Lakat
AND
ITS POVERTY ALLEVIATION GOAL

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CHAPTER THREE

ASSESSMENT ON THE EFFICIENCY OF ZAKAT DISBURSEMENT
IN MALAYSIAN ZAKAT INSTITUTIONS

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INTRODUCTION
Principally, zakat funds should be disbursed immediately to the beneficiaries; i.e. the eight categories of asnaif in order to avoid misuse and mismanagement of the funds. However, due to shortage of staff and experts in the zakat institutions, relative to the numerous tasks, this leads to inefficiency and ineffectiveness of zakat management as performed by the zakat institutions (Ahmad Hidayat, 1997; Wahairi, 2001). This scenario creates dissatisfaction among the society in terms of the zakat management and subsequently it jeopardises the reputation of the zakat institution in the country.

Realizing the weaknesses of the zakat management as performed by the individual state's zakat institutions, there are various initiatives taken by each institution in order to improve the zakat collection, disbursement and administration, respectively. One of the initiatives is corporatisation of zakat institution. Hence, past research findings suggested the following (i) the increase in the number of zakat personnel (Wahairi, 2001); (ii) the use of computerised system in zakat management (i.e. partial or comprehensive zakat disbursement system) (Mohamed Dahan, 1997; Ismail, 2001) and (iii) the number of zakat institutional branch (Ibrahim, 1981) have some influence in zakat management in the country.

The minimal number of literature on zakat disbursement, specifically measuring performance and efficiency, has created the need for such study. This is particularly true in measuring the efficiency of the zakat disbursement in Malaysia. The need for measuring zakat disbursement efficiency is more crucial as literature depicts that the zakat disbursement is inefficiently and ineffectively managed by the zakat institutions or Baitulmal (Wahairi, 2001; Zulkifly et al., 2002) and thus, result into their unimpressive performance. Prior studies fails to provide support in their findings statistically and empirically, on such low performance of zakat institutions. This limitation motivated the current study of the efficiency of the zakat disbursement as managed by the zakat institutions statistically.

Zakat disbursement management