result, many zakat accounting methods are used by businesses (Zahri, 2014). Moreover, businesses in Malaysia use a number of models, including working capital, growth capital, and profit models. Working capital is frequently seen as the Shariah-compliant technique, and it has been endorsed by a number of jurists (Al-Qaradhwai, 1999; Rohila & Zulkifli, 2012; Zahri, 2014; Ahmed et al., 2016). As a result, this study will assess the degree of zakat disclosure procedures employed by chosen Shariah compliant corporations utilizing evidence from the Quran, al-Hadiths, al-Ijma' Ulama, and al-Qiyas on the computation of company zakat. This qualitative study uses procedural content analysis to confirm company zakat accounting procedures disclosure.

Previously, business zakat valuations required zakat payment based solely on inventories or items sold. Furthermore, it was observed that zakat officials compute commercial zakat using a variety of ways. Nonetheless, the authorities have undertaken successful and effective measures to streamline and alter this technique. The Department of Islamic Development Malaysia (JAKIM) released this sophisticated approach, which is now utilized by practically all state zakat administrations. The *'Urfiyyah* methodology and the *Shar'iyyah* approach are the two types of firm zakat procedures (JAKIM, 2001).

### **Ways to Pay Zakat**

The zakat management system in Malaysia has been in place since the pre-colonial era, when the Muslim population paid zakat fitrah only to Amil, which consisted of religious teachers. In Malaysia, all states have zakat institutions in charge of collecting and distributing zakat. Today, our country has 16 Islamic banking institutions and three financial development institutions that practice Shariah-based banking management (Bank Negara Malaysia, 2016), while 14 state zakat institutions are in charge of zakat management (Ellany et al., 2014). However, only 14 of Malaysia's 16 Islamic banks and three financial development organizations have successfully developed collaboration with state zakat institutions for collection and zakat payments (Faisol, 2016; Ahmed et al., 2016).

In Malaysia, 11 zakat payment options have been created by state zakat agencies for the Muslim community's ease in paying zakat (Lembaga Zakat Selangor, 2018). Muslims can use these means to make zakat payments to state zakat institutions, Islamic banking institutions, and other institutions. According to Faisol (2016), zakat payments can be made through zakat counters, online services, bank counters, credit card payments, cheque or bank drafts or remittances, phone banking, short message service (SMS), Auto Teller Machine (ATM), salary deduction scheme, zakat counters at the Institute of Higher Education, and zakat payments through the post office. Online services such as Internet banking, post office counters, bank counters, telephone banking, short message service, and zakat counters in various locations are designed to assist Muslims in fulfilling zakat more simply and to improve zakat collection over time (Muhsin, 2016). However, the most common zakat payment methods provided by zakat institutions in Malaysia are zakat mode of payment at state zakat institution counters, usually accompanied by zakat payment through direct debit scheme and

internet banking, which are made available by all state zakat institutions except Perlis (Eza Ellany, Mohd Rizal, & Mohamat Sabri, 2014).

Moreover, Malaysia has been affected by the Covid-19 Pandemic since Mac 2020. The government has instructed that all types of financing, banking, payment, and other transactions be done digitally, including the payment of zakat (Ghadafi, 2020). All Islamic Religious Councils and Zakat Management Agencies in Malaysia will optimize the technique of paying zakat online to make it simpler for payers to meet their commitments more swiftly and safely (JAWHAR, 2020). According to Al-Bakri (2020), all Muslims are encouraged to pay zakat through the online system in order to promote non-touch payments. This is done to stop the spread of the Covid- 19 epidemic. This is consistent with *Qawaid Fiqhiyyah*, where *Al-Darar Yuzal* (damage must be eliminated) is the general maxim emphasizing the need of reducing all types of harm. This means that if harm is predicted to occur, preventive steps must be done to ensure the safety and health of individuals and the wider public.

## **Research Methodology**

### **Research Design**

Research designs are the procedures employed in research investigations to collect, evaluate, translate and report data (Creswell & Clark, 2007). It is the overarching method for connecting conceptual research issues to significant (and feasible) empirical studies. To put it another way, the study design influences how the necessary information is acquired and analyzed as well as how it is used to answer the research objectives (Grey, 2014). At the end of this study, it can bring advantages and excellent wisdom to Muslim entrepreneurs in Kedah by broadening their understanding of business zakat and the elements that contribute to business zakat among Muslim entrepreneurs in Kedah.

Furthermore, this style of research is more appropriate when some background information, expertise, or understanding of a particular topic is already known or is available in the literature. Qualitative research can be viewed holistically by examining attitudes, behaviors and experiences using methods such as interviews or focus groups. Researcher sought detailed responses from the informants. Using qualitative approaches to collect data for this study, it is possible to demonstrate the knowledge of business zakat among Muslim entrepreneurs in Kedah that has been recognized as well as the outcomes of this study.

In this study, several strategies implemented by researcher can acquire a representative sample of the target demographic namely Muslim entrepreneurs in Kedah. As a result, the outcome of this study might yield response rates that are normally quite high via face-to-face interview. This sort of interview comprises of administering questionnaires in a systematic manner and trained interviewers submitting fixed-choice questions in a consistent format. To achieve more accurate findings from the entire survey, the interviewer should be organized and educated about the issues provided, as well as aim for an unbiased response.

### **Study Population and Sample Size**

A population is any group of people, whether it be a nation or a collection of people who share a common attribute. A population is a group of people from whom information will be gathered for a statistical research. As a result, a population is defined as a group of people who share a characteristic. The phrase population refers to the total collection of people, activities, or things of interest that researchers find interesting (Uma and Roger, 2013). This study focuses on Muslim entrepreneurs in Kedah because the state's population

is predominantly Muslim. Moreover, they are knowledge, awareness, comprehension and zakat payment methods.

A sample is a statistically significant portion of a population, not the entire population. As a result, the approximate standard deviation, or standard error, of a statistical analysis of the outcomes of a sample from the entire population must be presented. The sample represents a subset of the total population. It is made up of individuals picked from among them. In other words, the sample includes some of the target population but not all of it (Uma & Roger, 2013). Meanwhile, the sample size for this study is made up of 12 Muslim informants who work as company owners in Kedah. The average is between 5 and 12 informants, hence twelve were chosen for this investigation.

## **Results and Discussions**

### **Data Analysis**

The process of gathering data occurs when the data analysis procedure is initiated. Firstly, the interviewer expertly guides the conversation and produces valuable interview data. Additional observational notes were added, and the transcription was done. The next step is data preparation, which may be completed by listening to recording and reading over the transcripts several times. In addition, to going over the observation notes made during the interview and the summary notes that were created right after. Prior to delving into each subject, the objective is to take in all of the information and get a feel of the overall discussion. While, the primary source of data analysis is the verbal language collected from the interview, it would be beneficial to consider the interview, the surrounding environment, and document the nonverbal communication that group members conveyed. These steps would all contribute to the production and analysis of data (Rabiee, 2004).

There are three sub-themes for the knowledge topic, six sub-themes for the contributor of knowledge theme, and four sub-themes overall for the method and calculation of zakat payment in order to address the study questions on Literacy On The Fundamental Knowledge Of Business Zakat Among Muslim Entrepreneurs in Kedah. The following sub-themes were extracted based on data from interviews with twelve informants: religious, rate and period, power over property, acquaintances, officer visits, talk programme, online sources, reading, online payment, zakat centre, manual counting, and using the zakat service staff. The three topics that serve as the foundation for all thirteen of these sub-themes are crucial in identifying the level of zakat knowledge among Muslim entrepreneurs in Kedah. In general, all of the informants' responses allowed us to indirectly achieve the study objectives outlined in the first chapter while also providing an answer to the first, second and third research questions.

**Research Question 1: What is the knowledge of business zakat among Muslim entrepreneurs in Kedah?**

**Research Objective 1: To know the knowledge of business zakat among Muslim entrepreneurs in Kedah.**

Several of the sub-themes had been determined in order to support research objective 1 (RO1) and respond to research question 1 (RQ1). There are religious (*Islam*), rate and period (*nisab* and *haul*), power over property (*sempurna*). The following justification is apparent

Table 4.1

## Sub - theme 1 (Religious)

Informant	Interview's Quote		Justification
	Transcript	Translation	
IF 1	<i>"Ya, saya tahu memang satu kewajiban, dalam tuntutan Islam pun memang wajib"</i>	I am aware that Islamic requirements are also mandatory.	Know
IF 2	<i>"Sebagai pengusaha Muslim wajib mengeluarkan zakat setiap tahun"</i>	It is mandatory for a Muslim business owner to pay zakat annually.	Know
IF 4	<i>"Syaratnya adalah kita mestilah orang Islam"</i>	The condition is Muslims	Know
IF 5	<i>"Peniaga atau orang yang menjalankan perniagaan tumesti beragama Islam"</i>	The owner or manager of the company needs to be a Muslim.	Know
IF 6	<i>"Untuk syarat wajib zakat, salah satunya mestilah Islam"</i>	Islam is one of the prerequisites for zakat.	Know
IF 7	<i>"Sebagai seorang usahawan beragama Islam, semestinya wajib"</i>	It is a must for a Muslim entrepreneur.	Know
IF 9	<i>"Yang saya tahu paling penting peniaga Islam"</i>	What I know is the most important thing is Muslim entrepreneur.	Know
IF 10	<i>"Ya, saya tahu. Usahawan mestilah Islam"</i>	Yes, I am aware of it. It appears that business people have to be Muslims.	Know
IF 12	<i>"Kita sebagai usahawan yang beragama Islam, wajib la membayar zakat perniagaan."</i>	As Muslim entrepreneurs, we are obligated to pay zakat.	Know

According to Table 4.1, the majority of informants are aware of religion as a factor in zakat knowledge among Muslim entrepreneur in Kedah. The researcher believes that informants' dominating knowledge is this component.



Table 4.2

Sub - theme 2 (Rate and Period)

Informant	Interview's Quote		Justification
	Transcript	Translation	
IF 2	"..., cukup haul dan nisab."	Sufficient <i>haul and nisab</i> .	Know
IF 3	... cukup nisab... itu saja	Sufficient <i>haul and nisab</i> . That's all.	Know
IF 4	"... maksudnya macam yang kak tahu zakat perniagaan ni kena bayar bila kita cukup mcm apa tu, haul dan nisab"	It implies that you are aware that zakat for this company must be paid when we have sufficient funds for haul and nisab.	Know
IF 5	"... cukup haul dan jugak cukup nisab ..."	Sufficient <i>haul and nisab</i> too.	Know
IF 6	"... untuk keluar zakat tu mesti cukup nisab dia."	To pay zakat, we must have sufficient <i>nisab</i> .	Know
IF 7	"... kena bayar bila sudah cukup haul dan nisab."	Need be paid when there is sufficient <i>haul and nisab</i> .	Know
IF 8	"... saya tahu antaranya cukup haul dan nisab."	I think some of them are <i>haul and nisab</i> .	Know
IF 9	"... lepas itu perlu cukup haul dan nisab ..."	After that it needs sufficient <i>haul and nisab</i> .	Know

According to Table 4.2, among Muslim entrepreneurs in Kedah, eight out of twelve respondents cite rate and period as one of their understanding of business zakat. The researcher believes that among informants, this element represents a second dominating knowledge.

Table 4.43

Sub - theme 3 (Power Over Property)

Informant	Interview's Quote		Justification
	Transcript	Translation	
IF 2	"errr... sempurna, ..."	Perfect power over property.	Know
IF 5	"... sempurna milik, ..."	Perfect power over property.	Know
IF 12	"... dan milikan sempurna."	And perfect over property.	Know

Table 4.4 reveals that among Muslim entrepreneurs in Kedah, only three informants are aware that one aspect of business zakat is the authority over property. This indicates that

among Muslim entrepreneurs in Kedah, authority over property is not a common understanding of zakat.

Based on the answers to research question 1 (RQ1) and research objective 1 (RO1), the researchers came to the conclusion that Muslim entrepreneurs in Kedah only knew about zakat in relation to religion, rate and period, as well as power over property (Ibrahim et al., 2021). Ten sources believe that the initial prevalent understanding of business zakat is religious. Based on the agreement of nine informants, rate and period is the second most common information regarding zakat in company. Lastly, just three informants felt that knowledge of power over property is not a major component.

### Research Question 2: What are the contributors to the knowledge of business zakat among Muslim entrepreneurs in Kedah?

#### Research Objective 2: To understand the contribution factor about knowledge of business zakat among Muslim entrepreneurs in Kedah.

There are several resources explaining how Muslim entrepreneurs came to understand zakat. Individuals differ in their contributions to the body of knowledge, nevertheless. In order to support research goal 2, some of the sub-themes have been identified in order to respond to research question 2 (RQ2). The following serves as an illustration of each sub-theme's justification

Table 4.4

#### Sub-theme 1 (Education)

Informant	Interviewers' Quote		Justification
	Transcript	Translation	
IF 3	<i>"masa saya sedang belajar dulu"</i>	When I studied before	Know
IF 4	<i>"Kalau nak ikutkan sekolah lah, kolej macam tu, dan melalui internet."</i>	If so, it was during my previous school years, my college studies, and my online research.	Know
IF 5	<i>"Sebagai pelajar dalam bidang kewangan Islam, saya mengambil subjek zakat dan cukai. Jadi saya belajar juga tentang zakat"</i>	As an Islamic Finance student, I studied zakat and taxation. As a result, I learnt about zakat.	Know
IF 6	<i>"... yang kak tahu la pasal zakat ni, masa belajar di sekolah dan di universiti."</i>	When I was in school and university, I learned about zakat.	Know
IF 8	<i>"Saya dulu bersekolah aliran agama dan sambung ijazah pun aliran agama. Jadi, melalui pendidikan ni la saya terima pengetahuan"</i>	I attended to religious school and continued my education in religion, therefore I obtained this understanding via schooling.	Know

	<i>ini.”</i>		
IF 11	<i>“Saya tahu tentang zakat ini daripada media sosial dan juga masa saya belajar di universiti dulu.”</i>	I learned about zakat through social media and also while I was in university.	Know
IF 12	<i>“Saya tahu masa saya bersekolah dulu, kerana perkara ini pernah disentuh dalam silibus pelajaran dulu.”</i>	I learned this when I first started school since it was included in the curriculum.	Know

According to Table 4.4, the majority of respondents believe that education is a factor that contributes knowledge about business zakat for Muslim entrepreneurs in Kedah. It demonstrates that education is the most important aspect in being acknowledged as a source of information regarding business zakat by Muslim entrepreneurs in Kedah.

Table 4.5

*Sub-theme 2 (Acquaintances)*

Informant	Interviewers' Quote		Justification
	Transcript	Translation	
IF 2	<i>“Melalui kawan-kawan, ustaz, keluarga, dalam internet. Datuk, ayah dan ibu selalu bagitahu dan pesan untuk bayar zakat perniagaan.”</i>	Friends, ustaz, relatives, and people from the internet. My grandfather, father, and mother were continually telling me and reminding me to pay business zakat.	Know
IF 7	<i>“Saya tahu pasal zakat perniagaan ini daripada founder produk dan beliau bagi galakkan kepada kami untuk bayar zakat perniagaan.”</i>	I learned about zakat in business from the product's founder, who pushed us to pay the zakat.	Know
IF 9	<i>“Kak tahu dari kawan-kawan yang berniaga sama-sama.”</i>	I learned about it via business friends.	Know
IF 11	<i>“Saya banyak bertanya pada abang sebab abang saya juga orang berniaga dandia juga bayar zakat perniagaan sebelum ini.”</i>	I constantly inquired of my brother, who is also a business and has previously paid zakat.	Know

According to Table 4.5, most informants feel that acquaintances are a factor that contributes to their awareness of business zakat. The researcher might consider this

component to be a major factor indicating the source of information gained from Muslim entrepreneurs in Kedah.

Table 4.6

*Sub-theme 3 (Officer Visit)*

Informant	Interviewers' Quote		Justification
	Transcript	Translation	
IF 1	<i>"kat Kedah ni, LZNK la, bila kita berniaga ni LZNK cadang untuk kita keluarkan zakat apa semua la."</i>	In Kedah, the LZNK will normally advise company owners to pay zakat.	Know
IF 6	<i>"...ada juga biasa pegawai dari LZNK tu naik atas kedai dan bagitahu la mengenai zakat ni dan pembayaran zakat tu macam mana."</i>	Then, personnel from the zakat centre came to the store to explain zakat and how to pay zakat.	Know

According to Table 4.6, only two informants believe that officer visits are a contributor of knowledge contributor regarding business zakat among Muslim entrepreneurs in Kedah. According to the researcher, this is not a prominent component in terms of knowledge contributor among Muslim entrepreneurs in Kedah.

Table 4.7

*Sub-theme 4 (Talk Program)*

Informant	Interviewers' Quote		Justification
	Transcript	Translation	
IF 1	<i>"Saya masa tu ikut program dan kursus perniagaan."</i>	I took part in business programmes and courses.	Know
IF 7	<i>"Saya pernah menghadiri seminar secara online."</i>	I once went to an online seminar.	Know
IF 12	<i>"Saya pernah ikut ceramah di kelab PAS di kawasan sekitar Alor Setar dimana setiap pagi Jumaat ada perkongsian."</i>	I attended a seminar given by the PAS group in the Alor Setar area, where information is shared every Friday morning.	Know

According to Table 4.7, just one-quarter of all informants believe that a talk programme is a factor in Muslim entrepreneurs in Kedah learning about business zakat. However, the researcher may see this component as a major factor in learning about zakat.

Table 4.8  
Sub-theme 5 (Internet Sources)

Informant	Interviewers' Quote		Justification
	Transcript	Translation	
IF 1	"Saya juga baca dalam internet"	I also use the internet to read.	Know
IF 2	"Saya cuma dengar ceramah dalam internet saja macam dalam Youtube"	I only listen to conversation on the internet, such as Youtube.	Know
IF 3	"Saya tahu dari ceramah-ceramah Youtube, "search" Google."	I learned about it from YouTube speeches and a Google search.	Know
IF 4	"Kalau nak diikutkan sekolah lah, kolej macam tu, dan melalui internet."	If so, it was when I was in school and studying at college, as well as over the internet.	Know
IF 11	"Saya tahu pasal zakat ini daripada media sosial"	I learned about this zakat through social media.	Know

According to Table 4.8, five informants believe that online sources assist to knowledge growth for Muslim entrepreneurs in Kedah concerning business zakat. The researcher might consider this aspect to be dominating because almost half of the informants believe that they learned about business zakat via internet sources.

Table 4.9  
Sub-theme 6 (Reading)

Informant	Interviewers' Quote		Justification
	Transcript	Translation	
IF 10	"Saya dapat info-info pasal zakat perniagaan ni melalui pembacaan."	Reading provided me with facts regarding zakat in business.	Know

According to Table 4.9, just one informant agrees that reading is a knowledge provider of business zakat among Muslim entrepreneurs. According to the studies, reading is not a significant source of knowledge for Muslim entrepreneurs in Kedah regarding business zakat. The contributors of knowledge on business zakat among Muslim entrepreneurs in Kedah may be shown in a variety of ways, including education, acquaintances, officer visits, and many more. Muslim entrepreneurs in Kedah are aware of the presence of zakat and are working to increase their awareness and knowledge of business zakat.

**Research Question 3: How does Muslim entrepreneurs in Kedah pay their business zakat?****Research Objective 3: To know the ways Muslim entrepreneurs in Kedah pay their business zakat**

In order to address research question 3 (RQ3), four sub-themes were established. It is online payment, payment at the zakat centre, manual zakat calculation, and use of the zakat center's service. The reasoning is as follows

Table 4.10

*Sub-theme 1 (Online Payment)*

Informant	Interview's Quote		Justification
	Transcript	Translation	
IF1	"Cara bayaran tu melalui online."	We pay online using this approach.	Yes
IF2	"Online banking."	Online banking.	Yes
IF 4	"Kalau langkah keselamatan, pilih bayar online."	For the sake of safety, prefer online payment.	Yes
IF 5	"Kita bayar atas talian iaitu platform online."	Can pay through online platform.	Yes
IF6	"Kami bayar zakat secara online sebab senang."	Zakat can be paid online since it is convenient.	Yes
IF7	"Melalui online ja"	Online only.	Yes
IF8	"Bayar secara online payment."	Pay using online payment.	Yes
IF9	"Bayar guna online je sebab mudah."	Pay online due to it's easy.	Yes

Table 4.10 demonstrates that in Kedah, eight out of twelve informants employ the same technique for paying zakat. However, the researcher believes that this online payment method is employed by the majority of Kedah entrepreneurs since the informants believe that completing online banking is easier and saves time.

Table 4.11

*Sub-theme 2 (Zakat Center)*

Informant	Interview's Quote		Justification
	Transcript	Translation	
IF3	"Kita bayar di kaunter zakat tapi kerap bagi "by hand" kepada fakir miskin."	Payment at the zakat counter but usually through "by hand" to the poor."	Yes
IF10	"Di Lembaga Zakat Negeri Kedah."	At Lembaga Zakat Negeri Kedah.	Yes
IF11	"Bayar di kaunter zakat LZNK, Menara zakat."	Pay at the zakat counter of LZNK, Menara Zakat."	Yes
IF12	"Bayar di kaunter LZNK."	Pay at the LZNK counter.	Yes

Table 4.11 demonstrates that four of the other informants make zakat contributions to Lembaga Zakat Negeri Kedah on a regular basis. However, one of the informants was able to ease the burden of the needy by paying zakat by donating and aiding the impoverished hand in hand. This demonstrates that in Islam, zakat payment is necessary for the sake of goodwill and to assist those who are entitled to receive it.

Table 4.12

*Sub-theme 3 (Count Manually)*

Informant	Interview's Quote		Justification
	Transcript	Translation	
IF1	<i>"Kami kira sendiri ikut "percentage" dari keuntungan pastu bahagi terus untuk zakat."</i>	Own calculation, "percentage" of earnings divided straight for zakat.	Yes
IF2	<i>"Ayah saya yang tolong uruskan pengiraan zakat tu, guna kalkulator zakat."</i>	My father, who assisted in calculating zakat and using the zakat calculator.	Yes
IF3	<i>"Kami kira menggunakan kalkulator zakat"</i>	Calculate using a zakat calculator.	Yes
IF4	<i>"Suami kak selalu kira dan kira sendiri secara manual."</i>	My husband constantly calculates and calculates by hand.	Yes
IF6	<i>"Kami kira secara manual macam gitu-gitu lah, sebab kami pun ada rekod keluar masuk duit tu laa."</i>	Calculate manually, because we also have some writings, and the money comes in and out.	Yes
IF7	<i>"Kira manual sebab perniagaan saya mudah untuk mengira."</i>	Manual computation of business reasons is simple.	Yes
IF8	<i>"Betul, pengiraan secara manual"</i>	Yes, the computation is done manually.	Yes
IF9	<i>"Kira- kira sendiri la."</i>	Personal calculation.	Yes
IF10	<i>"2.5% daripada jumlah keuntungan yang cukup haul."</i>	2.5% of overall profit is already a sufficient haul.	Yes

Table 4.12 demonstrates that while the majority of the informants calculated the zakat manually, some sought assistance from closely related individuals. It's also one of the benefits of hand counting. However, the researcher believes that this element is still used by the majority of people nowadays, as opposed to the other three informants who did not mention this sub-theme as a consideration.

Table 4.13

Sub-theme 4 (Use the Service)

Informant	Interview's Quote		Justification
	Transcript	Translation	
IF5	<i>"Pengiraan melalui aplikasi Zakat On Touch untuk lebih kepastian LZNK untuk kirakan"</i>	By using the calculation through the Zakat On Touch application for more certainty LZNK to calculate.	Yes
IF11	<i>"Kami upah akauntan untuk buat kira-kira tahunan. Jadi, dia akan kira sekali untuk jumlah zakat dan cukai yang perlu dibayar."</i>	An accountant is required to prepare an annual estimate. So, I'll compute the amount of zakat and tax I have to pay once.	Yes
IF12	<i>"Kita guna perkhidmatan di LZNK. Sebab kalau kira sendiri, takut beza dengan kadar yang sepatutnya"</i>	Make use of LZNK's services. Because calculating your own rate is not the same as calculating the actual rate.	Yes

Therefore, Muslim entrepreneurs in Kedah pay their business zakat through online payment, zakat centres (LZNK), manual counting and the services of zakat personnel, among other media platforms that may make payments and compute the zakat. Making payments online and going directly to the zakat centre allows you to complete zakat concerns quickly and transparently. It can assist individuals who are in need and qualified for zakat. The majority of respondents believed that making online payments is now simpler. The payment directly to the zakat centre, on the other hand, is to demonstrate that the zakat money paid is delivered clearly and explicitly. Following that, nine of his informants calculated zakat on their own, while others sought assistance from family members who were familiar with the computation. Meanwhile, three more informants visited the zakat service centre (LZNK) because they were fearful and hesitant to calculate their own zakat.

## Conclusion and Recommendation

### Recommendation for Future Study

Several suggestions are included in this part to assist and offer ideas to future scholars on the same issue and field. It includes factors like study selection, study sample, study location, study expense, and study duration. This survey only included 12 Muslim entrepreneurs as participants. Future research should include more Muslim entrepreneurs. Furthermore, the scope of this study was limited to the state of Kedah. As a result, it is suggested that future studies include all groups, regions, and states in Malaysia, not only Kedah. This research may also be undertaken as a comparison study between Malaysian and other nations' places. This is an effort to exchange expertise on business zakat among Muslim entrepreneurs in various countries in order to increase the study's efficacy. Future investigations are also recommended to enhance this research by using a mixed research strategy.



If Muslim entrepreneurs in Kedah are aware of the need of paying business zakat to the community, the appealing aspects that impact their understanding of business zakat can be enhanced. Zakat awareness is one of the most important elements impacting zakat payment among Kedah government employees (Kamil, 2002). Furthermore, the zakat institution must play an important role in strengthening Muslim entrepreneurs' awareness of business zakat. The zakat's information has to be increased further since there are still a few Muslim entrepreneurs who are unaware of business zakat. According to Sahidi (2013), every zakat institution must enhance zakat management and administration in accordance with ICT growth.

Beside that, in order to identify and decide the proper and best informants in the data collecting process in future studies, the researcher might conduct individual interviews with Muslim entrepreneurs from various backgrounds and education. As a result, researchers can identify and distinguish knowledge about business zakat among Muslim entrepreneurs from various origins and education levels. The final proposal for further study is on the elements that contribute to Muslim entrepreneurs' awareness of business zakat. Future research may also explore issues with Muslim entrepreneurs' actions or attitudes towards zakat institutions.

### **Conclusion**

This is the first study undertaken by academics on the awareness of business zakat among Muslim entrepreneurs in Kedah. The data input, analysis, testing, and discoveries have all been completed in accordance with the intended procedure, and the results produced are observed to fulfil the questions posed. In reality, the findings were able to address all research questions and objectives.

The findings of the surveys and discussions given in this study clearly demonstrate that the degree of understanding regarding business zakat among Muslim entrepreneurs in Kedah is modest. However, this study has limitations that should be noted, including the use of a small sample size, which causes the results to be less reliable. The research sample is also restricted to Muslim entrepreneurs in Kedah and does not reflect all Muslim entrepreneurs in Malaysia. However, the findings of this study may be used by a variety of parties to improve Muslim entrepreneurs' awareness of business zakat.

### **References**

- A mediating effect of business growth on zakat empowerment program and mustahiqâ€™s welfare.* (2016). Taylor & Francis.  
<https://www.tandfonline.com/doi/full/10.1080/23311975.2021.1882039>
- A step-by-step guide to understanding and calculating zakat on businesses.* National Zakat Foundation. (n.d.). [https://nzf.org.uk/wp-content/uploads/2020/04/NZF\\_Zakat-on-Business\\_Guide.pdf](https://nzf.org.uk/wp-content/uploads/2020/04/NZF_Zakat-on-Business_Guide.pdf).
- Aceyourpaper. (2018). *What is the difference between research questions and research objectives?* Retrieved from <https://www.aceyourpaper.com/student-questions/what-is-the-difference-between-research-questions-and-research-objectives/>
- Ahmed, B. O., Johari, F., & Wahab, K. A. (2017). Identifying the poor and the needy among the beneficiaries of zakat need for a zakat-based poverty threshold in Nigeria. *International Journal of Social Economics*.
- Ahmed, U., Phulpoto, W., Umrani, W. A., Abbas, I. A. (2016b). Diving deep in employee training to understand employee engagement. *The International Journal of Management*, 5(1),

1-5.

- Ahmed, E. R., Aiffin, K. H. Bin, Alabdullah, T. T. Y., & Zubebah, A. (2016). Zakat and Accounting Valuation Model. *Journal of Reviews on Global Economics*.
- Al-Qadarawi. (2000), *Fiqh az-Zakah: A Comparative Study*. Kahf, M., Trans. London: Daryl-Taqwa Ltd.
- Aspers, P., & Corte, U. (2019). What is Qualitative in Qualitative Research. *Qualitative Sociology*, 42(2), 139–160. <https://doi.org/10.1007/s11133-019-9413-7>
- Astro Awani. (2020). Normal baharu: Bayaran zakat semasa PKP? Ini perkara yang anda perlu tahu. *astroawani.com*. [https://www.astroawani.com/berita-malaysia/normal-bayaran-zakat-semasa-pkp-ini-perkara-yang-anda-perlu-tahu-239299](https://www.astroawani.com/berita-malaysia/normal-baharu-bayaran-zakat-semasa-pkp-ini-perkara-yang-anda-perlu-tahu-239299)
- Bank Negara Malaysia. (2016a). *Perbankan Islam* (Mac ed.). BNM. <https://www.bnm.gov.my/documents/20124///059dfdcc-1b7b-0611-3aa8-793c069d1e60>
- Barnum, C. M. (2021). Analyzing the findings. *Usability Testing Essentials*, 287–319. <https://doi.org/10.1016/b978-0-12-816942-1.00008-3>
- Barrett, D., & Twycross, A. (2018). Data collection in qualitative research. In: Royal College of Nursing.
- Berg, B. L., & Howard, L. (2012). *Qualitative Research Methods for the Social Sciences*. (8<sup>th</sup> ed). USA: Pearson Educational Inc.
- Berhane & Gardebroek, 2011; Fianto et al., 2019; Littlefield et al., (2003). *Financial Inclusion: Overview Financial Inclusion in Malaysia*.
- Bhardwaj, P. (2019). Types of sampling in research. *Journal of the Practice of Cardiovascular Sciences*, 5(3), 157.
- Bolisani, Ettore & Bratianu, Constantin. (2018). The Elusive Definition of Knowledge.
- Brink, H. I. (1993). Validity and reliability in qualitative research. *Curationis*, 16(2), 35-38.
- Brown, A., & Danaher, P. A. (2017). CHE Principles: facilitating authentic and dialogical semi-structured interviews in educational research. *International Journal of Research & Method in Education*, 1-15. doi:10.1080/1743727x.2017.1379987
- Brown, G. H. (1947). A Comparison of Sampling Methods. *The Journal of Marketing*, 11(4). <https://doi.org/10.1177/002224294701100401>
- Bruce, B. F. (2018). Judgment Sampling. *The SAGE Encyclopedia of Educational Research, Measurement, And. Published*. <https://doi.org/10.4135/9781506326139.n367>
- Business Dictionary. (2020). *Business Dictionary.com*. Retrieved from *Business Dictionary.com* Web site: <http://www.businessdictionary.com/definition/knowledge.html>
- Corbin J, Strauss A. 3rd ed. Thousand Oaks, California: Sage Publications; 2008. *Basics of Qualitative Research: Techniques and Procedures for Developing Grounded Theory*.
- Creswell, J. W., & Miller, D. L. (2000). Determining Validity in Qualitative Inquiry. *Theory Into Practice*. Vol 39(3), pp. 124-131.
- Creswell, J. W., & Clark, P. V. L. (2007). *Designing and Conducting Mixed Methods Research*. London: Sage Publication Ltd.
- Cypress, B. S. (2017). Rigor or reliability and validity in qualitative research: Perspectives, strategies, reconceptualization, and recommendations. *Dimensions of Critical Care Nursing*, 36(4), 253-263.
- De Vaus, D. A. (2014). *Surveys in Social Research*. (6th ed). Australia: UCL Press. Denzin, N.K. (1978). *Sociological methods: A sourcebook*. New York, NY: McGraw-Hill Dictionary, C. awareness. Retrieved from <https://dictionary.cambridge.org/dictionary/english/awareness>.

- Doktoralina, C., Bahari, Z., Hassan, S., Ismail, N., & Mardiyah, S. (2020). Hashtags as a way to expedite the zakat supply chain. *Uncertain Supply Chain Management*, 8(1), 197-206.
- Donsu, J. D. T. (2017). *Psikologi Keperawatan*. Yogyakarta: Pustaka Baru Press.
- Dudovskiy, J. (2011). *Qualitative Data Analysis. Business Research Methodology*. <https://research-methodology.net/research-methods/data-analysis/qualitative-data-analysis/>
- Ibrahim, S. B., Ahmed, U., & Abdullahi, M. S. (2021). Testing the prediction of knowledge sharing behavior through the lens of organizational culture and organizational citizenship behavior. *Annals of Contemporary Developments in Management & HR (ACDMHR)*, 3(2), 27-40.