

## Systematic Literature Review: Governance Performance of Amil Zakat Institutions by Measuring the Indonesian Magnificence of Zakat (IMZ)

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**Abstract:** Zakat is a manifestation of faith in Allah and a form of concern for others. Zakat can be a solution in solving social and economic problems. Indonesia is the largest Muslim country in the world with 236 million Muslims or 84.35 percent of Indonesia's total population. Thus, the potential for zakat in Indonesia is very large. Fadillah (2011) stated that the large potential for zakat in Indonesia cannot yet be managed well. This research was conducted to examine and identify factors and forms of good governance of zakat amil institutions in Indonesia, using special measurements. Indonesia Magnificence of Zakat (IMZ). This research uses the Systematic Literature Review (SLR) research method. This research emphasizes how important it is to foster public trust through transparency and accountability, as well as how important it is to apply a creative approach to zakat collection and distribution so that the impact of zakat is optimal for society.

**Keywords:** Governance, Performance Amil Zakat Institute, Indonesian Magnificence Zakat

### 1. Introduction

According to terminology, zakat means a certain amount of property required by Allah subhanahu wata'ala to be given to the mustahik mentioned in the Koran or it could also mean a certain amount of certain property given to certain people (Ministry of Religion, 2024).

According to Fakhruddin (2008), one of the lessons of zakat is ijtima'iyyah, which is a means to help fulfill the living needs of the poor, who are the majority group in most countries in the world. This maaliyah ijtima'iyyah worship has a very important, strategic and decisive position, both in terms of teachings and in terms of developing the welfare of the people. Thus, zakat is a manifestation of faith in Allah and a form of concern for others. Zakat can also be a solution in solving social and economic problems, such as alleviating poverty, social inequality, unemployment and economic (income) inequality (Qardhawi & Hafidhuddin, 2001).

According to the World Population Review (2024), Indonesia is the second largest Muslim country in the world after Pakistan with 236 million Muslims or 84.35 percent of Indonesia's total population. At the same time, the potential for national scale zakat is projected to reach IDR 327 trillion (Ministry of Religion,

2023). The total realization of national zakat collection in 2022 will reach more than IDR 22.4 trillion, while in the first semester of 2023 it will reach more than IDR 14.7 trillion (Baznas, 2024). According to Anwar (2012), increasing this potential can be achieved through effective, professional and responsible zakat governance.

Fadhillah (2011) stated that the large potential of zakat in Indonesia cannot be managed properly due to the following problems:

- a. The zakat management body is considered unprofessional because it has not implemented its principles of accountability and transparency.
- a. Zakat fund managers are considered to not have truly qualified human resources, namely competent (kaffah), trustworthy and having a high work ethic (himmah).
- a. The bureaucratic system and good governance in managing zakat in Indonesia are still weak, resulting in low accountability and transparency of Baznas and LAZ.

Apart from that, according to Mintarti (2011), there are still many zakat management organizations that do not have or do not understand the importance of a system in their organizational performance.

In research conducted by Hasan & Muhammad (2023), it was found that the inefficiency that occurs in most Design Making Units (DMU) is the use of input factors such as personnel costs, operational costs and total assets that are less than optimal. Besides, the output produced is still less than optimal. Then these two factors require adjustment in order to achieve the expected level of efficiency.

However, research conducted by Maulana & Zuhri (2020) states that although most amil do not understand in theory about good amil governance, in practice the Amil Zakat Nurul Hayat Surakarta Institute has implemented amil governance in accordance with the provisions in the zakat core principle.

These two studies show that even though there are already zakat institutions that implement good governance. However, due to the absence of specific standards governing governance, there is still a gap in the inefficiency of zakat amil institutions. This research was conducted to examine and identify factors and forms of good governance of zakat amil institutions.

Governance is a system that directs and controls amil bodies with the aim of maintaining their continued existence and accountability to society (Santoso, 2021; Ramadoni & Bintara, 2025; Nabila et al., 2024; Tarmiati & Febriani, 2024). This governance refers to how management in a zakat amil institution uses principles to ensure the achievement of goals and targets (Permana & Baehaqi, 2018).

The way to measure the governance of zakat amil institutions is to use special measurements. Indonesia Magnificence of Zakat (IMZ) is a model for measuring the governance of zakat amil institutions.

Good governance is essential in managing people's funds, especially zakat. With good governance, it is hoped that zakat management will become more accountable and have a wider impact. IMZ is an independent institution

that focuses on developing non-profit institutions to be more professional and impactful. It is hoped that the research results developed by IMZ will be more appropriate to zakat organizations than if they refer to general governance.

Then the aim of this research is to understand the governance of zakat amil institutions by measuring the Indonesian Magnificence of Zakat in order to create efficient institutions. So that it can be a reference for the development of the zakat institution itself or as material for subsequent studies related to the development of zakat institutions, especially on the elements of governance.

## **2. Literature Review**

### **Governance of Amil Zakat Institutions**

According to Akhamdi, Sadler, & Arifianto (2004) government governance is an efficient public service system, a trustworthy judicial system, and a government system that is accountable to the community. Good governance enables effective development and an environment that supports stable and equitable development. Meanwhile, in zakat institutions, amil governance is various mechanisms and organizational structures that aim to ensure transparency, integrity, accountability, independence, responsibility and professionalism during the decision-making and implementation process.

The International Zakat Core Principles (ZCP) Working Group was formed to provide guidelines for zakat management so that it has an efficient and effective operating system. The ZCP document was officially published at the UN Humanitarian conference in Istanbul, Turkey, on 23-24 May 2016. The ZCP core principles aim to provide zakat regulators and institutions with direction on how to carry out effective zakat supervision, as well as the general regulation of operations in zakat management and supporting infrastructure. Structurally, the ZCP has set important standards that must be met by the authorities to improve zakat management.

### **Indonesia Magnificence of Zakat**

Businesses such as private companies more often use performance measurement systems. Non-profit organizations such as the Zakat Management Organization (OPZ) are still less aware of the importance of performance measurement for their organization. For commercial businesses, performance measurement helps increase their profits, while for non-profit organizations, performance measurement will help develop future work programs.

Performance assessments are basically carried out so that the organization concerned can continue to learn to improve its performance. If an organization continues to learn to improve its performance, then the organization will develop into a healthy organization and have good public trust.

Both BAZNAS and LAZ have measurement models to measure the performance of zakat institutions, such as the National Zakat Index (IZN), Zakat Village Index (IDZ), Center of Islamic Business and Economic Studies (CIBEST), Balance Scorecard, Indonesia Magnificence of Zakat (IMZ), and International

Standard of Zakat Management (ISZM). In this research, researchers will explain the model used to measure the performance of zakat institutions.

Indonesia Magnifinance of Zakat (IMZ), is a constitutional institution for the empowerment and management of non-profit organizations. This institution focuses on zakat, poverty and empowerment advocacy, as well as training, consultation and mentoring. Every year (starting in 2010), IMZ regularly conducts research on zakat. The results of this research were published in a book called IZDR (Indonesian Zakat and Development Report). One of the research conducted was about the performance of the Zakat Management Organization (OPZ).

The IMZ method can be used to assess the performance of Zakat Management Organizations as a whole. When compared with other performance measurement methods, this method has the advantage of dividing assessment into five more specific elements. The IMZ method for measuring OPZ performance uses five measurement components used in 2011, namely:

- a. Sharia compliance, legality and institutional performance
- b. Management performance
- c. Financial performance
- d. Utilization program performance
- e. Social Legitimacy Performance

### 3. Methodology

This study uses the Systematic Literature Review (SLR) research method. SLR is a term used to refer to a research methodology carried out by collecting and evaluating research related to a particular topic focus. The purpose of SLR is to identify, review, evaluate, and interpret any available research on a particular phenomenon topic area to provide balance and summary. (Arifah and Rifqi, 2021, J. OPZ Contemporary Accountability)

This research uses sources from the Google Scholars database, using the keywords "Governance Performance of Amil Zakat Institutions with Measures of Indonesia Magnificence of Zakat". The year limit used in searching for data sources is 2019-2024. This search found 49 articles which were then screened. During screening, it was discovered that the 49 articles consisted of 24 theses, 3 books, 4 theses and 5 articles that could not be accessed/found. This resulted in 13 journals which were then used as data in this research.

### 4. Results And Discussion

Journal of Accepted Articles			
1	Comparison of the Performance of Amil Zakat Institutions Before and During the Covid-19 Pandemic	M Amri	2022
2	The Influence of Digital Zakat on Zakat Collection and the Performance of Zakat Amil Institutions	MR Mauludin, S Herianingrum	2022

3	Financial Ratio Analysis of Zakat Management Organizations: Case Study of Cities/Regencies in Indonesia	Shella Juniet Dubelta, Shopia Aulia Tasya, Sigit Trianto, Viki Anggrayani, & Ersi Sisdianto	2024
4	Performance Analysis of Zakat, Infaq and Alms Collection (ZIS) Before and After Covid-19	Fattah, MA, Hakim, R., & Warokhmah, M	2022
5	HR Development Strategy in Improving Baitul Mal Employee Performance, Surakarta City Mosque Activist Communication Forum	Riyanto, M., Effendi, A., Widoyo, AF, & Fatchurrohman, M	2023
6	Analysis of Accountability and Transparency Management of Zakat, Infaq and Alms (ZIS)(Case Study of Baznas Payakumbuh City)	R Rifani, M Taufiq, A Sholihin	2023
7	Assessing The National Zakat Amil Institution's Financial Performance Before And During The COVID-19 Pandemic	Durohman, H., Marwa, SS, & Andini, FA D	2023
8	Strategy For Successful Implementation Of Zakat Village Index Through Human Resource Design In The Zakat Village Program, Sidoarjo Regency	B Wardhana, S Hermawan, H Fitriyah	2023
9	Analysis of Potential, Realization and Performance of the Tulungagung Baznas Zakat Management Organization	M Aswad, M Ardi	2021
10	Effectiveness of Zakat Financial Performance of Sharia Commercial Banks in Indonesia	SW Setiyowati	2021
11	Recognition of Community Economic Empowerment Based on Zakat Community Development at the Al-Azhar Al-Azhar Amil Zakat Institution Surabaya	B Dikuraisyin, FA Dewi	2021
12	Optimizing Sharia Financial Management Through Zakat Instruments in South Kalimantan	E Mahriani	2020
13	Management Public Relations Dompot Dhuafa	Y Fahrudin	2021

Table1]Journal of Accepted Articles

This study presents an analysis using journal sources on 13 published filtered articles. Of the 13 articles that have been filtered, according to M Amri (2022) by examining a comparison of the performance of zakat amil institutions before and after the pandemic based on measurement ratios. Dompot Dhuafa, the Arrohman Yatim Foundation, and the Indonesian Zakat Initiative as samples of this research were still able to maintain their performance and only Dompot Dhuafa experienced some decline in their activity ratio during the pandemic.

MR Mauludin, S Herianingrum (2022) who conducted research at the Amil Zakat Agency in Jakarta City which implemented Digital Zakat had a positive influence on zakat collection. Then this influence has an impact on improving the performance of zakat amil institutions. This positive impact makes digital zakat a good solution for the progress of zakat.

Meanwhile, in research by SJ Dubelta, SA Tasya, S Trianto (2022) regarding the analysis of OPZ financial ratios using city/district toilet studies in Indonesia, the results were varied over the 2019-2020 time period. In 2019 and 2020 it shows effectiveness in activity ratios and efficiency ratios. Meanwhile, the HR cost ratio shows poor performance due to the lack of suitability of HR expenditure to total collections. Then in 2019 operational costs were said to be inefficient while in 2020 they were efficient.

Then in research by MA Fattah, R Hakim (2022) who analyzed the collection of zakat, infaq and alms before and after the pandemic in the maritime district of South Kalimantan. Overall, Baznas in Tanah Laut Regency has not increased optimally after the pandemic. In this analysis, we see that Baznas Tanah Laut Regency applies fundraising strategies, namely directly and indirectly. And researchers measure performance optimization as seen from four indicators. In terms of performance, it is considered not good. In terms of activities, there has been a decline in quality, quantity and timeliness.

In further research, namely HR Development Strategies in Improving the Performance of Baitul Mal Employees, Surakarta City Mosque Activist Communication Forum. M Riyanto, A Effendi, AF Widoyo (2023), stated that the HRD Strategy carried out by Baitul Mal FKAM includes several forms; recruitment, training which is classified into internal and external training, and strengthening work motivation. The performance of Baitul Mal Surakarta employees is considered to be quite good, but there are still obstacles. According to this journal, Baitul Mal FKAM is facing problems such as a decline in fund collection, difficulty achieving targets, and the need for improved management and human resource development. To overcome this problem, researchers suggest improving employee training and development programs, increasing work motivation, optimizing HR development strategies, and improving management. It is hoped that these solutions can improve the performance and effectiveness of Baitul Mal FKAM.

Then, R Rifani, M Taufiq, A Sholihin (2023) in research on Accountability and Transparency Analysis of Zakat, Infaq and Alms Management (ZIS) (Payakumbuh City Baznas Case Study) found that Payakumbuh City BAZNAS had implemented the principle of accountability in managing ZIS funds in

accordance with Indonesian concept of Magnificence of Zakat (2011). However, researchers found several problems in the management of zakat, infaq and alms, including a lack of public awareness of the importance of zakat, an ineffective distribution system, and a lack of accountability and transparency in reports on the management of zakat funds. To overcome this problem, researchers suggest increasing socialization and education about zakat, developing a more effective distribution system, and improving implementation.

In the research *Assessing The National Zakat Amil Institution's Financial Performance Before and During The COVID-19 Pandemic*, conducted by H Durohman, SS Marwa (2023) with a quantitative descriptive approach, it was found that although there is a lot of potential for zakat in Indonesia, this research found that Public trust in zakat management organizations (OPZ) is low. This situation has been exacerbated by the COVID-19 pandemic, which has affected the economy and performance of zakat collection institutions. Although zakat collection increased during the pandemic, the distribution of zakat funds did not change significantly, indicating problems in the efficiency and effectiveness of the National Zakat Amil Institute (LAZNAS). To solve this problem, researchers suggest increasing transparency and accountability, strengthening information systems and technology, increasing human resource capacity, developing more efficient communication strategies, and collaborating with various groups, including government and private groups. It is hoped that this solution will increase public trust, increase the effectiveness of zakat management, and have a positive impact on the LAZNAS zakat program, especially during the COVID-19 pandemic.

Zakat-based community economic empowerment at the Al-Azhar Amil Zakat Institute in Surabaya has great potential in improving community welfare. Zakat, as a sharia financial instrument, has an important role in optimizing community economic empowerment. Therefore, this research aims to find out how zakat management at the Amil Zakat Al-Azhar Surabaya Institute uses ZISWAF (Zakat, Infaq, Alms, and Waqf) funds for communities in need and how these communities feel the impact of this empowerment.

Zakat-based community economic empowerment at the Amil Zakat Al - Azhar Institute in Surabaya can improve community welfare with several strategies, namely economic empowerment, coordination and financial management. Therefore, further efforts are needed to increase community economic empowerment through zakat.

South Kalimantan is one of the provinces in Indonesia which has great potential in managing sharia finance. Zakat, as a sharia financial instrument, has an important role in optimizing sharia financial management in this province. Therefore, this research aims to find out how sharia financial management can be improved through zakat instruments in South Kalimantan.

Sharia financial management in South Kalimantan can be improved through zakat instruments with several strategies, namely increasing public awareness, infrastructure, coordination and financial management. Therefore,

further efforts are needed to increase public awareness and optimize zakat management in this province.

Dompot Dhuafa is a zakat organization that focuses on sharia financial management. In an effort to improve the reputation and image of the organization, Dompot Dhuafa Public Relations (PR) management has an important role. Therefore, this research aims to determine the strategy and implementation of Dompot Dhuafa's PR management in maintaining its image and building a positive image.

Dompot Dhuafa's PR management has an important role in maintaining the image and building a positive image of the organization. The strategies used by Dompot Dhuafa, such as the use of advanced technology and publications via social media, can help increase public awareness about the importance of zakat and build a positive image of the organization. Therefore, further efforts are needed to improve Dompot Dhuafa's PR management and maintain the organization's image.

According to research by B Wardhana, S Hermawan, H Fitriyah (2023) by examining the strategy for successful implementation of the zakat village index through designing human resources in the zakat village program in Sidoarjo Regency. There are obstacles in implementing the Zakat Village Index in zakat villages. Zakat Village Program in Sidoarjo Regency 6 due to limitations human resources, inadequate competency support, and high workload.

According to research by M Aswad, M Ardi (2021), by examining the analysis of the potential, realization and performance of Baznas Tulungagung, it was found that the realization of zakat was IDR. 3,719,296,538,-from a potential of Rp. 153,772,822,140.- Baznas Tulungagung because Muzaki directly pays zakat to mustahik, (ii) Low trust of muzaki in zakat management organizations, (iii) utilization of zakat funds is not optimal, (iv) Low understanding of zakat and (v) Low quality of Human Resources (HR) amil zakat.

According to research by SW Setiyowati (2021), by examining the effectiveness of Zakat financial performance of Islamic Commercial Banks in Indonesia, the growth of zakat receipts is still below the set target (with a sample of 11 Islamic banks in Indonesia in 2016-2018) 14 Annual Report of Sharia Commercial Banks registered with the OJK within a period of 3 years 6 because muzaki chose to give their zakat to zakat recipients not through a zakat management institution so it was not properly documented.

## **5. Conclusion**

In this research, we look at how amil zakat (LAZ) institutions in Indonesia operate and are managed, with particular emphasis on how effective the collection and distribution of zakat is. Studies show that public trust in zakat management organizations continues to be a major issue that influences how effective zakat collection is. Even though several institutions, such as BAZNAS Payakumbuh City, have implemented the principle of accountability, low public awareness and an inefficient zakat distribution system are still problems.

The COVID-19 pandemic has damaged the operations of zakat institutions. Studies show that although zakat collection increased during the pandemic, its distribution did not experience significant changes. This shows that there are problems with the performance and efficiency of zakat amil institutions. The pandemic has caused several institutions such as Dompot Dhuafa to reduce some activities, but most remain operational.

Digitalization of zakat improves the collection and performance of zakat amil institutions. Research shows that the application of digital technology by the Jakarta City Zakat Amil Agency increases zakat collection and performance.

Human resource (HR) development is very important to improve the performance of zakat organizations. The effectiveness of zakat management can be improved through training, strengthening work motivation, and good human resource development strategies. For example, the Baitul Mal Surakarta City Mosque Activist Communication Forum's human resource development strategy includes recruitment, internal and external training, and strengthening work motivation, which is considered quite effective although it still faces several obstacles.

This research recommends increasing awareness and education about the importance of zakat to increase public awareness; development of a more efficient distribution system; and more transparent and fair zakat fund management reports. In addition, it is recommended to improve PR (Public Relations) management and use advanced technology to maintain and build a good reputation for zakat management organizations.

Overall, this research emphasizes how important it is to foster public trust through transparency and accountability, as well as how important it is to apply creative approaches to zakat collection and distribution so that the impact of zakat is optimal for society.

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