

Islamic Quality Management for Zakat Institution toward Strength of National Welfare

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Abstract: Zakat which is one of Muslim's obligations an important function in modern public finance for the welfare of society. It's an instrument of poverty alleviation, eliminating unemployment, and liberating injustice of distribution, which will ultimately create prosperity of the society. Thus, a qualified zakat management is very important for the welfare of Muslims and the welfare of Indonesian society as a whole. Management of zakat is part of modern management, as it consists of planning, implementation, controlling, reporting and accountability activities, and should be based on the Islamic Sharia. Therefore, to construct an Islamic quality management model is very important, especially to be applied in the management of zakat in Indonesia as well as in other parts of the world. This research uses qualitative method, through literature study approach by using available data. The aim of research is to explain an ideal Islamic quality management which can be implemented in zakat's institution toward strength of national welfare. The research shows that Islamic values should be integrated into the quality management of zakat institutions to optimize its management, and remain based on Islamic sharia to realize the welfare of society.

1 INTRODUCTION

Zakat as a fundamental obligation has a specific use which is according to rule that has been regulated by the shariah. Besides has a worship purpose, zakat also has aims to realize social functions, economic and capital in Islamic societies (Sahhatih, 2007). The fulfillment of zakat is a duty as a consequence of obedience to the commands of Allah SWT, and its utilization can solve the economic problems faced by society, especially Muslim in Indonesia.

These realities make the institution of zakat has two institutional functions at once, as an Islamic financial institution, because it operates in the activities of receiving, collecting and distributing zakat funds for Muslims, and as a non-governmental organization (Bariyah, 2010). Both functions must run optimally and based on shariah principles. Dual zakat institutional functions demand the optimization of its functions and roles, as well as the revitalization of zakat managerial institutions to be better and have a good quality of management, in order to gain the trust of public and can reach the achievement of the objectives of the institution which will lead to the realization of good governance institutions.

As an institution that has the dimension of worship and manages the funds of the Muslims derived from the zakat payer (*muzakki*), the zakat institutions are not only required to have good governance but also must be based on the values and compiled to shariah principles (Wibisono, 2015).

Based on the description above, the construction and development of Islamic quality management which is applied to the zakat institution is a necessity. This construction is necessary in order to build, develop and establish the existence of Islamic economics, especially in the field of management through continuous research.

This research uses the qualitative method, through literature study approach using available data, which published by previous research's. The study aims is to explain the ideal Islamic quality management pattern for strengthening the existence of zakat's institution, while still observing the values of shariah.

2 MANAGEMENT AND QUALITY IN ISLAMIC PERSPECTIVE

2.1 Management

The Islamic management thinking comes from the Holy Quran texts and the Sunnah. In addition, this is also based on the values of humanity that developed in society at that time. It's contrary to conventional management, this system which is only oriented toward benefits achievement. Conventional management tries to combine with others value, but in its journey is incapable, because it is not derived from syariah instruction, which is perfect, comprehensive and full of truth (Sinn, 2012). The term of management in Arabic is known by the term *al-idarah*, and it's not found in the Quran nor in the Sunnah of the Messenger of Allah. This shows that the use of the term *al-idarah* in Islam is something new (al-Karmy, 2006).

In surah ash-Shaff verse 4 Allah informs that He loves those who struggle in the way of neatly and in synergy like a well-structured building. In his commentary, al-Qurthubi explained that the meaning of that verse is neat of obligation in struggling in the way of Allah. In the interpretation of al-Munir, Wahbah Al-Zuhaily defines the fighting in the way of Allah as all works aimed at upholding the religion of Allah. Thus, this verse shows that the necessity of applying management in all works to produce maximum performance (Abdullah, 2012). Here is an overview of the shariah management model based on the Holy Quran and Sunnah values (Abbasi, 2010).

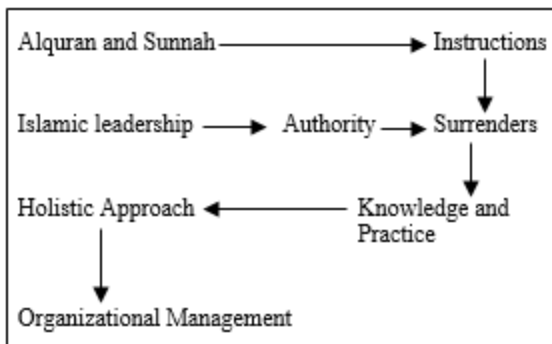


Figure 1: Model of Islamic management.

Management in Islam has two important elements, subject, and an object. The subject is the actor or manager, while the object is a management action consisting of the organization, human resources, funds, operations and production,

marketing and so on, and has four main functions of planning, organizing, and controlling.

The characteristics of shariah management are:

- Shariah management is a theory that is concerned and related to the social philosophy of Muslim societies and relates to morals or values of social ethics held by Muslim society (social ethical variables).
- Shariah management concentrates on economic variables and material motives and works to fulfill the physiological needs of individuals (material-economic variables).
- Shariah management takes care of humanitarian, spiritual values and glorifies people to participate in management activities-glorifying all the intellectual potential, competence and spiritual dimension (humanitarian variables).
- Shariah management concentrates on the system and determines responsibility and authority, respects official power and organization, respects organizational structure, and demands compliance with virtues (behavioral and systemic variables) (Sinn, 2012).

The characteristics of shariah management are: management based on noble character (*akhlakul karimah*); open management; democratic management; scientific management; Teamwork management (*ta'awun*); and Justice Management. While the objectives of shariah management are: worshipping Allah Almighty; Implementing shariah law; prospering the earth; upholding the caliphate; and to realize a just society prosperous (Sinn, 2012).

Basically, the teachings of Islam which contained in the Quran, Sunnah and *Ijma* have many values about the life of all in directing and orderly. The worship in Islam is a reflection of the implementation of management. The theories and management concepts used today are not new in Islam. The management has existed at least when Allah creating nature and its contents. Shariah values contained in Islamic management will align the management orientation that contains four components, namely: target; growth; sustainability; and blessings (Zaenal, 2013).

2.2 Quality

The commitment to quality is rooted in the experience, research and writing of several pioneers and leaders of quality movements such as W. Edwards Deming, Joseph M. Juran, Ahmad V, Feigenbaum, Philip B Crosby, Kaoru Ishikawa Shigeo Shingo and Taichi Ohno since the 1950s. The

1960s, and 1970s. Thus, the concept of quality as the development of management has been around for quite some 50 years.

The term of quality was originally used by the company as an effort to improve product quality in order to provide satisfaction for consumers, but its use now is extended to various institutions, such as government agencies, educational institutions, even non-profit organizations.

Islam as a perfect religion also has own rule on quality in all things as Allah says in the Quran surah an-Naml verse 88:

“Thou sees the mountains and thinkest them firmly fixed: But they shall pass away as the clouds pass away: (such is) the artistry of Allah, Who disposes of all things in perfect order: for He is Well acquainted with all that ye do” (Ali, 1938).

In addition to the Quran verse, the sunnah of the Prophet Muhammad also many who emphasize the importance to maintain the quality of a job, as his words:

“From the Prophet said: Allah Almighty. Very loving people who if doing something work, done in an itqan (fast, directional, clear and complete)”.

In Islam perspective, everything must be done in a neat, correct, meaningful, direct, clear, complete and in orderly. It is aimed at getting the best results and quality in every charity and action in all activities, both individuals, and activities run by an organization or institution, especially if the agency works to manage the mandate of the ummah, as the zakat’s institution that functions as the collecting and distributing institution of zakat. This word is closely related to the meaning of management in a practical sense.

In Arabic perspective, the term quality is commensurate with the term *jawdah*, which means to give the best or perfect result, both in words and deeds, consumers (asy-Syamri, 2015). In addition to the term *jawdah*, the words *ihsan* and *itqan* in Arabic also have similar meanings to quality (Mus’ab, 2013).

Some of the principles in Islam that show the high concern of Islam on quality are: system life cycle; collaboration; supervision and accountability; science; knowledge; return; competition; supervisory and leadership; integrity (Najm, 2014).

2.3 Islamic Quality Management

The quality of management is a philosophy of continuous improvement, which can provide a set of practical tools for each institution in fulfilling the needs, desires, and expectations of its customers,

current and for the future, as well as a mindset as well as practical activity (Sallis, 2010).

Al-Sheikh in his book Total Quality in Islam, as stated by Maqbouleh M. Hammoudeh, concludes that there are at least five principles that must exist in the quality of management in order to reach the perfection of work:

- Integration among all aspects of work (the objectives and techniques).
- Good work is not only doing good but avoiding the bad and keeping self and others safe from harm as well.
- Good work should be both ethical and successful.
- The utility of work, which means that any work should benefit the worker, such as welfare, a good social life and health.
- Preparation and training to do good work, which requires effort and knowledge (Hammoudeh, 2012).

While Amir Mohammad Nashrullah, revealed four pillars of TQM-based on shariah: *tawheed*; *risalah*; *khilafah*; and Hereafter (Nashrullah, 2007). In the same paper, Nashrullah describes 10 principles of TQM based on shariah as in the table below:

Table 1: Islamic attributes to TQM.

No	Islamic Attributes to TQM
1	Commitment to the cause and quality performance
2	Knowledge of the basics of Islam and the mundane affairs
3	Integrity of the management that includes honest and sincerity
4	Contingency Planning in management of any affairs of life
5	Coping with change with dynamism and innovative abilities
6	Role model that is needed in managing a business organization
7	Motivating the people to achieve organizational goal
8	Mutual consultation in the decision making process of any organization which is called Shura in Islam
9	Justice to all considered in business and organization
10	Brotherhood that includes relationship between the management and the employees

The concept of quality of management in Indonesia began to be introduced in the 1980s and now it's quite popular, especially in the private sector, among others, with the program ISO 9000.

3 CONSTRUCTION OF QUALITY MANAGEMENT FOR ZAKAT INSTITUTION IN INDONESIA

Along with the growing organization of zakat institutions, it needs a common service standard among the various activities, branches and managing employees. On this basis, there arises the need for a service standard that can be referred to as a reference. In addition, the improvement of service quality is closely related to the level of public trust to the zakat institution. On the other hand, externally competition between zakat management organizations in attracting public sympathy is also high. Therefore, it is necessary to improve the quality of organizational management that is oriented to the improvement of performance, as well as the improvement of service to the society. Therefore, there is an impetus to implement quality management in zakat's institutions to meet the perceived needs.

The Quality of management is the whole process in the organization to meet the quality standards that have been set as satisfying standards for all stakeholders (Juwaini, 2015). Related to quality management, experts have also explained that the quality management integrated (total quality management). In some literature, some authors equated the notion of quality management with integrated quality management.

The concept of quality in Islamic perspective is comprehensive, as a process that provides positive change toward the best performance or "excellent" for all types of businesses, where the ultimate goal is to improve the quality of human life (Hassan, 2005).

This is a long-term process through continuous improvement throughout the process. The Quality management in Islam does not mean producing only quality products for consumers to be satisfied, but moreover, it's also covers the whole aspects of the quality of individuals, organizations, and communities, so that the results can be beneficial for the welfare of all human beings. The purpose of a syariah-based company or institution is to maximize both profits while success in the world and in the hereafter. In Islam, the ability to compete is not used to exploit others, but rather to help each other in improving the quality of life.

3.1 Basic Principles of Zakat Management in Syariah Perspective

The management of zakat in Islam has at least four principles: five pillars of Islam; moral, institution; and management (Sudewo, 2004).

3.3.1 Principle of Pillars of Islam

Functionally, the pillars of Islam can be distinguished from two types of personal and community pillars. The personal pillars include shahada, prayer, fasting, and Hajj. While the pillars of society only one, namely zakat. Rukun private can be said as *hablumminallah* worship, while community pillars referred to as *hablumminannaas*.

3.3.2 Moral Principles

In the management of zakat, morally the *amil* is required to have several requirements. The properties of such morality are: honest; *amanah*; *sidiq*; responsible; fair; love; love to help; and patient.

3.3.3 Principle of Institution

Some of the institutional principles that should be owned by zakat agencies to be trusted are: the right figure; non-political; non-class; independent; and neutral objective. There are some differences and similarities between companies and institutions of zakat. In terms of differences, corporations and zakat institutions have very extreme differences. In terms of products, the company produces goods or services, while the product of zakat's institutions is a value.

In terms of goals, companies seek profit, while zakat's institutions do not seek profit because the purpose is established in order to overcome the problem of poverty. The product of this company is value-free, while the zakat institution program is heavily loaded with value. The owner of the company is a shareholder, while the zakah institution is owned by stakeholders.

3.3.4 Principle of Management

Two management styles in the management of a company are the style of management by the result and the style of management by the process. Management style orientation by result is very stressed on the results. This style does not care about the process and the impact it brings. This management orientation to win the competition.

Management by result suitable for the company which oriented at profit only.

Management by process emphasizes the importance of structuring the process. If the process is good, then the entire infrastructure has been implanted on the right track, and vice versa. Basically, the management by the process is long-term oriented and the greatest benefit will come back to the company. With management by a process is actually teaching to work in accordance with the principles and the right process. The Management by the process is appropriately used by zakat institutions. The Value as the main foundation for zakat institutions, because zakat's institutions aim is to empower the community. With management by a process, the quality of zakat manager (*'amil*) and zakat receivers (*mustahik*) are enhanced and placed on the proportion. With management by the process, none of the parties are harmed and all rights are upheld and guaranteed.

3.2 Basic Principles of Islamic Quality Management in Zakat's Institution

The Institutional management from an Islamic perspective is a relatively new discourse, until now, there has been no institutional management model accepted by universal. In Islam, the concept of agency management refers to a set of organizational arrangements concerning the way an institution is directed, organized, controlled, and supervised.

In Islam, the institutional governance model design has its own unique features which distinctive characteristics, when compared to Western concepts such as Anglo-Saxon models and European models. Overall, in Islam, the institutional management model base refers to the epistemology of *tawhid* as well as related syariah principles as well as *shura* processes that indicate elements of a stakeholder-oriented approach (Dusuki, 2015).

Tawhid refers to the recognition of God's unique rights and the responsibilities of all stakeholders before God. Shariah rules and principles involves the adoption of a value-oriented system of interests. In addition, the basic axioms in Islamic economics formulated on the basis of the Quran and Sunnah, also provide the philosophical foundations of governance of Islamic model institutions. In the context of management, *shura* provides the widest possible participation of institutional stakeholders. Shariah management adds value to the institutional management framework by instilling transparency, trust and credibility based on fundamental faith (*aqidah*), Shariah (*law*), and ethics (*morals*). The

following are the basic principles of Islamic quality management:

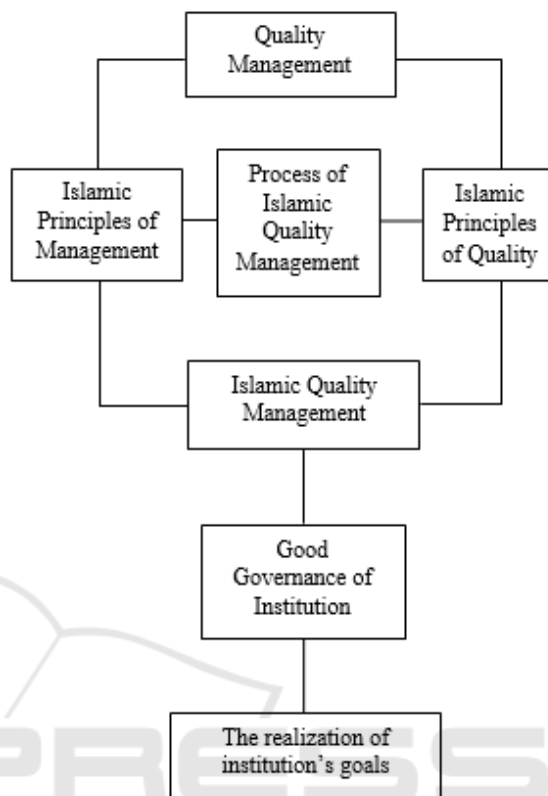


Figure 2: Quality management of zakat institution based shariah.

Above figure shows that Islamic Quality Management derived from the values of Islamic management and quality. The implementation of this values will create a good governance of institution for achieving its goal as well as determined.

4 ZAKAT, QUALITY MANAGEMENT AND WELFARE

Zakat is one of the pillars of Islam demonstrates the spirit of supporting a just economy, with emphasis on redistribution mechanisms in overcoming various economic and social disparities. Zakat is believed to have an influence on the economy, either micro or macroeconomics. The impact of this zakat can be either positive, negative, or not having a significant impact, and is influenced by many factors, especially related to economic behavior of zakat receiver

(*mustahik*) and relative to the zakat payer (*muzakki*) (Bank Indonesia, 2016).

Zakat has undergone a full transformation of the realm of charity into the realm of empowerment and development of the people and the state. By collective management, through Islamic quality management, zakat has become an independent socio-economic movement and allows for improved welfare. Zakat is managed through good quality management, being strategic in the context of increasing the utilization of zakat as a socio-economic order. With a trustful and efficient management, and based on shariah values, zakat is transformed from individual piety to socio-economic movement. Thus, zakat is getting closer and effective with its main goal as an instrument of poverty alleviation.

An effective zakat management system accompanied by integrated community empowerment management can lead to higher welfare to the zakat receiver (*mustahik*), so that in time will be able to move to reach the level of self-giving as zakat payer (*muzakki*).

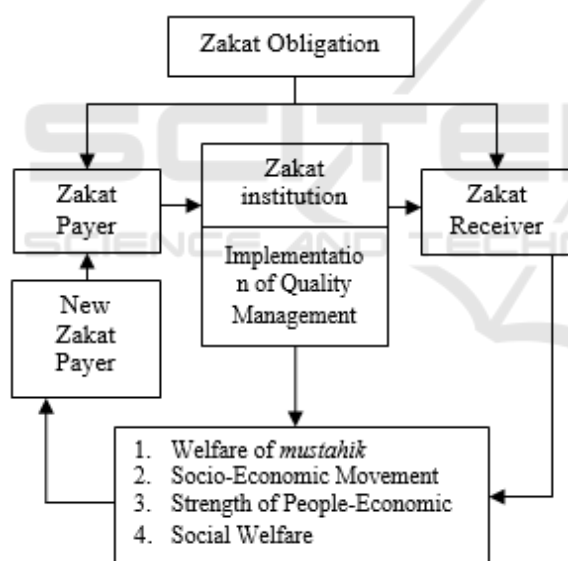


Figure 3: Circle of zakat obligation.

5 CONCLUSIONS

Islamic quality management is a set of the quality control system of institutions based on Islamic values. Zakat management as well as other public property management has the same character and risks. Zakat will have a positive impact on the economy if managed with good organizational management. Good management requires the role of effective regulation and supervision, professional zakat

management organizations and institutional management systems that support and have good principles. Zakat management accompanied by a quality approach will, in turn, contribute to the sustainability and inclusiveness of the national development program, which will ultimately bring about the welfare of Muslims in particular and the Indonesian people in general.

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