

Performance Measurement of Zakat Management Organizations Through The Approach of Indonesia Zakat and Development Report and National Zakat Index

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ABSTRACT

One way to evaluate the performance of Zakat Institution is to use performance measurement instruments. Two measurement methods that can be used are Indonesia Zakat and Development Report (IZDR) and the National Zakat Index (IZN). This study aims to find out the performance of zakat management carried out by BAZNAS and LAZISMU of South Kalimantan Province using the IZDR and the IZN. This research utilized a descriptive qualitative method employing the IZDR-2011 as well as the IZN on institutional indicators as its assessment instrument. The findings indicate that the performance of the IZDR-2011 BAZNAS and LAZISMU South Kalimantan Province obtained a total variable value of 7.00 or AA-, and a total variable value of 5.75 or A-, respectively. Meanwhile, based on the IZN on institutional indicators, it can be concluded that the overall performance of BAZNAS and LAZISMU for South Kalimantan falls within the good category, although BAZNAS index for the South Kalimantan Province is superior with index values of 0.70 compared to 0.66 of LAZISMU of South Kalimantan. The main factor that might support BAZNAS in IZN indicator was that the IZN was established by PUSKAS BAZNAS which leads to the readiness of BAZNAS in implementing that indicator. Meanwhile, in the IZDR indicator, it was found that LAZISMU did not conduct a mustabik assistance program. In addition, it was indicated that BAZNAS held such a program which resulted in better performance of BAZNAS.

Pusat Riset dan Kajian BAZNAS menyatakan bahwa penghimpunan zakat di Indonesia dinilai masih belum ideal dimana potensi yang ada masih belum sesuai dengan nilai penghimpunan oleh Organisasi Pengelola Zakat (OPZ). Kondisi ini mungkin disebabkan oleh kurang baiknya kinerja OPZ di mata masyarakat. Salah satu cara untuk mengevaluasi kinerja OPZ adalah dengan menggunakan instrumen pengukuran kinerja. Terdapat dua metode pengukuran yang dapat digunakan yaitu *Indonesia Zakat and Development Report* (IZDR) dan Indeks Zakat Nasional (IZN). Kedua pengukuran kinerja tersebut dianggap setara karena terdapat indikator yang berfokus pada performa internal lembaga. Sehingga penelitian ini bertujuan untuk melihat kinerja pengelolaan zakat yang dilakukan oleh BAZNAS Provinsi Kalimantan Selatan dan LAZISMU Kalimantan Selatan melalui pendekatan *Indonesia Zakat and Development Report* (IZDR) dan Indeks Zakat Nasional (IZN) yang berfokus pada indikator kelembagaan. Metode penelitian kualitatif diskriptif digunakan dengan instrumen penilaian yang diambil dari pengukuran kinerja prima dalam IZDR-2011 serta pengukuran kinerja berdasarkan Indeks Zakat Nasional (IZN) pada indikator kelembagaan. Hasil penelitian menunjukkan bahwa kinerja IZDR-2011 BAZNAS Provinsi Kalimantan Selatan memperoleh nilai total variabel 7,00 atau AA-. Sementara itu, LAZISMU Kalimantan Selatan memperoleh nilai total variabel 5,75 atau A-. Sedangkan berdasarkan IZN pada indikator kelembagaan, secara keseluruhan kinerja BAZNAS Provinsi Kalimantan Selatan maupun LAZISMU Kalimantan Selatan sudah berada pada

kategori baik meskipun jika dilihat berdasarkan nilai indeks, BAZNAS Provinsi Kalimantan Selatan masih lebih unggul dengan nilai indeks 0,70 dan 0,66 untuk LAZISMU Kalimantan Selatan.

Introduction

The phenomenon of poverty remains relatively high in Indonesia. According to data released by the Central Statistics Agency in September 2021,¹ the percentage of the impoverished population in Indonesia is 9.57 percent, equivalent to 26.36 million people out of a total population of 275.31 million. In Islam itself, zakat should serve as a solution to alleviate poverty. Zakat is also a form of collective financial worship that holds a crucial, strategic, and determining position, both in terms of Islamic teachings and in the context of the welfare development of the community.² Therefore, zakat is expected to contribute to income distribution and national economic development because the payment of zakat results in the transfer of wealth from those who are able to pay (*muzaki*) to zakat recipients (*asnaf*) if managed in accordance with the specified regulations.

Based on the data from the Zakat Outlook Indonesia for the year 2023, the potential zakat in Indonesia is estimated to reach IDR 327.6 trillion. It is anticipated that this potential will continue to increase each year in line with the improving economic conditions in Indonesia. Under the mandate of the law, zakat management is carried out based on geographical areas, which also has implications for the analysis of zakat potential. Calculating zakat potential nationally alone with provincial data is considered insufficient to represent the entire region. On the other hand, calculating the zakat potential based on data from districts and cities, while accumulating the values, might not accurately depict the value of the national zakat potential. Therefore, the zakat potential is differentiated based on regional mapping, including districts and cities, provinces, and the potential of the National Board of Zakat (BAZNAS) of Indonesia according to the levels of BAZNAS/Regional Zakat Boards (LAZ).³ Nevertheless, it can be estimated that the values obtained from each zakat potential in different regions of Indonesia are substantial and will continue to experience growth each year.

Contrary to the existing potential, the collection received by Zakat Management Organizations (OPZ) has not been able to fully absorb the zakat potential. Several studies conducted by Center for Studies and Strategic BAZNAS⁴ and Indonesia Magnificence Zakat (IMZ)⁵ suggest that this phenomenon stems from various factors such as limited synergy among OPZ, low efficiency and effectiveness in the utilization carried out by amil

¹Badan Pusat Statistik, *Profil Kemiskinan Di Indonesia September 2022* (Badan Pusat Statistik, 2022), <https://www.bps.go.id/pressrelease/2023/01/16/2015/persentase-penduduk-miskin-september-2022-naik-menjadi-9-57-persen.html>

²Kementerian Agama Republik Indonesia, *Panduan Zakat Praktis* (Jakarta: Kementerian Agama RI, 2013).

³ Pusat Kajian Strategis BAZNAS, *Outlook Zakat Nasional 2023* (Jakarta: Pusat Kajian Strategis BAZNAS, 2023).

⁴ Pusat Kajian Strategis BAZNAS, *Indeks Zakat Nasional 2.0* (Jakarta: Pusat Kajian Strategis BAZNAS, 2020); Pusat Kajian Strategis BAZNAS, *Indeks Zakat Nasional, Indeks Zakat Nasional*, 2016.

⁵ IMZ, *Indonesia Zakat and Development Report: Kajian Empiris Peran Zakat Dalam Pengentasan Kemiskinan* (Bandung: Indonesia Magnificence of Zakat - IMZ, 2011).

(zakat collectors), low awareness of muzaki (zakat payers), and low public trust in OPZ. These are identified as contributing factors to the low collection of zakat funds. One step that needs to be taken to address these issues is to conduct a performance evaluation of OPZ, with the hope that existing problems can be minimized, leading to more effective zakat collection. Improved governance of OPZ is expected to increase the interest of muzaki in paying zakat.⁶ This is supported by other research indicating that institutional image factors, with indicators such as transparency, professionalism, and integrity, influence the public's trust in paying zakat to a particular institution.⁷ Performance measurement also aims to assess the level of success in a specific period and serves as a reference for evaluating the institution's results. With the high potential of zakat and effective management, the contributions and presence of BAZNAS and LAZ will be felt by the community through various organized programs.⁸ Several studies discuss the preferences of muzaki in paying zakat and how the use of technology and digitalization can help develop zakat institution's strategies to enhance their performance.^{9,10} PSAK 109, as the financial reporting standard for zakat institutions in Indonesia, can also be part of the performance measurement standards.¹¹

The text discusses various qualitative and quantitative studies conducted on the performance measurement of zakat management institutions. The concept of measuring zakat performance, emphasizing non-financial metrics, has been raised several times in research.^{12,13} Performance measurement, considering financial performance as a factor influencing zakat institutions, has also been conducted, showing results that are quite volatile.¹⁴ Similarly, the concept of maqasid syariah (objectives of Islamic law) is considered

⁶ Mairijani Mairijani and Mochammad Arif Budiman, "Preferensi Muzakki Dalam Menyalurkan Dana Zakat Di Lembaga Amil Zakat Muhammadiyah Kota Banjarmasin," *At-Taradhi: Jurnal Studi Ekonomi* 12, no. 2 (2021): 152.

⁷ Kamila Windyani Putri, Lusiana Handayani, and Muhammad Yassir Fahmi, "Factors Affecting Community Trust to Pay Zakat at the National Board of Zakat (BAZNAS) of South Kalimantan Province," in *International Conference of Zakat*, 2019, 179–91.

⁸ Arum Maulina, "Trasparansi Pengelolaan Zakat Dengan Indeks Transparansi OPZ (Studi Perbandingan Antara BAZNAS Kulon Progo Dan Dompot Dhuafa Yogyakarta)" (Universitas Islam Indonesia, 2020).

⁹ Mairijani and Budiman, "Preferensi Muzakki Dalam Menyalurkan Dana Zakat Di Lembaga Amil Zakat Muhammadiyah Kota Banjarmasin."

¹⁰ Ade Nur Rohim, Prima Dwi Priyatno, and Lili Puspita Sari, "Pengelolaan Zakat Di Era Disrupsi: Studi Meta Analisis," *At-Taradhi: Jurnal Studi Ekonomi* 12, no. 2 (2021): 95, <https://doi.org/10.18592/at-taradhi.v12i2.5524>.

¹¹ Mohammad Pamuncak et al., "Investigating Zakat Institution Performance in Indonesia: A DnD Analysis on PSAK Syariah No.109," *International Journal of Zakat* 6, no. 2 (2021).

¹² Abd Halim Mohd Noor et al., "Efficiency of Islamic Institutions: Empirical Evidence of Zakat Organizations' Performance in Malaysia," *Journal of Economics, Business and Management* 3, no. 2 (2015): 282–86, <https://doi.org/10.7763/joebm.2015.v3.195>.

¹³ Abd Halim Mohd Noor et al., "Assessing Performance of Nonprofit Organization: A Framework for Zakat Institutions," *British Journal of Economics, Finance and Management Sciences* 5, no. 1 (2012).

¹⁴ Ani Q.Z Fitriana, Isti Fadah, and Novi Puspitasari, "Analysis Of Financial Performance Of National Amil Zakat Institutions In Indonesia," *International Journal of Research Science & Management* 6, no. 6 (2019): 60–69.

an important part of building indicators for the performance of zakat institutions.¹⁵ The financial performance of zakat institutions seems to indicate ratios that are not significantly different before the COVID-19 pandemic and during the pandemic, where the amount of funds collected during the pandemic experienced a decrease.¹⁶ These results slightly differ from other studies that show an increase in the collective performance of zakat, infaq, and charity (*shadaqah*) in certain zakat institutions in specific areas in South Kalimantan.¹⁷ The diverse results are to be expected considering different samples and research locations. Additionally, research has been conducted on the concept of Shariah governance in zakat management institutions. One study states that the board of directors and the size of the Sharia supervisory board influence the performance of zakat organizations.¹⁸ Other studies examine how human resource aspects of zakat managers/amil can influence the performance of zakat institutions. The psychological aspect of amil seems to be a determinant in improving the performance of zakat institutions,¹⁹ while five constructs that can enhance the professionalism of amil are also discussed in one article.²⁰ Another study shows that social capital from amil management significantly influences the performance of zakat institutions.²¹

Various studies have been carried out in an attempt to develop a concept for measuring the performance of zakat institutions, considering financial, non-financial, psychological aspects of amil, amil professionalism, and amil management capabilities. Despite these efforts in the development of zakat management, there is currently no standardized measurement tool established nationally or internationally as a performance measure for zakat institutions and the development of zakat.²² To date, there are two performance measurement models prepared by institutions in Indonesia, namely the Indonesia Zakat

¹⁵ Ataina Hidayati and Achmad Tohirin, "A Maqasid and Shariah Enterprises Theory-Based Performance Measurement for Zakat Institution," *International Journal of Zakat* 4, no. 2 (2019), <https://doi.org/10.37706/ijaz.v4i2.192>.

¹⁶ Faris Shalahuddin Zakiy and Falikhatun Falikhatun, "Comparison of Effectiveness and Growth Performance in Zakat Institutions: Insight from Indonesia," *Journal of Accounting Research, Organization, and Economics* Vol. 6, no. 3 (2023): 291–302.

¹⁷ Andriani et al., "Optimizing the Role of Zakat Institution: Building Resilience Against the Risk of the Covid-19 Pandemic," *International Conference of Zakat*, 2021, 201–10, <https://www.iconzbaznas.com/submission/index.php/proceedings/article/view/336>.

¹⁸ Faris Shalahuddin Zakiy, Falikhatun Falikhatun, and Najim Nur Fauziah, "Sharia Governance and Organizational Performance in Zakat Management Organization: Evidence from Indonesia," *Journal of Islamic Accounting and Business Research*, 2023.

¹⁹ Zaki Abdullah, Dinda Aisyah Najmi, and Duddy Roesmara Donna, "Measuring Amil Happiness Using Psychological Approach: Evidence from Yogyakarta, Indonesia," *International Journal of Zakat* 4, no. 2 (December 12, 2019): 13–22, <https://doi.org/10.37706/ijaz.v4i2.188>.

²⁰ Abd Halim Noor and Nur Zehan Khairi, "What Determine Professionalism ? A Study on Zakat Institutions Integration Efforts into the Mainstream Economy," *Middle-East Journal of Scientific Research* 22, no. 7 (2014): 983–93.

²¹ Muhammad Fahmi Syakir, Tastaftiyan Risfandy, and Irwan Trinugroho, "CEO's Social Capital and Performance of Zakat Institutions: Cross-Country Evidence," *Journal of Behavioral and Experimental Finance* 31 (September 1, 2021), <https://doi.org/10.1016/j.jbef.2021.100521>.

²² Ihda Arifin Faiz, *Akuntabilitas Organisasi Nirlaba* (Yogyakarta: Unit Penerbit dan Percetakan STIM YKPN Yogyakarta, 2020).

and Development Report (IZDR) 2011 issued by Indonesia Magnificence of Zakat (IMZ) and the National Zakat Index (IZN) developed by the Strategic Research Center (Puskas) BAZNAS.

The first model is IZDR-2011 which is a primary performance measurement model for zakat institutions that consists of five variables: sharia compliance, legality, and institutional performance; management performance; financial performance; utilization program performance; and social legitimacy performance. Meanwhile, IZN, the second model, is a composite index designed to measure the development of zakat conditions nationally and is expected to serve as an indicator providing an overview of the role of zakat in the welfare of mustahik (zakat recipients). Additionally, it serves as an indicator to show at what stage a zakat institution has been well-established, both internally in terms of institutional structure, community participation, and the support given by the government.²³

IZN consists of macro and micro dimensions, each with different focuses. The macro dimension outlines the role and contribution of the government and society as a whole in building Zakat Management Organizations (OPZ). It comprises three building components: regulation, government budget support, and the zakat institution database. The micro dimension, on the other hand, focuses more on the institutional perspective of zakat and the beneficiaries of zakat itself. The micro dimension has two components: institutional, to measure the institution's performance, and zakat impact, to measure the impact of zakat distribution on mustahik (zakat recipients). In IZN, the institutional component, consisting of variables such as collection, management, distribution, and reporting, can be used as a measurement tool to assess the internal performance of the institution specifically. The institutional component of IZN is considered equivalent to the measurement model of IZDR-2011.

Several researchers have conducted studies and attempted to use various indicators to measure the performance of zakat institutions in Indonesia. For example, instruments such as DEA, IZN, and IZDR have been utilized. A study on BAZNAS in Central Java province indicated that, based on the IZN indicator, the zakat institution performed less favourably in the macro dimension but performed well in the micro dimension.²⁴ Another study on LAZISMU in Riau, using the IZDR indicator, showed that the institution was in a good category. Additionally, there are studies that use the DEA instrument to measure the efficiency of zakat management.²⁵ However, a study to measure zakat institution performance using both IZN and IZDR indicators has yet to be researched.²⁶

Recognizing the importance of performance measurement by Zakat Management Organizations (OPZ), whether government-formed (BAZNAS) or community-or private-formed (LAZ), as an effort to establish trustworthy, professional, credible, and transparent

²³ BAZNAS, *Indeks Zakat Nasional*.

²⁴ Isro'iyatul Mubarakah, Irfan Syauqi Beik, and Tony Irawan, "Analysis of Zakat Performance of Central Java Province," *International Journal of Zakat* 3, no. 2 (2018), <https://doi.org/10.37706/ijaz.v3i2.75>.

²⁵ Ninda Ardiani, "The Efficiency Of Zakat Collection And Distribution: Evidence From Data Envelopment Analysis," *Al-Uqud: Journal of Islamic Economics* 3, no. 1 (2019), <https://doi.org/10.26740/al-uqud.v3n1.p54-69>.

²⁶ Wahyi Busyroa and Azwan Bin Abdullah, "The Performance Of Zakat Infaq Amil And Shadaqah Muhammadiyah Institute In Riau By Using The Indonesian Zakat Magnificence Approach," in *Proceedings of the 2nd Kedah International Zakat Conference 2021* (Kedah: Lembaga Zakat Negeri Kedah, 2021), 405–11.

zakat institutions, this research was conducted to understand how zakat management performs under two different approaches, namely IZDR-2011 and IZN.

Theoretical Review

A. Indicator IZDR-2011

The Indonesia Zakat and Development Report or IZDR-2011, is a measurement established by Indonesia Magnificence of Zakat (IMZ), an institution focused on research, zakat development, and social development in Indonesia. The five variables used in this method for measurement are: Sharia compliance, legality, and institutional performance; Management performance; Financial performance; Economic empowerment performance; and Social legitimacy performance.

Each variable has its own assessment components for each detailed indicator, both in quantitative and qualitative data forms. All obtained data, whether quantitative or qualitative, will undergo scoring and weighting, starting with the calculation of ratios for each component with quantitative data sources.

The performance of Sharia compliance, legality, and institutional aspects has assessment components related to the Sharia Supervisory Board (DPS), institutional vision and mission, organizational structure, employee education level, employee training programs, and the percentage of full-time employees. Management performance has assessment components covering Standard Operating Procedures (SOP), strategic plans, and job performance. Both of these performances are qualitatively assessed, so no ratio calculation is required.

Financial performance involves combined data, both quantitative and qualitative. Assessment components for financial reports are obtained in a qualitative format. Meanwhile, financial efficiency and capacity are obtained in quantitative data forms, requiring ratio calculations with the following formulas.

Table 1. Financial Performance Ratio Formulas

Indicator	Formula	Explanation
Financial Efficiency	$\text{Operational Expense Ratio (OER)} = \frac{OE}{TE}$	OE = Operational Expenses TE = Total disbursement excluding amil expenses
Organizational Capacity	$\text{Primary Revenue Ratio (PRR)} = \frac{ZR}{TR}$	ZR = Special zakat fund acquisition TR = Total fund acquisition
	$\text{Primary Revenue Growth (PRG)} = \frac{ZR_n - ZR_{n-1}}{ZR_{n-1}} \times 100\%$	ZR _n = Current year zakat receipts ZR _{n-1} = Previous year zakat receipts

<i>Program Expense Ratio (PER)</i>	$= \frac{PE}{TE}$	PE = Program disbursement/fund disbursement to mustahik TE = Total disbursement
<i>Program Expense Growth (PEG)</i>	$= \frac{PE_n - PE_{n-1}}{PE_{n-1}} \times 100\%$	PE _n = Current year program disbursement PE _{n-1} = Previous year program disbursement

Source: IMZ, 2011

The performance of economic empowerment is also obtained in a combined form of quantitative and qualitative data. Data for the mentoring and training component are qualitative. Meanwhile, for the assessment of the quality of zakat empowerment programs and productive economic programs, the data obtained are quantitative, requiring ratio calculations with the following formulas.

Table 2. Ratio Formulas for Economic Empowerment Performance

Indicator	Formula	Explanation
Quality of Empowerment Program	<i>Average Expense</i> $= \frac{ME}{TM}$	ME = Funds utilized for empowerment distributed to mustahik (beneficiaries) TM = Total mustahik recipients of empowerment program
Productive Economic Program	<i>Economic Ratio</i> $= \frac{EE}{TE}$	EE = Funds used for productive economic activities TE = Total disbursement excluding amil expenses

Source: IMZ, 2011

Different from the four preceding variables, all assessment components in the social legitimacy performance related to promotion costs, socialization and education costs, as well as advocacy costs, are entirely in quantitative data form. Therefore, ratio calculations are required using the following formulas.

Table 3. Ratio Formulas for Social Legitimacy Performance

Indicator	Formula	Explanation
Promotional Expense	<i>Promotional Expense Ratio</i> $= \frac{PrE}{OE}$	PrE = Promotional expense of OPZ OE = Total operational expenses
Socialization and Education Expense	<i>Socialization and Education Expense Ratio</i> $= \frac{SeE}{OE}$	SeE = Socialization and education expense of zakat OE = Total operational expenses

Advocacy Expense	<i>Ad vocation Expense Ratio</i>	$= \frac{AE}{OE}$	AE = Advocacy and network strengthening expense OE = Total operational expenses
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Source: IMZ, 2011

After calculating the ratios for each quantitative assessment component, the next step is weighting all the indicator details using a Likert scale to obtain values for each indicator detail. The total measurement score is obtained by summing the scores per variable. Meanwhile, the score per variable is the result of summing the scores for each indicator detail. The calculation of the score per indicator detail is formulated by the following equation.

$$\frac{1}{5} \left\{ \left(\frac{\text{Value} \times \text{Weight}}{\text{Weight}} \right) \times \% \text{ detail per indicator} \right\} \times \text{Weight}$$

The final performance score is provided in numeric form with a range of 1 - 10 and letter grades, where the performance score of OPZ is obtained through the following equation.

$$\text{Score/Grade of Quality} = \left(\frac{\text{Total Indicator Score}}{\text{Indicator Weight}} \right) \times 10$$

Letter grades for the final score in the IZDR-2011 performance, as shown in the following table.

Table 4. Assessment Aspects of IZDR-2011 Performance Results

Score	Letter Grade
9,50 - 10,00	AAA+
9,00 - 9,49	AAA
8,50 - 8,99	AAA-
8,00 - 8,49	AA+
7,50 - 7,99	AA
7,00 - 7,49	AA-
6,50 - 6,99	A+
6,00 - 6,49	A
5,50 - 5,99	A-
5,00 - 5,49	BBB+
4,50 - 4,99	BBB
4,00 - 4,49	BBB-
3,50 - 3,99	BB+
3,00 - 3,49	BB
2,50 - 2,99	BB-

2,00 - 2,49	CCC+
1,50 - 1,99	CCC
1,00 - 1,49	CCC-

Source: IMZ, 2011

B. Institutional Indicators in IZN

The National Zakat Index or IZN, is a performance measurement index developed by the Strategic Studies Center (Puskas) research team at BAZNAS (National Amil Zakat Agency). The primary objective of IZN is to gauge the development of zakat conditions at the national level, involving regulators, zakat institutions, and the public. IZN is divided into two dimensions: (1) the macro dimension, illustrating the role and contributions of the government and society in developing Zakat Management Organizations (OPZ), and (2) the micro dimension, providing insights into the institutional perspective of zakat and its beneficiaries.

The institutional indicators, part of the micro dimension, serve as a reference for calculating and depicting the internal performance of Zakat Management Organizations (OPZ) in collecting, managing, distributing zakat funds, and generating periodic financial reports. The variables within the institutional aspect encompass four assessments: collection, management, distribution, and reporting.²⁷

The collection variable is quantitatively measured, where two detailed indicators illustrate the extent of the percentage growth of zakat funds collected from the previous year and the amount of collection obtained based on pre-determined BAZ and LAZ scales. On the other hand, the management variable is qualitatively measured, depicting the institution's performance assessed based on the availability of SOP as the operational reference for the institution. The reporting variable, also qualitatively measured, only describes the availability of audited financial reports of the institution published periodically.

Unlike the three previous variables, the disbursement variable combines quantitative and qualitative data. This variable depicts the timing of the distribution of zakat funds to beneficiaries and the allocation of funds for preaching programs. Additionally, it illustrates the effectiveness of fund disbursement measured using the Allocation Collection Ratio (ACR).

Weighting for all detailed indicators uses a Likert scale to obtain values for each indicator. Performance scores are obtained by calculating the index or score from the Likert scale for each variable using the following equation.

$$I_i = \frac{(S_i - S_{min})}{(S_{max} - S_{min})}$$

where,

I_i : Index or score on variable i

S_i : Actual score value on the measurement of variable i

²⁷ BAZNAS, *Indeks Zakat Nasional 2.0*.

S_{max} : Maximum score

S_{min} : Minimum score

The index or score produced will be in the range of 0.00 to 1.00. Next, multiply the index or score obtained for each variable by their respective weights to obtain the index or score for the institutional indicators. The equation used to determine the final value of the institutional indicator is as follows.

$$X_{21} = 0.30X_{211} + 0.20X_{212} + 0.30X_{213} + 0.20X_{214}$$

where,

X_{21} : Index of Institutional Indicator

X_{211} : Index of Collection Variable

X_{212} : Index of Management Variable

X_{213} : Index of Distribution Variable

X_{214} : Index of Reporting Variable

The final values obtained from the measurement of the index or scores are divided into five categories of IZN as shown in the following table.

Table 5. Category Scores IZN

Score	Category
0,00 - 0,20	Not Good
0,21 - 0,40	Less Good
0,41 - 0,60	Fairly Good
0,61 - 0,80	Good
0,81 - 1,00	Very Good

Source: BAZNAS, 2020

Research Method

This research employed a qualitative descriptive approach with a foundational concept drawn from the framework of the primary performance measurement outlined in IZDR-2011 and the performance measurement method with IZN on institutional indicators. The data collection methods utilized include questionnaires, interviews, and documentation. The questionnaire method involved distributing a set of questions to two Zakat Management Organizations (OPZ), to be filled out by authorized chairpersons or managers. Interviews were conducted as a means of validating the data obtained from the questionnaires. The data analysis in this study consists of five stages: (1) data collection; (2) data sorting or filtering; (3) weighting and scoring data according to the concepts of IZDR-2011 and IZN; (4) data presentation; and (5) conclusion and data verification. The objects of this study included two OPZ formed by the government and private sectors: BAZNAS South Kalimantan Province and LAZISMU South Kalimantan.

Results and Discussion

A. Performance Measurement of Zakat Institutions Based on IZDR-2011

Overall, the performance of BAZNAS (National Zakat Agency) in South Kalimantan obtained an average score of 7.00, categorizing it as AA-. Meanwhile, LAZISMU (Prosperity Zakat Institute) in South Kalimantan achieved an A- rating with an average score of 5.75, as depicted in Table 6 below.

Table 6. Performance Measurement Results Based on IZDR-2011

Variables	BAZNAS South Kalimantan			LAZISMU South Kalimantan		
	Percentage	Score	Grade	Percentage	Score	Grade
Sharia Compliance, Legality, and Institutional Performance (15%)	11,25%	7,50	AA	11,85%	7,90	AA
Management Performance (20%)	20,00%	10,00	AAA+	17,60%	8,80	AAA-
Financial Performance (30%)	18,75%	6,25	A	18,15%	6,05	A
Economic Empowerment Performance (20%)	12,80%	6,40	A	4,80%	2,40	CCC+
Social Legitimacy Performance (15%)	7,20%	4,80	BBB	5,10%	3,40	BB
Total Score	70,00%	7,00	AA-	57,50%	5,75	A-

Source: Processed by the Author, 2023

1. Performance of Sharia Compliance, Legality, and Institutional

The measurement results for BAZNAS South Kalimantan Province show a score of 7.50, ranking it as AA. This score is obtained based on the analysis results that include Sharia Supervisory Board (DPS), vision and mission, organizational structure, employee education level, frequency of employee training programs, and the percentage of full-time employees in the institution.

BAZNAS South Kalimantan Province has a DPS with the majority having postgraduate education backgrounds in non-Sharia fields. BAZNAS also has a vision, "to be the main institution in prospering the ummah," followed by nine other missions to realize this vision. The organizational structure of BAZNAS South Kalimantan Province already has four functions: collection, distribution, reporting, and finance, as well as administration and general affairs. All employees or amil working in BAZNAS South Kalimantan Province are permanent employees with education levels dominated by Bachelor's and Applied Bachelor's degrees, followed by postgraduate and high school/equivalent. As for regular training for amil, it is identified that BAZNAS South Kalimantan Province is rarely conducted and does not have a specific implementation schedule.

Meanwhile, LAZISMU South Kalimantan obtained a score of 7.90, ranking it as AA. This score and ranking are superior compared to the score and ranking obtained by BAZNAS South Kalimantan Province. This is due to the regular frequency of employee training programs conducted by LAZISMU South Kalimantan, which is different from BAZNAS South Kalimantan Province, where training is rarely conducted. In terms of other indicator details, LAZISMU South Kalimantan has actual conditions that are not significantly different from BAZNAS South Kalimantan Province.

2. Management Performance

As for management performance, based on the results of the measurement, BAZNAS South Kalimantan Province obtained a score of 10.00, ranking it as AAA+ or perfect. In other words, this score indicates that all indicator details in management performance, including Standard Operating Procedures (SOP), strategic plans, and amil performance assessments, have been implemented, and there are corresponding documents as required.

Meanwhile, LAZISMU South Kalimantan obtained a score of 8.80, ranking it as AAA-, which is not significantly different from BAZNAS South Kalimantan Province. However, in the assessment of amil performance, LAZISMU South Kalimantan only conducts or practices assessments but does not follow up with feedback on the assessment results.

3. Financial Performance

The results of the measurement for BAZNAS South Kalimantan Province indicated a score of 6.25, placing it in the A category. In the assessment of financial reports and organizational capacity based on Program Expense Ratio and Program Expense Growth, BAZNAS South Kalimantan Province has received more than satisfactory ratings. This indicates that BAZNAS South Kalimantan Province has audited financial reports regularly published, a growth in fund distribution of >15.00%, and total fund distribution exceeding 70.00% of operational costs. However, other indicators, including ratios on financial efficiency, organizational capacity based on Primary Revenue Ratio (PRR), and Primary Revenue Growth (PRG), are below average. The decrease in fund receipts compared to the previous year led to PRG being below average. BAZNAS South Kalimantan Province's financial efficiency is at 20.45%, exceeding the efficiency limit for an OPZ, which should ideally be below 9.00%. The actual condition of PRR for BAZNAS South Kalimantan Province shows that the ratio obtained is below average, indicating that the amount of zakat fund receipts is still <75.00% of the total receipts.

Meanwhile, LAZISMU South Kalimantan obtained a score of 6.05, placing it in the A category. Similar to BAZNAS South Kalimantan Province, LAZISMU South Kalimantan also scored below average in financial efficiency and organizational capacity based on PRR. LAZISMU South Kalimantan's financial efficiency is 19.63%, exceeding the efficiency requirement for an OPZ. In terms of PRR, LAZISMU South Kalimantan only scored 29.51%, indicating that the fund collection by LAZISMU South Kalimantan is largely in the form of infaq and charity (*shadaqah*), which is far below the average assessment for PRR. In other indicators, LAZISMU South Kalimantan has scored above average. In financial reporting, LAZISMU South Kalimantan has audited financial reports presented to

the central LAZISMU and audited by a Public Accountant's Office. However, for financial report publication, LAZISMU South Kalimantan has not done independent publication yet.

4. Economic Utilization Performance

The measurement results for BAZNAS South Kalimantan Province show a score of 6.40, placing it in the A category. Regarding the quality of zakat empowerment programs, BAZNAS South Kalimantan Province still receives a score below average, indicating that the average fund received for each mustahik receiving the economic empowerment program is relatively low. However, in other indicators, BAZNAS South Kalimantan Province has received above-average ratings. Assistance and training for mustahik recipients of economic empowerment programs are scheduled and regularly conducted.

On the other hand, LAZISMU South Kalimantan only scored 2.40, placing it in the CCC+ category. This is due to the low average fund received for economic empowerment program recipients, accompanied by the absence of assistance and training programs for mustahik recipients of economic empowerment programs. Economic utilization performance is the lowest-rated performance, requiring special attention and future evaluations.

5. Social Legitimacy Performance

The measurement results of BAZNAS South Kalimantan Province indicate a score of 4.80, ranking it as BBB. In this performance aspect, BAZNAS South Kalimantan Province allocates a budget for promotion, socialization, and education. There were no expenditures for advocacy costs in 2021.

Meanwhile, LAZISMU South Kalimantan only allocates a budget for promotional expenses, resulting in a rating of 3.40, placing it in the BB category for social legitimacy performance.

B. Performance Measurement of Zakat Institutions Based on Institutional Indicators in IZN

Overall, the performance of BAZNAS South Kalimantan Province obtained an average index of 0.70, categorized as good. A similar result was also achieved by LAZISMU South Kalimantan, which obtained a good category but with a different index of 0.66, as shown in Table 7 below.

Table 7. Results of Performance Measurement Based on IZN Institutional Indicators

Variables	BAZNAS South Kalimantan			LAZISMU South Kalimantan		
	Percentage	Index	Category	Percentage	Index	Category
Collection (30%)	18,75%	0,63	Good	22,50%	0,75	Good
Management (20%)	15,00%	0,75	Good	15,00%	0,75	Good
Distribution	21,00%	0,70	Good	18,00%	0,60	Fairly Good

(30%)						
Reporting (20%)	15,00%	0,75	Good	10,00%	0,50	Fairly Good
Total Score	69,75%	0,70	Good	65,50%	0,66	Good

Source: Processed by the Author, 2023

1. Collection

The results of the measurement for BAZNAS South Kalimantan Province indicate an index of 0.63, categorized as good. This variable consists of two detailed assessment indicators: the growth rate of funds (YoY) and the amount of funds obtained. BAZNAS South Kalimantan Province received an above-average assessment for fund growth, reaching 19.68%, with a total amount of IDR 11.7 billion.

Meanwhile, LAZISMU South Kalimantan is also in the good category for the collection variable, although its index is higher at 0.75. This is due to the difference in the growth of fund collections, where LAZISMU South Kalimantan, in its actual condition, achieved a growth rate of 163.57%, twice that of the previous year. The total collection amount for LAZISMU South Kalimantan is IDR 10.5 billion.

2. Management

The measurement results for the management variable for both BAZNAS South Kalimantan Province and LAZISMU South Kalimantan show identical results with an index of 0.75, classified as good. This indicates that both OPZs have documents related to institutional management, such as strategic plans, SOPs, and annual work programs.

3. Distribution

The measurement results for the distribution variable for BAZNAS South Kalimantan Province show an index of 0.70, categorized as good. BAZNAS South Kalimantan Province obtained an Allocation to Collection Ratio (ACR) of 107.58%, with a distribution amount of IDR 12.6 billion. The budget for dakwah programs is 9.31% of the total distribution. The estimated distribution for social programs is less than 3 months, while for economic programs, it is 12 to 15 months.

On the other hand, LAZISMU South Kalimantan obtained an index of 0.60, categorized as fairly good. This is due to the ACR value of only 57.44%, a distribution amount of IDR 5.1 billion, and an estimated distribution for social programs lasting 9 to 12 months. The distribution for economic programs is 6 to less than 9 months. The budget for dakwah programs for LAZISMU South Kalimantan is 25.87% of the total distribution.

4. Reporting

The measurement results show that BAZNAS South Kalimantan Province achieved an index of 0.75 for reporting, classified as good. This index was obtained because BAZNAS South Kalimantan Province has financial reports audited by a Public Accounting Firm and received an Unqualified Opinion (WTP). Moreover,

all financial reports are regularly published through the official institution's website. However, BAZNAS South Kalimantan Province has not yet had a sharia audit report.

Meanwhile, LAZISMU South Kalimantan obtained an index of 0.50 for reporting, categorized as fairly good. This score is due to LAZISMU South Kalimantan having financial reports audited by an internal audit team, which will then be submitted to LAZISMU Central for consolidation and audit by the Public Accounting Firm and published on the LAZISMU Central website. Additionally, LAZISMU South Kalimantan has not yet obtained a sharia audit report.

Conclusion

Based on the research findings and discussions, it can be concluded that for the performance measurement results based on the IZDR-2011 standard, BAZNAS South Kalimantan Province obtained an overall average score of 7.00, ranking it as AA-. BAZNAS needs to conduct a more in-depth evaluation of social legitimacy performance related to expenditures for promotion, socialization, education, and advocacy. Meanwhile, LAZISMU South Kalimantan only obtained an overall score averaging 5.75, placing it in the A- category. This is due to the low final scores in economic empowerment and social legitimacy performance, requiring a more in-depth evaluation of these two performances.

Meanwhile, the results of the performance measurement based on institutional indicators in IZN show that in 2021, both BAZNAS South Kalimantan Province and LAZISMU South Kalimantan obtained scores or indices in the good category. However, when viewed based on the index or score, BAZNAS South Kalimantan Province still achieved a superior score compared to LAZISMU South Kalimantan. The respective index scores for institutional performance are 0.70 and 0.66 for LAZISMU South Kalimantan. BAZNAS's readiness to achieve IZN indicators seems understandable, considering IZN was developed by PUSKAS BAZNAS, so BAZNAS throughout Indonesia will use these indicators as a benchmark in organizational performance.

From these two performance measurement methods, BAZNAS South Kalimantan Province has better performance compared to LAZISMU South Kalimantan, both based on the IZDR-2011 performance measurement method and the institutional indicator performance in IZN. This aligns with the statement that Islamic Financial Institutions (IFIs) prefer government-established zakat institutions (BAZNAS) as OPZ to distribute their zakat, which is one of the impacts of OPZ performance influencing public perspectives and trust in choosing where to distribute their zakat.

Future researchers can further widen the scope of this study to different zakat institutions or on a larger scale, such as BAZNAS and LAZ at the central level. Furthermore, research data can be expanded to at least five zakat management institutions with the largest assets in Indonesia. Additionally, future researchers can refine the study using institutional zakat performance measurement methods other than IZN and IZDR.

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