

The Influence of Financial Adequacy, Religiosity, Humanity and Institutions on Donating Behavior at LAZISMU Magelang City

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Abstract

The huge potential of zakat in Indonesia makes it an opportunity for zakat institutions in Indonesia to collect zakat funds from the public. Based on the 2020 Census data by the Central Statistics Agency, there are 270 20 million people in Indonesia. 70.72% are of productive age, which can be a potential muzakki zakat income, and 85% are Muslim. However, the income zakat collected in Indonesia is still relatively small. At the same time, the number of zakat institutions in Indonesia is enormous. This study uses quantitative methods, and the research data is obtained by distributing questionnaires to donors containing questions related to donors' behavior in giving donations to Lazismu, Magelang City. So it is found that the data that the donors who secure their contributions through Lazismu Magelang City are not because of the problem of whether or not their financial strength is sufficient or not to meet their daily needs but because of the high level of concern among others.

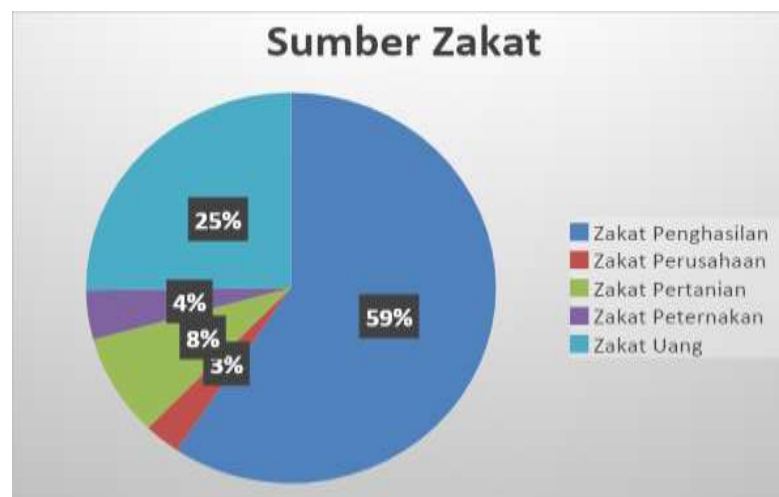
Keywords

financial adequacy; religious; humanist; LAZISMU



I. Introduction

Zakat is an obligation of a Muslim that must be fulfilled when they have fulfilled their nisab. Among other things, those who regularly earn every month must pay zakat of 2.5% of the salary earned. Nishab zakat income is calculated according to the price of gold at that time multiplied by 80 grams of gold. According to data from Baznas as the National Amil Zakat Agency, the potential for zakat in Indonesia in 2020 reaches Rp. 233.84 trillion, which is generated by zakat income of Rp. 139.07 trillion. While the amount that was collected in 2018 was IDR 153.153trillion on a national scale. The source of zakat consists of several components, as shown in the image below;



The potential for zakat can come from various sources of compulsory zakat. Income zakat contributed the most significant percentage, which was Rp. 139.07 trillion. Corporate zakat contributes to the zakat potential of Rp6.71 trillion. Agricultural zakat contributes to the zakat potential of Rp. 19.79 trillion. Livestock zakat contributes to the zakat potential of IDR9.51 trillion. Meanwhile, zakat money contributed Rp. 58 trillion. Therefore, LAZ is currently quite competitive, so it becomes a challenge for zakat institutions to manage ZIS funds starting from the collection and administration of funds. Can the institution gather from all elements of society or only certain circles? Meanwhile, the usefulness of zakat funds must also be accounted for by the muzakki through the right-targeted pentasyarufan.

Various efforts of zakat institutions in collecting zakat funds so that the obligations of Muslims who have fulfilled their nisab are absorbed. However, many people do not know the existence or existence of the zakat institution. Therefore, many still distribute their zakat obligations directly to people they deem worthy of receiving.

LAZISMU is an Amil Zakat Infaq dan Shodaqoh Muhammadiyah Institute. An official institution under the auspices of the Muhammadiyah association. Lazismu has been registered as a national zakat institution in the Minister of Religion Decree No. 730 of 2016. Lazismu has spread throughout Indonesia to the sub-district level, focusing on community empowerment through zakat, infaq, and alms collected through effective programs. So Lazismu must have a strategy so that the zakat, infaq, and alms fund associations must be balanced with their programs.

Since the establishment of Lazismu in Magelang City in 2016 until 2020, revenue from ZIS funds has fluctuated. In 2016, the achievement of Lazismu revenue in Magelang City was Rp. 77,520,430.00. In 2017 the receipt of ZIS Lazismu in Magelang City rose to Rp. 340,064,396.00. In 2018 there was an increase in the number of Rp.705,244,628.00. In 2019 the receipt of ZIS funds decreased to Rp610,160,040.00. This decrease occurred because of an internal reshuffle of human resources within the institutions. Thus, the resources owned by Lazismu in 2019 have not been stable and are still being rearranged. In 2020 the receipt of ZIS Back funds increased to Rp833,096,683.00.

According to research that has been done (Kasri, 2013a), the supporting factor for donors in distributing their donations is wanting to help people in need and fulfill their religious goals as a religious obligation. In addition, people who earn also affect donors' behavior in setting aside their donations. However, with the positive influence between income and donation behavior, rich people donate more, and people with middle incomes also continue to donate. This is in contrast to research (Lwin et al., 2013a) which shows that age and gender income have no relationship with the donating behavior of donors. Therefore, what influences the attitude of donors in distributing their donations is the issue of generosity and deepening of the religious knowledge of each donor.

Research (Djayusman et al., 2017) results that the level of faith and institutions can increase the amount of ZIS fundraising at LAZ Ummat Ponorogo. The level of faith as measured by the level of religious knowledge and awareness of Zakat by muzakki is the main factor in distributing Zakat through LAZ Ummat Ponorogo. In addition, the institution's service factor and the institution's transparency affect the trust of muzakki and muhsinin to distribute their Zakat through LAZ Ummat Ponorogo.

Research conducted by (Chua & Wong, 1999) reveals that a person's income level, education, and spiritual level positively affect the motivation of donors to channel their donations. This motivates donors in Singapore to help each other. Not out of compassion, they think their religious teachings are meant to help each other.

II. Review of Literature

2.1 The behavior of Giving Donation

Giving is a voluntary action that benefits others, assuming one can be helpful without a companion. This is interpreted by the gift received. Humans can survive. The behavior of giving has been discussed since the 16th century by great economists such as A. Smith, JS Mill, and V. Pareto. They stated that the study of charitable giving emerged from the social spirit using the analysis of interdependent utilities. This analysis reveals that humans in their lives involve social actions such as compassion and a sense of justice. The theory of altruism developed by Eisenberg (1986) and Staub (1978) suggests that altruism is an action that benefits others unexpectedly or unplanned and does not seek self or personal gain.

The spirit of altruism is also in line with the teachings of Islam, which teaches that the best humans are humans who can provide mutual benefit to other humans, one of which is through charity or donations to those in need. This is stated in QS Az Zariyat verse 19, which reads, *"And in their property there is a right for the poor who ask and the poor who do not ask."* This is explained that the property owned by a person has rights from other people who need it. At the same time, the people in need are included in the eight asnaf groups of zakat recipients, including the Fakir, Poor, Amil, Riqab, Fisabilillah, Gharimin, Ibn Sabil, and converts. This is what makes Muslims set aside some of their wealth through Zakat, infaq, and alms. According to the language, Zakat means blessing, clean, and growing. This definition illustrates that Zakat, or the wealth that we spend, will give blessings or add to the wealth we have so that it will make the property grow like shoots on plants given by Allah SWT. In addition, Zakat can also be interpreted as clean because by paying Zakat, the property owned by a person will be clean from the sins that accompany it in obtaining the property. Because there are people's rights out there that are on someone's property.

2.2 The Influence of Financial Adequacy, Religion, Humanity and Institutions on Donating Behavior in Lazismu Magelang City

Lazismu as an institution is currently much loved as a platform that accepts and accommodates people's alms to be donated to other communities in need that have carried out their mandate well. As an institution, it is not easy to manage Lazismu. Robbins argues that an organization is a consciously coordinated social group. Organization must have a goal to be achieved by the organizational members (Niati et al., 2021). The success of leadership is partly determined by the ability of leaders to develop their organizational culture. (Arif, 2019). This consciously coordinated means that the organization's members well manage the organization in achieving the goals of each individual who has been united. In addition to the goals achieved, the organization also has a vision and mission and short-term and long-term targets in managing the organization well in achieving its goals. The groups in the organization have their own goals in carrying out their duties. However, they are united in the grand design of organizational goals so that managers or directors must be able to manage the role of each group in the organization so that it is by their duties, not fighting or competing with each other.

Zakat management organizations are bodies or institutions that manage zakat funds in the context of collecting and administering zakat funds to those entitled to receive them. Agencies and Institutions, referring to Law No.23 of 2011 concerning Management of Zakat funds. Based on the law, there are 2 (two) forms of zakat management organizations in Indonesia, namely the Amil Zakat Agency (BAZ) and the Amil Zakat Institution (LAZ).

BAZ is a zakat management body officially formed by the government. BAZ consists of Central BAZ, which is called Baznas, Provincial Baznas, and Regency/City Baznas. At the same time, the Amil Zakat Institution (LAZ) is an institution formed by the community that has the task of collecting, distributing, and utilizing zakat. (Wulan Sari & Hutagalung, nd).

The social condition of zakat administration through Lazismu by the people of Magelang city is influenced by several factors, including financial adequacy, religion or religiosity, and humanity. Some of these things become the primary basis for people to worship through donations distributed to needy people. Some of the factors above can be described as follows;

1. Effect of Financial

Adequacy Financial adequacy is the financial adequacy experienced by a person in fulfilling their daily lives. Financial adequacy can be done when someone has income and plots their data into various needs, such as daily needs, health needs, transportation needs, education needs, savings, and investments. Donation behavior is a voluntary action that benefits others, assuming one can be helpful without a companion. This is interpreted by the gift received. Humans can survive.

According to research (Chua & Wong, 1999b), one's income influences everyone's donation behavior. Where there is sufficient income for donors to meet their basic needs, they can also help others in need around us. With the donors feeling that it is enough for their daily life, the donors also think about meeting the needs of those around them who are less fortunate. So, the excess funds owned by donors will be distributed to those around them.

2. The influence of religiosity

Faith is the level of a person in understanding the teachings of their religion by the Shari'a. Faith describes a person's belief and adherence to the teachings of the religion they follow. As well as donating, Muslims have been taught to consistently help our neighbors, which has been written in QS At Taubah verse 60, which means "Indeed zakat is only for the poor, poor, amil zakat, who are softened their hearts (converts), to (liberating) enslaved people, for (freeing) people who are in debt, for the way of Allah, and for people who are on their way, as an obligation from Allah. Allah is All-Knowing, All-Wise".

Donation behavior is a voluntary act that benefits others, assuming one can be helpful without a companion. This means that by receiving gifts, humans can survive. In philanthropy theory, a person's level of religiosity is measured by understanding good deeds based on one's faith through alms. Philanthropy in Islam is one of the fundamental teachings in teachings of Islam.

Research conducted by (Kasr i, 2013b), (Djayusman et al., 2017), and (Lwin et al., 2013b) results that a person's level of understanding of their religion can influence their behavior in donating. They think that the teachings they follow are one of the good ways to a better life. In addition, they will feel the belief in the reward of goodness by Allah tomorrow or even in the hereafter. People are also aware of their obligations to help our fellowmen and awareness of paying zakat as their pillars of Islam.

3. Influence of Humanity

Humanity can be interpreted as a person's human soul. Humanity itself exists in a person living their social life in society. This humanity will build a person's awareness in acting or behaving by what he feels to others about their social care. Humanity can also be judged from the attitude we take in addressing a problem in social life, one of which is helping our neighbors. Humanity itself influences human behavior by channeling its donations to those in need.

According to research conducted by (Kasri, 2013b), a person's level of concern will affect their behavior in distributing donations. In this study, the most significant indicator is the soul that is moved to help the people around us who are classified as poor. A person's soul will be moved if he sees and even feels how the lives of the poor are around us. So that they will give the funds, they have to help ease the burden of our poor fellow.

4. Institutional Influence

The zakat institution manages funds from zakat, infaq, and alms and then distributes the collected funds through creative programs to people in need. Zakat institutions will also get a good image in the eyes of the community if they can manage zakat, infaq, and alms funds.

According to research (Anwar et al., 2019), the transparency of zakat institutions in managing zakat funds will affect the donating behavior of donors. This is because the transparency of the zakat institution, which is known to the public, will improve the institution's reputation through the trust of donors. In addition, research (Djayusman et al., 2017) and (Teah et al., 2014b) state that institutional factors influence the donation behavior of every human being. The most important indicator in this institution's factor is the service to donors that is easier and more convenient to make donors want to donate to the zakat institution. Some of the factors that encourage people to make donations can be illustrated in the following chart;

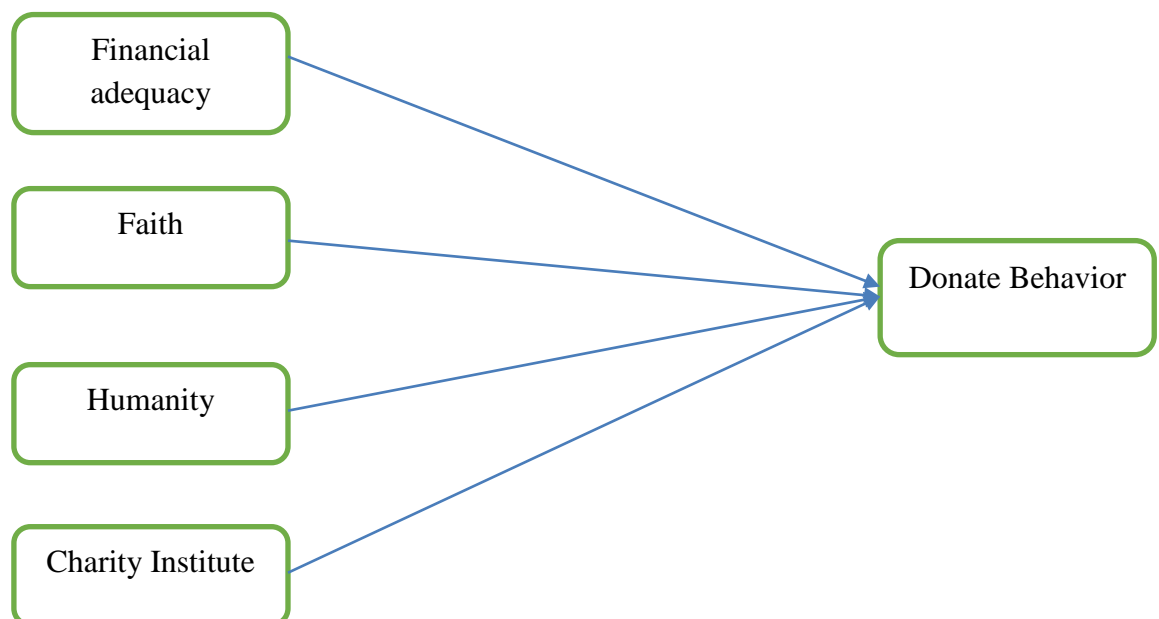


Figure 1. SEQ Figure_1. * ARABIC 2 Chart of Community Influence of Donating

III. Result and Discussion

Measurement of variables in this study using descriptive statistics with 104 respondents, where each variable is financial adequacy, level of religiosity, humanity, ZIS management institutions, and the decision to donate. This analysis uses the average, maximum, minimum, and standard deviation values of respondents' answers for each variable.

Table 1. Statistical Table Description

	N	Minimum	Maximum	Sum	Mean	Std. Deviation
Financial Adequacy	104	10	25	1959	18.84	3,178
Faith	104	17	25	2248	21.62	2,026
Humanity	104	16	25	2296	22.08	2,237
Institutional	104	14	25	2157	20.74	2,995
Behavior	104	6	20	1640	15.77	Donating 2,265
Valid N (listwise)	104					

This study uses a determination test to determine how much influence all independent variables in the study have on variables; dependent. And using the T-test to determine the effect of each variable on the variables studied.

Table 2. Determination Coefficient

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,587 ^a	,345	,318	1,340

a. Predictors: (Constant), INSTITUTIONAL, FINANCIAL ADEQUACY, HUMANITY, FAITH

b. Dependent Variable: DONATION BEHAVIOR

Based on the research of the adjusted R square value of 0.318, it can be concluded that the financial adequacy variable; faith; humanity; and institutions contributed jointly 31.8% influence on the donating behavior variable and the remaining 68.2% was influenced by other variables outside of this study.

Table 3. T Test

Model	t	Sig.	Collinearity Statistics	
			Tolerance	VIF
1 (Constant)	3,252	,002		
FINANCIAL ADEQUACY	,	258	,881	1,135
FAITH	2,148	,034	,598	1,672
1,28801 HUMANITY	2,098	,038	,609	1,641
INSTITUTIONS	3,477	,	a	-1,139

Dependent Variable: DONATION BEHAVIOR

1. The financial adequacy variable has a significance value of $0.258 > 0.05$, so it can be concluded that the financial adequacy variable has no significance on donation behavior.
2. The faith variable has a significance value of $0.034 < 0.05$, so it can be concluded that the faith variable has a significance on donating behavior.
3. The Humanity variable has a significance value of $0.038 < 0.05$, so it can be concluded that the Humanity variable has a significant effect on donating behavior.
4. The institutional variable has a significance value of $0.001 < 0.05$, so it can be concluded that the institutional variable has a significance on donating behavior.

3.1 Discussion

a. The effect of financial adequacy on donating behavior

Sufficiency does not affect muzakki to make donations because some of the muzakki in LAZISMU Magelang City are teachers and employees in the Muhammadiyah charity business environment, Magelang City. However, in 2020, the Muhammadiyah Regional Leadership of Magelang City implemented a decree for cutting salaries used for infaq at LAZISMU Magelang City.

In addition, financial adequacy does not affect the muzakki because they think their finances are stable and have realized the importance of donating. With either a little or much income, it will not affect their behavior to donate because part of their income has been allocated to donate through LAZISMU Magelang City.

b. The Influence of Religiosity Level

The religiosity variable influences the donation behavior of LAZISMU muzakki, Magelang City. This is supported by several previous studies, such as research conducted by (Chua & Wong, 1999a), which states that a person's level of religious knowledge can influence that person to make donations. The higher a person's level of understanding of their religious knowledge, the higher the desire for someone to help others because, in religious teachings, it is also explained that helping others is a humanitarian obligation.

In this study, faith perpetrators of donating muzakki because they believe in their obligation, which Islamic teachings have always mandated to fulfill their obligations for the rights of others. Their consideration is always to give their donations to people in need. They realize that religious values are more important than their material values. The belief in the reward promised by Allah for his servants who study the Islamic religion regarding sharing is also why they fulfill their obligations to help others.

c. The Influence of Humanism on Donating Behavior Humanity

Variables in this study influence the donation behavior of the muzakki. This is supported by research (Teah et al., 2014b) which states that their human spirit will motivate them always to want to help others who are experiencing difficulties.

The variable of humanity influences the muzakki always want to help those experiencing difficulties. Besides being their social responsibility, it is also a recommendation for Islamic teachings always to prioritize helping fellow Muslims in need. In addition, the compassionate nature of the muzakki is one of the motivations why they always channel their donations to help people in need.

d. Institutional Influence

Variables influence LAZISMU muzakki donation behavior in Magelang City. These results are supported by research conducted by (Djayusman et al., 2017) that the image of the institution through the services offered and the transparency of the institution to the public is believed to influence muzakki to entrust their donations to a trusted zakat institution.

In this research, institutions can influence the behavior of muzakki through several factors, including the institution's transparency in managing finances, where LAZISMU each month reports the achievement of collection clearly through online media called "Al Maun Newsletter." This online media contains information about anyone who mandates their donation through LAZISMU and uses it for any money collected through its utilization programs. In addition, the program factor and convenience services offered by LAZISMU also affect the donating behavior of the muzakki. The services owned by LAZISMU are considered to make it easier for muzakki to pay zakat, infaq, and alms funds. So, they are loyal and always entrust their donations.

IV. Conclusion

From the description above, it can be concluded that the donors entrusted their donations through LAZISMU Magelang City not because of the problem of whether or not their financial strength was sufficient to meet their daily needs. However, the donors entrusted their donations through LAZISMU Magelang City because of their concern and compassion for others who need help fulfilling their life needs. In addition, their religiosity regarding the importance of zakat, infaq, and alms for a Muslim encourages them to distribute some of the rights of others. Moreover, their trust in LAZISMU Magelang City through good management makes donors more confident to entrust their donations to LAZISMU Magelang City.

Then what the executive agency does also determines strategic steps and can encourage the public to donate enthusiastically. The policy implications of the managerial side are carried out to achieve the following things; first, the high level of concern of the donors towards their fellow in need is a factor for them to channel the funds they have. LAZISMU can create a campaign program to touch donors' hearts and channel their funds through LAZISMU Magelang City. Second, the awareness of donors about the obligation to pay zakat and the awareness of the importance of infaq and alms in Islam creates an opportunity for LAZISMU Magelang City to target the beliefs of donors more broadly through programs and services that can convince donors to channel their funds through LAZISMU Magelang City. Third, the trust of donors in the management of the Institution is one of the main factors that must be maintained. This trust is obtained through transparent financial management, creative programs, and Institutional services that are constantly evaluated to increase donors' trust. In addition, trust in financial management and the principle of benefit is one of the benchmarks for donors' trust.

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