

# Implementation of Good Corporate Governance towards Productive Zakat Distribution at BAZNAS Kab. Majene (Sharia Economic Review)

Irmawati<sup>1</sup> Darmawati<sup>2</sup> Syahriyah Semaun<sup>3</sup> Muliati<sup>4</sup> Damirah<sup>5</sup>  
Faculty Postgraduate of Islamic Economics, Institute Agama Islam Parepare  
Email : [irmawati280889@gmail.com](mailto:irmawati280889@gmail.com)

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## Abstract

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This research analyzes the implementation of Good Corporate Governance towards the distribution of productive zakat in BAZNAS Kab . Majene (Sharia Economic Review). The aim of this research is to determine the productive zakat distribution system, the implementation of Good Corporate Governance and an overview of sharia economics at BAZNAS Kab . Majene . The research method used is a qualitative method. The research results show that (1). Management of productive zakat funds goes through the stages of planning, implementation, control (evaluation), reporting and accountability. Collecting productive zakat funds at BAZNAS BAZNAS Majene Regency is through socialization, forming zakat collection or payments that do not yet use application features to facilitate transactions between Muzakki and zakat Amil so that zakat Amil still uses a manual system. (2). BAZNAS District . Manjene has implemented the principles of good corporate governance in the distribution of zakat funds. BAZNAS District. Manjene regularly provides open financial reports to the muzakki, divides the organizational structure and assigns tasks according to areas of expertise, zakat distribution is in accordance with the institutions responsible for the muzakki and the needs of the mustahik. (3). Distribution of productive zakat at BAZNAS Kab. In carrying out its duties, Manjene has implemented GCG, carried out its duties honestly, responsibly, disciplined and sincere, these characteristics are a description of the characteristics of tabligh , trust, fatonah and siddiq. The distribution of professional zakat is not fully in accordance with the Qur'an because it is mostly distributed to the poo.

## 1. Introduction

In Islam, eradicating poverty is an obligation. Demonstrating good morals before Allah SWT is the best way to overcome poverty. A person's character can be part of the solution to this. Human welfare is the main goal of Islamic law, which includes protecting their intellect, faith, descendants, and wealth. Zakat is a form of worship that pays attention to the economic problems of society. The Qur'an states that wealth should not be owned by a group of rich people. People in power must realize that what they have is the right of the poor and destitute. Zakat not only helps those who are economically or consumptively poor, but also has the main goal of ending poverty. (Qadir, 2018) .

Zakat is a form of worship that has a long history, like as it is prayer, which is a spiritual worship. Zakat, on the other hand, is a very important financial and social worship. for every Muslim, because No only worship For

himself Alone but also for helping fellow. Therefore, the goal The nobleness of zakat is based on the expenditure of zakat made on the treasure or riches of a Muslim. ( Riani , 2021) Zakat must be your own ability to reduce poverty and increase social anxiety, according to expert Islamic economics because that is a social tool security (Khasanah, 2010). Imam Hambali defines zakat as right must be on certain treasures or right on certain groups of people at a certain time. Meanwhile, Imam Syafi'I defines zakat as something that is issued from soul or treasure in a special way (Tamaruddin, 2019).

## 2. Literature Review

According to Usman the implementation is culminating in activity, action, action or existence mechanism of a system. Implementation No just activity, but a planned activity and to achieve objective activity (Usman, 2020). According to Guntur Setiawan,

the implementation is expansion mutual activities customize the interaction process between goals and actions taken For to achieve it . To achieve it, it is also necessary network effective implementation and bureaucracy (Setiawan, 2016).

According to Jensen and Meckling, good corporate governance is a very important principle For business, where company management is supervised and controlled. To ensure that management is done in accordance with applicable rules and regulations. (Fahmi, 2017). In general, good company management is based on five principles: transparency, accountability, responsibility, independence, and fairness.

According to the Big Indonesian Dictionary, distribution is distribution (distribution, delivery) from the more Lots to the more A little to some people or to a certain location. The word "distribution" comes from the English word "distribute", which means distribution or distribution. Distribution is distribution (distribution) of goods needed daily to the crowd or a number of places. In definition others, distribution is distribution of goods needed daily by the government to civil servants, residents, and others. In the matter of distribution of productive zakat, as stated in A hadith narrated by Imam Muslim from Salim bin Abdillah bin Umar from his father, Rasulullah saw gave zakat to him and then asked for charity again or given to others. related to giving zakat that produces (Amelia, 2020) .

Thus, productive zakat is zakat on property or funds provided to the mustahiq. No spent but used. To help their business so that they can fulfill their life's needs in a sustainable way. In other words, productive zakat is zakat that is managed with productive methods, and given to zakat recipients with capital and then returned. MA Mannan defines knowledge Islamic economics as discipline knowledge social studies How Islamic values influence people's economy (Mannan, 2018).

### 3. Research Methods

In the research This is the method used that is a descriptive qualitative study. Qualitative research is research in progress until producing a finding. No use procedure statistics or calculation form (Basrowi & Surwardi, 2008). "Type of research conducted that is field study (field research). Field research is a type of direct research observing events which exist in the field (Arikunto, 2013).

### 4. Research Results and Discussion

#### 4.1 System Distribution of Productive Zakat at BAZNAS Majene Regency

##### a. System Collection

The National Amil Zakat Agency (BAZNAS), established by the government, along with the Amil Zakat Institute, is responsible for the collection, distribution, and utilization of zakat, infaq, and alms. The procedures for these processes are regulated by institutional policies and legal frameworks. One of the objectives of the Republic of Indonesia, as stated in the 1945 Constitution, is to enhance public welfare through optimized zakat management.

Productive zakat is a fund allocated to mustahik (zakat recipients) to help alleviate poverty and improve their welfare. Dr. H. Hasri Hanafi, M.Pd., Deputy Head of Division I for Zakat Collection, elaborated on this matter:

*"The first step taken by BAZNAS is conducting socialization to encourage society to pay zakat. In addition to direct socialization, zakat payers can contribute their funds either directly at the BAZNAS office or through our pick-up service, where we collect zakat from those who are unable to visit the office themselves."* (Hasri Hanafi)

According to the statement above, BAZNAS prioritizes socialization to encourage zakat payments. Zakat payers can either visit the BAZNAS office or use the zakat pick-up service, making it more convenient for them to fulfill their zakat obligations.

Dr. H. Hasri Hanafi, M.Pd. also stated:

*"In Majene Regency, there are various groups that pay zakat, including both civil servants and non-civil servants. The zakat payments from civil servants, commonly known as professional zakat, are managed in collaboration with the Regent of Majene. This system involves deducting a portion of civil servants' salaries and transferring the funds to the National Amil Zakat Agency of Majene Regency, ensuring proper management and distribution to the eight asnaf (eligible zakat recipients)." (Hasri Hanafi)*

The research findings indicate that BAZNAS Majene carries out extensive socialization efforts to encourage zakat contributions. In Majene Regency, both civil servants and non-civil servants participate in zakat payments. For civil servants, professional zakat is collected through salary deductions and transferred to BAZNAS Majene. Since BAZNAS Majene Regency does not yet have an online payment system, zakat and infaq funds are collected through two methods:

1. A zakat pick-up service, where BAZNAS representatives visit the homes of muzakki (zakat payers).
2. Direct zakat payments made at the BAZNAS office, which are still processed manually.

Zakat recipients are required to deposit their funds into a designated collection box provided by BAZNAS. The funds collected in these boxes are then processed by the BAZNAS office. In 2023, BAZNAS Majene Regency received a total of Rp. 332,603,985 in zakat and infaq funds from both private and government donors. These funds were allocated to various BAZNAS programs, including business capital assistance for productive zakat initiatives.

### **b. Distribution System**

The collection and distribution of zakat funds at BAZNAS Majene Regency are systematically managed. In 2023, BAZNAS initially planned to collect around Rp. 1,019,000,000 in zakat and infaq funds. However, the actual funds collected amounted to Rp. 332,603,985, consisting of Rp. 295,469,955 in zakat funds and Rp.

371,340,000 in infaq funds. The zakat funds amounting to Rp. 132,500,000 were then distributed for business development, educational institutions, private companies, mosques, and individual beneficiaries.

The zakat collection process is carried out by BAZNAS, with people either visiting the office to pay directly or using the zakat pick-up service for convenience. Dr. H. Mansur S., M.Pd.I., Deputy Chairman II for Distribution and Utilization, explained:

*"We provide financial assistance and guidance to zakat recipients as part of the productive zakat program. Our goal is to help them establish sustainable businesses. If their businesses grow successfully, they are encouraged to contribute a portion of their profits back as infaq. While we do not set a fixed infaq amount, beneficiaries typically donate between Rp. 50,000 and Rp. 250,000 per month." (Mansur)*

The interview suggests that BAZNAS Majene Regency supports zakat recipients by providing business capital and training through its productive zakat program. The program aims to help recipients transition from mustahik (zakat recipients) to muzakki (zakat payers). Although a fixed infaq amount is not imposed, participants can voluntarily contribute based on their business earnings.

Dr. H. Mansur S., M.Pd.I. further stated:

*"Besides boosting the economic conditions of small business owners, our program also aims to help them become future zakat payers (muzakki). If their businesses grow, they will eventually contribute zakat instead of just receiving it. This transformation from mustahik to muzakki is our primary objective." (Mansur)*

The research findings confirm that the productive zakat distribution system implemented by BAZNAS Majene Regency focuses on financial assistance and business development for zakat recipients. The ultimate goal is to transition them from being mustahik to muzakki by enabling them to generate sustainable income.

## 4.2 Implementation of Good Corporate Governance (GCG) in Productive Zakat Distribution

### a. Principle of Transparency

Transparency in zakat fund distribution at BAZNAS Majene Regency involves financial reporting and public disclosure of activities. BAZNAS staff member Muh. Yusri, S.Ip., explained:

*"We ensure transparency in all aspects, including zakat collection, distribution, and the number of beneficiaries. Our financial reports are published annually on the BAZNAS website and shared through social media platforms such as Instagram and Facebook. This allows the public, including donors, to access up-to-date information about our activities."* (Muh. Yusri)

The interview indicates that BAZNAS Majene Regency has effectively implemented transparency principles by making financial and operational reports publicly accessible.

### b. Principle of Accountability

Accountability ensures that organizations have clear functions and responsibilities, allowing them to operate effectively. Drs. H. Mansur S., M.Pd.I., Deputy Chairman II for Distribution and Utilization at BAZNAS Majene Regency, explained:

*"Each department has specific responsibilities. There are dedicated staff members responsible for distributing zakat funds and ensuring the proper implementation of empowerment programs. They are also required to prepare activity reports as part of our accountability to society."* (Mansur)

The interview findings confirm that accountability principles are upheld at BAZNAS Majene Regency, with structured task distribution ensuring that staff members manage zakat funds and programs effectively.

### c. Principle of Responsibility

Zakat management institutions must comply with regulations and fulfill their responsibilities to society and the environment. Regarding the utilization of productive zakat funds, Drs. H. Mansur S., M.Pd.I., stated:

*"From the perspective of responsibility, our mission is to empower mustahik so that they can eventually become muzakki. This transformation is our ultimate goal and the foundation of our zakat management approach."* (Mansur)

The research findings suggest that BAZNAS Majene Regency implements the principle of responsibility by ensuring that zakat funds are used to support mustahik in their journey toward self-sufficiency and financial independence.

## 4.3 Discussion of Research Results

### a. System Distribution of Productive Zakat at BAZNAS Majene Regency

#### 1) System Collection

The results show that in terms of productive zakat collection, BAZNAS conducts socialization efforts to encourage people to pay zakat. Additionally, residents of Majene Regency, including both civil servants and non-civil servants, fulfill their zakat obligations. The payment of zakat for civil servants, also known as professional zakat, is carried out in collaboration with the Regent of Majene Regency by deducting a portion of civil servant salaries, which is then transferred to the National Alms Agency (BAZNAS) office in Majene Regency. This finding aligns with Pratiwi Yustisia's study entitled *Analysis of Income Zakat Collection Systems and Techniques in Civil Apparatus*, which correlates with this study (Yustisia, 2020).

#### a) System Distribution

The results show that the distribution system of productive zakat by BAZNAS Majene Regency provides business capital to mustahik who need financial assistance for their businesses, either individually or as part of the *asnaf* group. Furthermore, collaboration with the Majene Regency government presents a significant opportunity for the success of BAZNAS's work program, which aims to improve societal welfare. This finding is in line with Abdi Irsyad Syahbana's research on the impact of Law No. 23 of 2011 concerning Zakat

Management on the welfare improvement of mustahik at BAZNAS South Tangerang City (Syahbana, 2023). In addition, this cooperation is related to zakat fund collection, as the regional government has the authority to establish regulations requiring the public to pay zakat and *infaq*. This aligns with Erliyanti's study, which discusses the *Distribution and Management of Productive Zakat as a Means of Empowering the People's Economy* (Erliyanti, 2019).

## **b. Implementation of GCG in Productive Zakat Distribution**

### *a) Principle of Transparency*

The results show that the principle of transparency in zakat fund distribution at BAZNAS Majene Regency has been effectively implemented. BAZNAS publishes financial and activity reports on its official website annually, and the public can also access them via BAZNAS's social media accounts. This aligns with Abdul Hafiz Sahroni's research on the transparency of zakat management institutions and its influence on people's tendency to pay zakat (Sahroni, 2021).

In accordance with the Qur'anic verse Surah Al-Maidah (5:67), financial transparency can be interpreted as *tabligh*, meaning that zakat management organizations must uphold honesty, provide clear and truthful information, and carry out their duties with full dedication and integrity:

"O Messenger, convey what has been revealed to you from your Lord, and if you do not, then you have not conveyed His message."

This highlights that zakat managers must fulfill their responsibilities as commanded by Allah SWT by ensuring information is relevant, complete, and accurately disseminated to stakeholders. Transparency also means that institutions must provide easily accessible and understandable information. According to Michael C. Jensen and William H. Meckling's *Agency Theory*, transparency is crucial for reducing agency conflicts between principals and institutional managers. Clear information

helps prevent undesired behaviors (Meckling, 2019). Implementing transparency principles in zakat fund management ensures public trust by providing clear and accessible financial information.

### *b) Principle of Accountability*

The results indicate that the principle of accountability in zakat fund distribution at BAZNAS Majene Regency has been applied by assigning specific responsibilities to designated program staff. These staff members are responsible for both fund distribution and program implementation within Majene Regency. However, this study's findings differ from those of Siti Aisyah Nasution, who stated that a lack of responsibility and independence significantly affects *muzakki* satisfaction levels at Lazismu (Nasution, 2021).

### *c) Principle of Responsibility*

The results show that BAZNAS Majene Regency has carried out its responsibility in distributing zakat funds according to applicable regulations. In its implementation, BAZNAS has allocated zakat funds for both consumptive and productive purposes while also providing effective mentoring systems for mustahik. However, this study does not align with Nurhasan Hamidi's research on public responsibility in zakat management organizations, which examines organizational culture and internal control aspects (Hamidi, 2023).

### *d) Principle of Independence*

The results show that zakat fund distribution at BAZNAS Majene Regency is conducted independently and professionally, without being influenced by external policies. However, this contradicts Alifiyah's study, which states that the implementation of *Good Amil Governance* in zakat institutions should be based on zakat principles, including policies prohibiting dual positions in decision-making and conflicts of interest between managers and government officials, private companies,

political party members, or affiliated organizations (Alifiyah, 2024).

#### e) Principle of Fairness

The results show that the principle of fairness in zakat fund distribution at BAZNAS has been implemented, ensuring an equitable distribution of funds to facilitate effective zakat management and equal treatment of mustahik. However, this finding contradicts Yulinartati's study, which found that good corporate leadership and philanthropist satisfaction levels in zakat distribution are not always met (Yulinartati, 2020).

### c. Sharia Economic Review on GCG Implementation

#### a) Siddiq (Honesty)

Honesty is the attitude of telling the truth while avoiding falsehood. It also means not engaging in fraud and acting according to regulations. The Qur'an states that Muslims must be honest:

"O you who believe! Fear Allah and be with those who are truthful." (QS. At-Taubah [9]: 119)

The verse emphasizes that Allah commands believers to be honest in both speech and actions. Honesty reflects faith and piety, while dishonesty signifies hypocrisy and contradicts piety. The findings of this study indicate that *siddiq* is applied in zakat management at BAZNAS Majene Regency. The institution ensures honesty and accuracy in distributing productive zakat assistance to mustahik by conducting a thorough data verification process before distribution. This transparent approach ensures that zakat is distributed timely and without obstruction.

#### b) Amanah (Trustworthiness)

The concept of trusted zakat governance, or *amanah*, refers to the trust given by zakat managers to ensure that funds are correctly allocated to mustahik. An *amil* (zakat administrator) must be honest and trustworthy (Susilawati, 2018). This aligns with the Qur'anic verse Surah An-Nisa (4:58):

"Indeed, Allah commands you to render trusts to whom they are due and when you judge between people to judge with justice."

Trustworthiness is key to maintaining public trust in zakat management. A lack of trustworthiness can lead to the failure of zakat collection institutions. The findings of this study indicate that the review of Islamic economics emphasizes *amanah* in zakat management, ensuring that zakat is allocated to rightful recipients while maintaining sensitive data confidentiality.

#### c) Fathonah (Wisdom)

The results indicate that zakat, as a community fund given by *muzakki* to BAZNAS, must be managed wisely and responsibly. It is essential to carefully select mustahik who will benefit from productive zakat assistance. The goal of zakat distribution at BAZNAS Majene Regency is to increase productivity and consumption, ultimately transforming mustahik into *muzakki*. This means that mustahik who receive business capital are encouraged to contribute zakat, regardless of the amount.

The Qur'an states:

"He (Allah) bestows wisdom upon whom He wills, and whoever is granted wisdom has indeed been given abundant good." (QS. Al-Baqarah: 269)

This verse highlights the importance of wisdom in decision-making. The findings indicate that BAZNAS applies *fathonah* by developing innovative approaches for zakat collection and optimal fund utilization.

### 5. Conclusion

The writer can conclude the following regarding the issues discussed in this study: the distribution system of productive zakat, the methods of GCG implementation, and the review of the Sharia economy at BAZNAS Kab. Majene. This conclusion is based on field data that has been collected and discussed in the previous chapters:

1. Planning, implementation, control (evaluation), reporting, and accountability

are the steps used to manage zakat funds effectively. The collection of productive zakat funds at BAZNAS Kab. Majene is carried out through socialization, formation, and the collection or payment of zakat. However, muzakki and amil zakat still use a manual system, as they have not yet adopted an application-based system.

2. In the distribution of zakat funds, BAZNAS Kab. Majene applies the principles of good governance. The organization regularly provides financial reports transparently to zakat payers, establishes an organizational structure, assigns tasks according to areas of expertise, and distributes zakat in a responsible manner, ensuring accountability to both the muzakki and the mustahik.
3. The distribution of productive zakat at BAZNAS Kab. Majene has implemented good corporate governance (GCG) in its operations. It upholds honesty, responsibility, discipline, and sincerity, reflecting the characteristics of tabligh, amanah, fatonah, and siddiq. However, since zakat is predominantly distributed to the poor rather than to professionals, its implementation is not yet fully aligned with the provisions in the Qur'an.

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