

Assessing The National Zakat Amil Institution's Financial Performance Before and During COVID-19

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Abstract

This research aims to examine the financial performance differences of the National Zakat Collection Institutions (LAZNAS) before and during the COVID-19 pandemic. In this study, researchers conducted a comparative analysis of LAZNAS's financial performance before and during the COVID-19 pandemic using a quantitative descriptive research approach. The data used are secondary data from the financial reports of zakat collection institutions published on their websites for four periods: pre-pandemic (2018-2019) and during the pandemic (2020-2021). Data analysis involved assessing LAZNAS's financial performance based on activity ratios (zakat allocation ratio) and growth ratios (growth of zakat). Subsequently, non-parametric tests, specifically the Wilcoxon sign rank test using STATA 17. The research findings indicate that there is no significant difference in the performance of zakat collection institutions based on activity ratios. However, the performance of zakat collection institutions based on growth ratios shows a significant difference, as evidenced by the results of the growth of zakat calculations. This implies that there is a difference in the collection of zakat funds by LAZNAS during the COVID-19 pandemic.

Keywords: Zakat ; Financial Performances ; National Amil Zakat Institution ; Covid-19.

Abstrak

Penelitian ini bertujuan untuk menguji perbedaan kinerja keuangan Lembaga Amil Zakat Nasional (LAZNAS) sebelum dan selama pandemi COVID-19. Dalam penelitian ini, para peneliti melakukan analisis perbandingan kinerja keuangan LAZNAS sebelum dan selama pandemi COVID-19 menggunakan pendekatan penelitian deskriptif kuantitatif. Data yang digunakan adalah data sekunder dari laporan keuangan lembaga pengumpulan zakat yang dipublikasikan di situs web mereka selama empat periode: sebelum pandemi (2018-2019) dan selama pandemi (2020-2021). Analisis data melibatkan penilaian kinerja keuangan LAZNAS berdasarkan rasio aktivitas (rasio alokasi zakat) dan rasio pertumbuhan (pertumbuhan zakat). Selanjutnya, uji non-parametrik, khususnya uji peringkat tanda Wilcoxon menggunakan STATA 17. Temuan penelitian menunjukkan bahwa tidak ada perbedaan signifikan dalam kinerja lembaga pengumpulan zakat berdasarkan rasio aktivitas. Namun, kinerja lembaga pengumpulan zakat berdasarkan rasio pertumbuhan menunjukkan perbedaan signifikan, sebagaimana dibuktikan oleh hasil perhitungan pertumbuhan zakat. Ini mengimplikasikan bahwa terdapat perbedaan dalam pengumpulan dana zakat oleh LAZNAS selama pandemi COVID-19.

Kata kunci: Zakat; Kinerja Keuangan; Lembaga Amil Zakat Nasional; Covid-19.

INTRODUCTION

As a country holding the title of the world's largest Muslim-majority nation, according to the 2021 report by The Royal Islamic Strategic Study Centre (RISSC) (katadata.co.id), Indonesia indeed possesses significant potential for zakat revenue. In 2019, Indonesia's zakat potential reached 233.8 trillion (BAZNAS, 2020), and in 2020, it increased to 327.6 trillion (Puskas Baznas, 2021). Consequently, this substantial zakat potential presents both an opportunity and a challenge. It has the potential to be utilized as a means of alleviating poverty within society. Despite Indonesia's substantial zakat potential, on-ground realities indicate that the actual realization falls far short. There exists a notable gap between the potential receipts and the actual collection of zakat from the Muslim population in Indonesia. This situation is influenced by various factors, one of which is the limited trust of the public in zakat management organizations (OPZ) (Harto et al., 2018). Zakat institutions must possess competent human resources, both in terms of understanding Shariah principles and technical skills, to ensure professional zakat management (Ardani et al., 2019). Proper management of zakat is essential as it serves as a crucial effort to achieve income distribution balance, ultimately impacting economic growth (Djayusman & Abdillah, 2015). This significant potential should be optimally harnessed to combat poverty. As known, zakat is an Islamic Sharia instrument characterized as a source of mercy for all, and it can be employed to address poverty-related issues (Bahri et al., 2017). The principles of good organizational governance should be implemented by Zakat Management Organizations (ZMOs), including Zakat Collection Bodies (BAZ) and Zakat Disbursement Institutions (LAZ) (Ardani et al., 2019; Bahri et al., 2017). Consequently, through effective zakat management, the substantial potential of zakat can provide significant benefits to society.

The Covid-19 pandemic, which has spread in Indonesia since early 2020 and has had a significant impact on the economy, has made the role of zakat collection institutions increasingly important. Zakat collection institutions, which are a key pillar in Islamic economics, are expected to contribute to the economic recovery from the pandemic. According to the fatwa issued by the Indonesian Ulema Council (MUI), during the pandemic, zakat funds can be used as an instrument to assist new recipients who have experienced economic hardship (Strategic Studies Center of the National Zakat Collection Agency (Puskas Baznas), 2021). Therefore, during the pandemic, the role of zakat collection institutions in gathering and distributing zakat is expected to be even more significant compared to before the pandemic. The phenomenon of the Covid-19 pandemic has affected nearly all sectors, including health, social, and economic. The impact of the Covid-19 pandemic on the economy can be seen in the decline in the performance of most companies. Zakat collection institutions, as one of the pillars of Islamic economics, have also been affected by the pandemic. The impact of the pandemic on zakat collection institutions is different from that experienced by profit-oriented companies or institutions. During the pandemic, the role of zakat collection institutions as a form of philanthropic

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organization is expected to provide a greater contribution to the affected community. Thus, the restrictions on activities due to the pandemic can have both negative and positive impacts on the performance of these institutions. However, so far, there has been no research analyzing the impact of the pandemic on the performance of national zakat collection institutions under the auspices of the National Zakat Collection Agency (BAZNAS).

Table 1. Illustrates the National Zakat Collection by Type of Collection and Level of Organization.

No	Collection Level	2019	%	2020	%
1	BAZNAS	296.234.308.349	2,9	385.126.583.224	3,1
2	Provincial BAZNAS	583.919.722.674	5,7	489.538.808.289	3,9
3	District/City BAZNAS	3.539.980.546.674	34,6	1.735.824.169.041	14,0
4	LAZ (Zakat Collection Agencies)	3.728.943.985.109	36,5	4.077.297.116.443	32,8
5	Unreported OPZ and Fitrah Zakat	2.078.865.243.749	20,3	5.741.459.770.472	46,2
	Total	10.227.943.806.555	100	12.429.246.447.46	100

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Source: Zakat Outlook Indonesia 2022 – Puskas Baznas

Based on data from the 2022 Zakat Outlook report published by BAZNAS, as shown in Table 1, it is evident that the collection of Zakat, both by BAZNAS at the national, provincial, and district/city levels, as well as by Zakat Collection Agencies (LAZ), experienced an increase during the early years of the COVID-19 pandemic in Indonesia. Contributions to the zakat fund by official LAZ accounted for a significant proportion, amounting to 36.5% in 2019 and 32.8% in 2020. However, it is noteworthy that during the pandemic, there was a significant increase in the percentage of zakat collection by OPZ under development and unreported categories.

Some researchers in the past have conducted several studies to assess different aspects of the performance of zakat collection institutions. Some of these studies include an examination of the efficiency of zakat collection institutions by Djayusman & Abdillah (2015), Lestari (2015), and Al Parisi (2017). There is also research on the comparison of the health and performance of zakat collection institutions by Harto et al. (2018), as well as studies by Anwar & Malukah (2021), and Maharani (2021) that analyze financial reports based on ratio analysis by Bahri et al. (2017), Bahri & Arif (2020), and Bahri & Khumaini (2020). In addition to research that has investigated using secondary data sources, Lubis et al. (2018) measured the performance of zakat collection institutions using primary data through surveys and direct interviews with beneficiaries. Furthermore, Amri (2022) conducted research comparing the performance of three zakat collection institutions (Inisiatif Zakat Indonesia, Dompot Dhuafa, and Yayasan Yatim Arrohman) before and during the Covid-19 pandemic. Amri's findings, based on activity ratios, demonstrated that there was no significant

difference in the performance of these institutions. Similarly, Novita (2022) conducted a study on BAZNAS Kabupaten Lampung Utara using efficiency ratios, liquidity ratios, amil fund ratios, and growth ratios. The results indicated that the fundraising efforts of BAZNAS were unaffected by the Covid-19 pandemic, but there was a slight improvement in financial performance, albeit not statistically significant. Although several previous studies have been conducted to analyze the performance of zakat collection institutions, most of these studies focused on their financial performance under normal conditions and were limited to specific zakat collection institutions. To the best of the researcher's knowledge, there is still a gap in research that compares the performance of zakat collection institutions before and during the Covid-19 pandemic on a national scale.

This study was conducted to investigate whether there were any differences in the financial performance of Zakat Amil Institution on a national scale in Indonesia before and during the Covid-19 pandemic. The financial ratios to be utilized are those found in the National Zakat Amil Institution Strategy Center (PUSKAS BAZNAS) 2019, specifically activity ratios and growth ratios. Performance measurement itself is a crucial factor for public sector organizations to assess the accountability of the organization in providing effective and targeted public services. The financial performance of the organization before and during the pandemic serves as a benchmark to determine if there are significant differences in the financial performance of Zakat Amil Institutions before and during the Covid-19 pandemic.

LITERATURE REVIEW

Amil Zakat Institution

According to the Fatwa issued by the Indonesian Ulema Council (MUI) Number 8 of 2011 concerning Amil Zakat, an amil zakat is an individual or a group of individuals either appointed by the government to oversee the execution of zakat worship or established by the community and granted official recognition by the government for the purpose of managing zakat-related activities. The primary responsibilities of an amil zakat encompass the collection, preservation, and equitable distribution of zakat funds. In the words of Ibnu Qosim, as mentioned in the book "Fathul Qorib" (Syarah Bajuri 1/543), an amil zakat is someone entrusted by the imam (the leader of the state) to gather and allocate zakat wealth.

Zakat management involves the planning, implementation, and coordination of the collection, distribution, and utilization of zakat funds (Law No. 23/2011). There are two institutions responsible for zakat management in Indonesia, namely:

1. The National Zakat Management Agency (BAZNAS), which is responsible for nationwide zakat management.
2. Amil Zakat Institution, community-founded institutions with the role of aiding in the gathering, distribution, and utilization of zakat funds.

Table 2. Growth of Amil Zakat Institutions in Indonesia

Amil Zakat Institutions (LAZ)	2019	2021	2023
National-scale	26	32	37
Provincial-scale	17	20	33
District/City-scale	38	39	70

Source: Minister of Religious Affairs RI (data processed)

The Ministry of Religious Affairs in Indonesia classifies Zakat Collection Institutions (LAZ) into three tiers: national, provincial, and district/city. LAZ registered within each tier receives official operating permits from the Ministry of Religious Affairs. The classification of LAZ into these tiers is determined by their capability to collect Zakat, Infaq, and Shodaqoh (ZIS), with the breakdown as outlined below.

- a. National-scale Amil Zakat Institutions (LAZ) are mandated to collect at least Rp50 (fifty) billion in ZIS funds annually.
- b. Provincial-scale Amil Zakat Institutions (LAZ) are mandated to collect at least Rp20 (twenty) billion in ZIS funds annually.
- c. District/City-scale Amil Zakat Institutions (LAZ) are mandated to collect at least Rp3 (three) billion in ZIS funds annually.

The Covid-19 Pandemic

According to Kamus Besar Bahasa Indonesia (KBBI), a pandemic is characterized as a widespread and simultaneous outbreak of a contagious disease, covering a broad geographical area. A pandemic refers to the rapid dissemination of a disease among populations, occurring across almost all regions of the world, with a far-reaching impact that transcends international borders. In the early months of 2020, the world was taken aback by the rapid spread of the Covid-19 virus, which evolved into a global pandemic, affecting nearly every nation, Indonesia included (Sullivan & Widodoatmodjo, 2021). This is because no country was prepared for the arrival of this deadly virus. The impacts it has caused extend beyond the healthcare sector and into the socio-economic sphere. The COVID-19 pandemic has made evident its repercussions on the economy, a fact reflected in the recent performance of companies. The longer the virus continues to spread, the greater the influence it will exert on both the economy and corporate performance. This situation is likely to give rise to apprehensions regarding the sustainability of debt, particularly in the case of countries and companies with substantial debt burdens, especially in the absence of official support (Daryanto et al, 2021).

Amil Zakat Institutions, as one of the pillars of the Islamic economy, have certainly been affected by the Covid-19 pandemic. Nevertheless, the effects of the pandemic on zakat institutions diverge from the challenges faced by profit-driven

businesses or organizations. During the pandemic, the role of zakat institutions as a form of philanthropic organizations is expected to contribute more to the affected communities. Consequently, the restrictions on activities due to the pandemic can have both negative and positive impacts on the performance of these institutions (Amri, 2022).

Financial Performance

Financial Performance refers to the financial state of a company during a specific timeframe, encompassing the acquisition and utilization of funds. This assessment relies on multiple indicators such as the capital adequacy ratio, liquidity, leverage, solvency, and profitability (Fatihudin et al., 2018). The utilization of measurement ratios is essential in assessing a company's value and gauging its financial performance (Daryanto & Wijaya et al., 2020). The analysis of financial performance serves the dual purpose of assessing business performance for decision-making and acting as a tool for overseeing financial management (Daryanto & Yunianto et al., 2020). Fadilah (2016:45) suggests that performance serves to assess the level of accomplishment or effectiveness of either a group or an individual. Assessing financial performance is a vital consideration for all entities, including zakat management organizations. Amil Zakat institutions are inherently non-profit, yet maintaining strong financial management and performance remains a fundamental concern. Given the importance of zakat institutions' performance, particularly in terms of finance, it is imperative that these organizations excel in financial management and prioritize effectiveness and efficiency in fund administration (Abd et al., 2022). The level of effectiveness and efficiency plays a pivotal role in establishing the trust of muzakki who entrust their zakat contributions to these institutions.

In 2019, the Center of Strategic Studies of the National Amil Zakat Agency (Puskas BAZNAS) published a book titled "Financial Ratios for Zakat Management Organizations" as a basic tool for financial analysis. This allows for an assessment of the financial well-being, continuity, and performance of zakat management organizations. There are five categories of ratios that can be employed by Zakat Management Organizations (OPZ), including:

1. Activity Ratio

Activity ratios are used to measure the effectiveness of zakat, infaq, and shodaqoh fund collection and distribution. Some of the ratios included in activity ratios are:

a. Allocation to Collection Ratio

i. Gross Allocation to Collection Ratio

This ratio measures the balance of zakat, infaq, and shodaqoh (ZIS) funds collected and distributed in a given period, plus the balance of ZIS funds from the previous year that have not yet been distributed.

ii. Net Allocation to Collection Ratio

This ratio measures the collection and distribution of funds in each period without considering the remaining balance of ZIS funds from the previous period.

iii. Zakat Allocation Ratio

This ratio measures how much Zakat Management Organizations (OPZ) can collect zakat funds to be distributed to the mustahik (those eligible to receive zakat).

b. Zakat turnover ratio

This ratio indicates the amount of zakat funds distributed relative to the total average zakat receipts.

c. Average of days zakat outstanding

This ratio represents the duration for which collected zakat funds are held or remain idle within the Zakat Management Organization (OPZ).

2. Efficiency Ratio

Efficiency ratios are employed to measure the efficiency of the operational costs incurred by zakat institutions in collecting or disbursing funds. The ratios included in efficiency ratios are:

- a. Collection Expenses Ratio
- b. Operational Expenses Ratio
- c. Human Capital Expenses Ratio

3. Amil Fund Ratio

Amil Fund Ratio is used to determine the level of efficiency and effectiveness of the zakat fund allocation in the operational processes of collecting and distributing zakat, infaq, and shodaqoh funds. The ratios included in Amil Fund Ratio are:

- a. Ratio of Amil Rights on Zakat
- b. Ratio of Amil Rights on Infaq/Shodaqoh
- c. Ratio of Amil Rights on CSR

4. Liquidity Ratio

Liquidity ratios are used to assess how well a zakat institution can fulfill its short-term financial obligations. These ratios encompass:

- a. Current ratio
- b. Quick Ratio/Acid Test Ratio
- c. Cash to Zakat Ratio
- d. Cash to ZIS Ratio

5. Growth Ratio

Growth ratios are indicators that illustrate the growth of zakat, infaq, and shodaqoh fund collection in zakat institutions from previous years. The ratios included in the Growth Ratio are:

a. Growth of ZIS

This ratio is used to determine the zakat institution's ability to increase the pool of ZIS funds collected from the previous year.

b. Growth of Allocation

This ratio is employed to measure the increase in distributions for the current year relative to the previous year.

c. Growth of Operational Expense

This ratio is used to determine how effective and efficient a Zakat Management Organization (OPZ) is in managing the funds allocated for its operational activities in disbursing the accumulated ZIS funds.

RESEARCH METHODOLOGY

Type of Research and Data

The research method employed in this study is descriptive through a quantitative approach. The data used consists of secondary data, which is obtained indirectly from its sources in the form of reports containing various information related to the researched issue, as well as a literature review involving reading and delving into existing literature (Sugiyono, 2016:21). The quantitative data in this research refers to the financial reports of the organization over four periods, namely, before the pandemic in 2018-2019 and during the pandemic in 2020-2021. These financial reports were obtained from the LAZ website registered with BAZNAS and approved by the Ministry of Religious Affairs for operational authorization. Moreover, the object of this study pertains to the financial performance of an organization. Financial performance is assessed through the utilization of activity ratios and growth ratios. Additionally, the subjects of this research are the National Zakat Collection Agency (LAZ) entities registered with BAZNAS after obtaining operational approval from the Ministry of Religious Affairs.

Method of Collecting Data

The variables used in this study consist of 2 variables, namely activity ratio (zakat allocation ratio) and growth ratio (growth of zakat).

a) Activity Ratio

The activity ratio used is the zakat allocation ratio, which is utilized to determine the extent to which zakat funds collected by the Zakat Collecting Organizations

(OPZ) have been distributed to the mustahik (recipients of zakat). The formula for the zakat allocation ratio is as follows:

$$ZAR = \frac{\text{Total zakat fund disbursement}}{\text{Total zakat fund collection}}$$

b) Growth Ratio

The growth ratio used is the growth of zakat, which is used to assess the OPZ's ability to increase the zakat funds collected in the previous year. The formula for the growth of zakat is as follows:

$$\frac{\text{Zakat collection at time } t2 - \text{Zakat collection at time } t1}{\text{Zakat collection at time } t1}$$

Subsequently, in this study, a non-parametric data analysis technique was employed. Specifically, the chosen non-parametric test was the Wilcoxon Sign Rank Test. The Wilcoxon test is utilized when dealing with data that does not follow a normal distribution pattern. It is a statistical test applied to assess variations between two paired sets of interval or ordinal scale data that do not exhibit a normal distribution. The decision-making process in the Wilcoxon test relies on the value of Asymp.sig (Copper and Schindler, 2014: 613). If $\text{prob} > |z| < 0.05$, it indicates a significant difference between the two data groups. Conversely, if $\text{prob} > |z| > 0.05$, there is no significant difference observed between the two data groups

RESULT AND DISCUSSION

RESULT

This study undertakes an examination of the operational performance of zakat collection institutions that are officially registered with the National Zakat Collection Agency (BAZNAS) across two distinct periods: the pre-COVID-19 era and the COVID-19 pandemic era. The findings derived from an analysis of a sample comprising 19 zakat collection institutions are employed to facilitate a comparative evaluation of the performance of these national zakat collection institutions before and after the advent of the COVID-19 pandemic. The sampled zakat collection institutions include: Yayasan Rumah Zakat Indonesia, Yayasan Dompot Dhuafa Republika, Yayasan Nurul Hayat, Yayasan Inisiatif Zakat Indonesia, Yayasan Yatim Mandiri Surabaya, Yayasan Lembaga Manajemen Infak Ukhuwah Islamiyah, Yayasan Pesantren Islam Al-Azhar, Nahdatul Ulama (LAZISNU), Muhammadiyah (LAZISMU), Yayasan Rumah Yatim Ar-Rohman Indonesia, Yayasan Kesejahteraan Madani, Yayasan Griya Yatim & Dhuafa, Yayasan Daarul Qur'an Nusantara, Yayasan Mizan Amanah, Yayasan Panti Yatim Indonesia Al Fajr, LAGZIS Peduli, Yayasan Bangun Sejahtera Mitra Umat, Yayasan Mandiri Amal Insani, dan Yayasan Bakrie Amanah.

The variables used in this research are the Zakat Allocation Ratio and Growth of Zakat, both of which are calculated to measure the performance of zakat collection institutions (LAZ). These variables are categorized based on two distinct periods, namely, the pre-COVID-19 period, encompassing the years 2018-2019, and the COVID-19 pandemic period, spanning the years 2020-2021. As a result, four variables serve as the focal points of this study: ZAR_1 (Zakat Allocation Ratio for the pre-COVID-19 period), ZAR_2 (Zakat Allocation Ratio for the COVID-19 pandemic period), GoZ_1 (Growth of Zakat for the pre-COVID-19 period), and GoZ_2 (Growth of Zakat for the COVID-19 pandemic period). Therefore, the values of each variable represent the performance of the sampled zakat collection institutions during their respective time periods.

Descriptive Analysis

Descriptive analysis is employed to provide a general overview of the characteristics of the variables utilized in the study. The results of the descriptive analysis are presented in Table 6 below.

Table 6. Descriptive Statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
ZAR_1	19	0.96053	0.11867	0.7	1.18
ZAR_2	19	1.00211	0.12955	0.69	1.37
GoZ_1	19	0.229	0.276	-0.053	0.9
GoZ_2	19	0.051	0.147	-0.398	0.265

Source: Author's Processed

Based on Table 6, the observations in this study totaled 19, comprising a sample consisting of various zakat collection institutions in Indonesia recommended by BAZNAS. The availability of information in the financial reports published by each LAZ (Zakat Collection Institution) was a consideration regarding the sample size used in the research. In general, the average value of the zakat allocation ratio of zakat collection institutions indicates an improvement in performance during the Covid-19 pandemic compared to before Covid-19, albeit with a larger standard deviation. The minimum value for the zakat allocation ratio variable occurred during the Covid-19 pandemic period, at 0.69 or 69%. However, the maximum value was also during the Covid-19 pandemic period, at 1.37 or 137%.

Meanwhile, the growth of zakat variable, in general, indicates a decline in performance during the pandemic compared to the period before Covid-19. This can be observed from the average values and standard deviations of the growth of zakat, which suggest a decreasing growth of zakat. With a smaller dispersion. The minimum value for the growth of zakat variable is -0.398 or -39.8%, and the maximum value is

0.9 or 90%, both occurring during the pandemic and before the Covid-19 pandemic, respectively.

Normality Test

The normality test was conducted to determine whether a dataset follows a normal distribution. The Shapiro-Wilk test was chosen for its superior performance, especially in detecting normality for sample sizes less than 50 (Mishra et al., 2019). This test was carried out using STATA software, with the requirement that the number of observations satisfies $4 \leq n \leq 2000$. A p-value greater than the chosen level of significance indicates that the data follows a normal distribution, while a p-value smaller than the level of significance suggests non-normality. In this test, a significant level of 5% was employed. The results of the normality test using the Shapiro-Wilk test are presented below.

Table 7. Normality Test Result

Variable	Obs	W	V	z	Prob>z
ZAR_1	19	0.97862	0.488	-1.441	0.92520
ZAR_2	19	0.88069	2.724	2.013	0.02207
GoZ_1	19	0.83000	3.881	2.724	0.00323
GoZ_2	19	0.88517	2.621	1.936	0.0264

Source: Author's Processed

Based on the results of the above-mentioned tests, it is evident that the p-value for the variable ZAR_1 is greater than the 5% significance level ($0.92520 > 0.05$). Therefore, it can be concluded that the data pertaining to the zakat allocation ratio for the period before the Covid-19 pandemic follows a normal distribution. Conversely, the p-values for the variables ZAR_2, GoZ_1, and GoZ_2 are smaller than the 5% significance level ($0.02207 < 0.05$; $0.003232 < 0.05$; and $0.0264 < 0.05$, respectively). As a result, it can be inferred that these three datasets do not conform to a normal distribution.

Wilcoxon Signed Rank Test

The Wilcoxon signed-rank test is a non-parametric test employed to assess the significance of differences between two paired data groups with ordinal or interval scale measurements that do not follow a normal distribution. A p-value greater than the chosen level of significance indicates that there is no significant difference between the two data groups, whereas a p-value smaller than the chosen level of

significance suggests a significant difference between the two data groups. In this study, the Wilcoxon test was utilized to examine the significance of differences between the zakat allocation ratio before and during the Covid-19 pandemic, as well as to evaluate the significance of differences in the growth of zakat before and during the Covid-19 pandemic. The results of the Wilcoxon signed-rank test are presented in Table 3 & 4, which displays the findings regarding the significance of differences in Zakat Allocation Ratio, Growth of Zakat Pre and During Covid-19.

Table 8. Wilcoxon Signed Rank Test Result for Zakat Allocation Ratio

Sign	Obs	Sum Ranks	Expected
Positive	9	83	95
Negative	10	107	95
Zero	0	0	0
All	19	190	190
Unadjusted variance			617.50
Adjustment for ties			-1.50
Adjustment for zeros			0.00
Adjusted variance			616.00
H ₀ : ZAR_1 = ZAR_2			
Z = -0.483			
Prob > z = 0.6287			

Source: Author's Processed

Based on the test results, it can be observed that the p-value is greater than the 5% significance level (0.6287 > 0.05). Therefore, it can be concluded that there is no significant difference between the variables ZAR_1 and ZAR_2. In other words, at a 5% significance level, there is no statistically meaningful difference in the zakat allocation ratio between the period before and during the Covid-19 pandemic.

Table 9. Wilcoxon Signed Rank Test Result for Growth of Zakat

Sign	Obs	Sum Ranks	Expected
Positive	15	163	95
Negative	4	27	95
Zero	0	0	0
All	19	190	190
Unadjusted variance			617.50
Adjustment for ties			0.00
Adjustment for zeros			0.00
Adjusted variance			617.50

$$H_0 : \text{GoZ}_1 = \text{GoZ}_2$$

$$Z = 2.736$$

$$\text{Prob} > |z| = 0.0062$$

Source: Author's Processed

Based on the test results, it can be observed that the p-value is smaller than the 5% significance level ($0.0062 < 0.05$). Thus, it can be concluded that there is a significant difference between the variables GoZ_1 and GoZ_2 . In other words, at a 5% level of significance, a meaningful difference exists in the growth of zakat between the period before and during the COVID-19 pandemic.

DISCUSSION

Zakat Allocation Ratio Pre and During Covid-19

The value of zakat allocation ratio is the result of the comparison of the total distribution of zakat funds with the total collection of zakat funds. This ratio shows the amount of zakat funds distributed to all mustahik from the zakat funds that have been collected by zakat collection institutions. Zakat allocation ratio is one type of activity ratio (allocation to collection ratio) that measures the effectiveness of fund distribution by zakat collection institutions with the following value interpretation:

- Ratio < 45% : not effective
- 45% < Ratio < 60% : less effective
- 60% < Ratio < 75% : moderately effective
- 75% < Ratio < 90% : effective
- Ratio > 90% : very effective

This means that the greater the ratio value (close to 1 or 100%), the more effective the amil zakat institution is in distributing the collected zakat funds to mustahik. Conversely, the smaller the ratio value (closer to 0 or 0%), the less effective the amil zakat institution is in distributing the collected zakat funds. The value of zakat allocation ratio for the nineteen samples of zakat collection institutions for the period before and during the Covid-19 pandemic is calculated by averaging the value of zakat allocation ratio in each period, namely 2018-2019 for the period before Covid-19 and 2020-2021 for the Covid-19 pandemic period.

Table 10. Zakat Allocation Ratio Pre and During Covid-19

Zakat Collection Institution	Zakat Allocation Ratio Pre Covid	Zakat Allocation Ratio During Covid
Yayasan Rumah Zakat Indonesia	0.99	0.89
Yayasan Dompot Dhuafa Republika	0.88	0.90
Yayasan Nurul Hayat	1.01	1.00
Yayasan Inisiatif Zakat Indonesia	1.12	0.89
Yayasan Yatim Mandiri Surabaya	0.87	1.06
Yayasan Lembaga Manajemen Infak	1.18	1.11

Ukhuwah Islamiyah		
Yayasan Pesantren Islam Al-Azhar	0.96	0.94
Nahdatul Ulama (LAZISNU)	0.78	0.69
Muhammadiyah (LAZISMU)	0.99	0.98
Yayasan Rumah Yatim Ar-Rohman Indonesia	1.01	1.02
Yayasan Kesejahteraan Madani	0.90	1.01
Yayasan Griya Yatim & Dhuafa	0.70	1.09
Yayasan Daarul Qur'an Nusantara	0.95	1.01
Yayasan Mizan Amanah	0.83	1.37
Yayasan Panti Yatim Indonesia Al Fajr	1.13	1.01
Yayasan Lagzis Peduli	0.95	1.02
Yayasan Bangun Sejahtera Mitra Umat	1.02	1.03
Yayasan Mandiri Amal Insani	1.03	0.96
Yayasan Bakrie Amanah	0.95	1.06

Source: Author's Processed

Table 10 presents the zakat allocation ratio values of the nineteen zakat collection institutions for the period before and during the Covid-19 pandemic. It can be seen from the amount of the ratio that the performance of zakat collection institutions in both periods is generally very effective and has no trend. However, the descriptive analysis results shown in Table 6 state that the average ratio value for the Covid-19 pandemic period is greater than the period before Covid-19. From the results of testing the significance of differences using the Wilcoxon signed rank test in Table 8, it is also concluded that there is no significant difference between the value of the zakat allocation ratio for the period before and during the Covid-19 pandemic. This means that the performance of zakat collection institutions as measured by the zakat allocation ratio does not show any significant changes due to the Covid-19 pandemic. This result is in line with several previous studies that analyzed the comparison of agency financial performance before and during the Covid-19 pandemic which showed that, measured from the activity ratio and effectiveness ratio, no significant difference was found between financial performance before and during the Covid-19 pandemic (Onibala et al., 2021; Rheswari & Akbar, 2022; Amri, 2022).

Growth of Zakat Ratio Pre and During Covid-19

The growth of zakat ratio value shows the amount of growth in the collection of zakat funds by zakat collection institutions compared to the previous year. Growth of zakat ratio is one type of growth ratio that is used to see the ability of zakat collection institutions to increase the collected zakat funds with the following value interpretation:

- Growth ratio > 30% : very good
- 20% < Growth ratio < 30% : good

0% < Growth ratio < 20% : quite good

Growth ratio < 0% : not good

That is, the greater the ratio value, the better the ability of zakat collection institutions in increasing the collection of zakat funds. Conversely, the smaller the ratio value, the worse the ability of zakat collection institutions to enhance the collection of zakat funds. The growth value of the zakat ratio for the nineteen samples of zakat collection institutions during both the pre-Covid-19 period (2018-2019) and the Covid-19 pandemic period (2020-2021) is computed by averaging the growth value of the zakat ratio in each respective period. The following is the growth value of zakat for the period before and during the Covid-19 pandemic which shows the amount of growth in the amount of zakat funds collected.

Table 11. Growth of Zakat Ratio Pre and During Covid-19

Zakat Collection Institution	Growth of Zakat Ratio Pre Covid	Growth of Zakat Ratio During Covid
Yayasan Rumah Zakat Indonesia	0.42	0.01
Yayasan Dompot Dhuafa Republika	0.25	-0.01
Yayasan Nurul Hayat	-0.02	-0.04
Yayasan Inisiatif Zakat Indonesia	0.19	0.15
Yayasan Yatim Mandiri Surabaya	0.07	0.13
Yayasan Lembaga Manajemen Infak		
Ukhuwah Islamiyah	0.12	0.04
Yayasan Pesantren Islam Al-Azhar	0.14	-0.05
Nahdatul Ulama (LAZISNU)	0.80	0.27
Muhammadiyah (LAZISMU)	0.64	0.21
Yayasan Rumah Yatim Ar-Rohman		
Indonesia	0.29	0.11
Yayasan Kesejahteraan Madani	0.14	0.16
Yayasan Griya Yatim & Dhuafa	0.27	0.19
Yayasan Daarul Qur'an Nusantara	0.10	0.10
Yayasan Mizan Amanah	0.10	-0.04
Yayasan Panti Yatim Indonesia Al Fajr	0.00	-0.08
Yayasan Lagzis Peduli	0.90	0.03
Yayasan Bangun Sejahtera Mitra		
Umat	0.00	-0.40
Yayasan Mandiri Amal Insani	-0.02	0.02
Yayasan Bakrie Amanah	-0.05	0.15

Source: Author's Processed

It can be seen in Table 11 that the performance of zakat collection institutions in both periods is quite diverse for each institution and in general has a downward trend. This is in line with the results of descriptive analysis in Table 6 which shows that the average ratio value for the Covid-19 pandemic period is lower than the period before Covid-19. From the results of testing the significance of differences using the Wilcoxon signed rank test in Table 9, it is also concluded that there is a

significant difference between the value of the growth of zakat ratio for the period before and during the Covid-19 pandemic.

This means that the performance of zakat collection institutions as measured by the growth of zakat ratio shows a significant change due to the Covid-19 pandemic, namely a decrease in the performance of zakat collection institutions, especially related to the ability to increase the collection of zakat funds. This result is in line with several previous studies that analyzed the comparison of agency financial performance before and during the Covid-19 pandemic which showed that the Covid-19 pandemic significantly had a negative effect on financial performance (Lowardi & Abdi, 2021; Daryanto et al., 2021; Amal & Wibowo, 2022).

CONCLUSION

Following a thorough analysis of their financial statements, the research findings indicate that, overall, the 19 examined zakat institutions have demonstrated effective operational performance, as evidenced by activity ratios. Importantly, the Covid-19 pandemic has not exerted a noteworthy influence on the operational performance of these zakat institutions when assessed through activity ratios. Statistical tests further reveal that there is no substantial discrepancy in the zakat allocation ratio values between the pre-pandemic and pandemic periods. In essence, the performance of zakat institutions, as gauged by the zakat allocation ratio, has remained largely unchanged in the face of the Covid-19 pandemic. However, the situation differs when examining growth ratios. The performance of zakat institutions during both periods varied among institutions and generally showed a declining trend. The Covid-19 pandemic had a significant impact on the performance of zakat institutions based on growth ratios. Test results showed a significant difference in the values of the growth of zakat ratio between the period before and during the Covid-19 pandemic. In essence, the performance of zakat institutions, as measured by the growth of zakat ratio, indicated a significant change due to the Covid-19 pandemic, particularly a decrease in the institutions' ability to increase zakat fund collections. While this research found that the Covid-19 pandemic did not significantly affect the activity ratios of zakat institutions, it did have a significant impact on their growth ratios. However, there are certain limitations to this study, including the use of only one activity ratio and one growth ratio to measure performance. Additionally, the study's sample size consisted of only 19 zakat institutions and covered a relatively short observation period of 4 years. This limitation is due to the availability of publicly published financial reports and the completeness of financial data from zakat institutions in Indonesia, as not all institutions have fully disclosed their financial reports to the public. Furthermore, not all zakat institutions that have published financial reports have necessarily prepared them in accordance with applicable accounting standards or undergone auditing.

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