

AN EMPIRICAL STUDY ON THE APPLICATION OF MASLOW'S HIERARCHY OF NEEDS TO THE PERCEPTION OF ZAKAH RECIPIENTS AND THE EFFICIENCY OF ZAKAT DISTRIBUTION

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Abstract: *One of Islam's five pillars is zakat. In Malaysia, the disbursement of zakat ought to have the potential to mitigate poverty and facilitate the satisfaction of zakat beneficiaries' necessities. The purpose of this study is to investigate how the efficiency of zakat distribution is perceived using Maslow's hierarchy of needs. According to Maslow's hierarchy of needs, there are five components that make up human needs in this study. Physiological needs, safety needs, social needs, esteem needs, and self-actualization are the components. In Kota Bharu, Kelantan, about 100 sets of questionnaires were distributed to zakat recipients. Every respondent sent back their answers. Utilising IBM SPSS Statistics 26, data were analysed. The t-test and hypothesis testing were used in regression analysis to determine the significant relationship between the variables. The study's findings will suggest that the efficiency of zakat distribution is positively impacted by five needs elements. Additionally, the study was able to determine which factors—self-actualization and esteem needs—influenced zakat distribution efficiency the most and least. According to the study's findings, the zakat distribution system meets both monetary and non-monetary needs.*

Keywords: *Zakat, Maslow's hierarchy of needs, poverty, zakah recipient's, zakat distribution efficiency*

Introduction

One of the five pillars of Islam is zakat. While there are many organisations that support economic growth, one of the safest and most reliable ones for Muslims is zakat. Furthermore, zakat is a wealth-sharing institution that guarantees Muslims a minimal standard of living at all times. By examining how frequently the term "zakat" appears in the Holy Quran, both alone and in prayer, it is evident that it is one of the key tenets of Islam. It appears 58 times in the Qur'an. It is mentioned thirty-two times alone, and twenty-six times in conjunction with prayer. Zakat is said to have its own symbol in the Muslim economy since it is an act of worship along with salah (prayer). In the context of the Islamic economy, it represents justice and guarantees a fair and reliable distribution of wealth.

Literally, zakat itself means purification and growth. The meaning of zakat is said clearly in Al-Quran: "Take from their wealth so that you might purify and sanctify them". The meaning of this verse can differ according to Islamic Scholar opinions. Generally, these verse points that zakat not only can sanctify the soul of zakat payer from selfishness but also can and cleanse his wealth from the unfortunate. Although by paying zakat apparently reduces the amount of money but, in a broader scope, it actually causes the circulation of wealth. In which, it results in multiplication of money and, consequently, can benefit more people. Another meaning of zakat is it is a Fard or an obligatory for all Muslims (Sahib-e-Nisab) who own a specified amount of prosperity or wealth to pay a prescribed portion of their capital or savings such as cattle, farm produce, paper currency, business activities, and precious metals such as silver and gold.

Zakat serves two major purposes. First of all, by donating a portion of one's wealth to the underprivileged and needy, zakat seeks to sanctify, purify, and clean both a person's wealth and soul. This system can lessen the disparity in wealth between the rich and the poor, allowing the rich to get richer without exploiting the poor, and the poor to avoid getting poorer as a result of the rich's exploitation. In other words, zakat has the potential to significantly reduce the economic inequality that exists within the community. Second, zakat aims to end poverty and provide welfare to the impoverished and destitute. for each member of a society to be guaranteed a minimum standard of living, or the ability to meet at least one basic need. As mentioned above, zakat can help to purify soul and motivate a Muslim to always feel gratitude towards God's bounties. The establishment of the zakat system is to make sure that wealth will be distributed equally in the Islamic economy and not fall in the hands of a few greedy persons. In 1991, the first zakat institution was established in Wilayah Persekutuan which is known as Pusat Pungutan Zakat (PPZ) or Zakat Collection Centre. After that, the zakat institution continues to be established in other states such as Selangor, Pulau Pinang, Kelantan, Negeri Sembilan and Melaka.

Problem Statement

The existence of zakat shows that zakat is very important in the life of people, especially Muslims. Right now, the amount of zakat collection has shown an improvement as it continues to rise drastically every year. It could be for many reasons. According to Hairunnizam (2008), the reasons might be because of the efficiency of zakat management, easy paying method, and escalation of zakat payers and their earnings. Zakat collection has not become an issue as it gets better every year, but a problem has arisen for Zakat distribution. According to Ibrahim, P. (2006), zakat distribution continues to be the centre of attention for discussion and arguments. It has grabbed interest of many researchers and scholars to investigate the ability of zakat in fulfill human needs by making income as an indicator.

Even though income has been used as an indicator for many types of research, but it has been criticized. It is because income is using uni-dimensional measurement which means it examines human needs only from one perspective. Human needs cannot be measured by looking at only one perspective. This is supported by Wagle, U. (. (2005), as he concluded that people also need non-monetary factors besides money. For example, people need knowledge, comfortable living, spirituality and recognition among others as their other needs. As a result, by using income as the only factor cannot give an accurate and fair evaluation which leads to the inability to capture the comprehensive perspective of human needs. The evaluation of needs must be measured in a broad context. As an alternative, both of them suggest that Maslow's hierarchy of needs should be used to measure human needs in order to know the efficiency of zakat distribution.

Research Objective

1. To examine the significant relationship between zakat distribution efficiency with Maslow's hierarchy of human needs
2. To examine the effects of self-actualization, safety needs, esteem needs, social needs and physiological needs on zakat distribution efficiency
3. To examine the most and the least human needs that can affect zakat distribution efficiency.

Research Questions

1. Is there any significant relationship between zakat distribution efficiency with Maslow's hierarchy of human needs?
2. How physiological needs, safety needs, social needs, esteem needs and self-actualization can affect zakat distribution efficiency?
3. Which human needs affects the most and least on zakat distribution efficiency?

Scope of the study

For this research, researcher has chosen Kota Bharu town to conduct the study. It is located in Kelantan. The reason why the researcher selects Kota Bharu as her area of study is because the number of zakat recipients keeps increasing every year and the issue of zakat distribution efficiency has become the main topic there. Kelantan is the second among the good management in distribution of zakat efficiency in Malaysia.

Literature Review

Review of underlying theory

In this literature, it will discuss more about zakat distribution efficiency and Maslow's hierarchy of needs.

Zakat distribution efficiency

Zakat distribution is important in reducing poverty in Malaysia and reducing the gap between the poor and rich people. It can be supported by Wagle, U. (2007), who found that the poverty in Selangor can be reduced along with the severity of the poverty by distributing zakat. Zakat is based on three different philosophies: social, religious, and economic. The objective of all these ideologies is the same: to benefit one another by sharing wealth among the community. In order to improve their purchasing power and thereby contribute to the expansion of the economy, the impoverished can divide the wealth of the wealthy. In addition, the distribution of zakat will keep impoverished people from committing crimes or engaging in unlawful activity in order to fulfil their basic needs.

As stated in the Al-Quran, zakat ought to be given right away to the appropriate people after it has been collected. The Surah Al-Taubah 9:60 lists eight categories of recipients (asnaf). The poor, known as Masakeen, the workers on zakat, known as Al-Amileen, the needy, known as "Miskin" or Fuqara, the newly converted Muslims, known as Mu-Allafatul-Qulub, the debtors, known as Al-Ghaarimeen, the slaves, known as Ar-Riqab, the wayfarers, and known as Fi-Sabilillah (For Allah's sake). Muqaddam refers to the impoverished, Al-Amileen (zakat workers), "Miskin" or Fugara (needy), and Mu-Allafatul-Qulub (new Muslims). Muakhkhar refers to the remaining groups. Every asnaf receives zakat for different uses. As for Masakeen and Fuqara, zakat is distributed to them as a capital gift for the 'miskin' who has skill such as farm yield for the farmers and carpenter tools for carpenters, annual or monthly reserves for incapable Muslim, a capital to build a house for those incapable Muslims and as scholarships for Muslim students who are unable to pay their education. For asnaf Al-Amileen, zakat application of zakat is to pay the salary of people who carry the work of all zakat matters such as zakat distributors, zakat collectors, zakat warehouse keepers, zakat treasury and others. For asnaf Mu-Allafatul-Qulub, zakat distribution will be given to them to finance all the muallaf activities such as muallaf foundation. For Al-Ghaarimeen, they receive zakat to pay their obligation in basic needs. For Ar-Riqab, zakat is used to release the Muslims prisoner who are imprison because of their da'wah activity and for Ibnus-Sabeel, zakat will be used to give scholarships for Muslim students who are studying in other countries. The last is for asnaf Fi-Sabilillah, application of zakat distribution to them for funding the Islamic Jihad against kafir.

Balanced Score Card is one of the performance tools that can be used to evaluate efficiency based on financial and non-financial indicators of any program. This method is more efficient as it can give a view from different perspectives in order to measure the performance of organization. Therefore, there are four dimensions in this method, which are customer satisfaction, knowledge worker, internal process and financial performance. Customer satisfaction (CS) stresses on recognizing the needs of potential consumers in specific segments and continually finds a suitable program for them. Knowledge workers (KW) are emphasized more on creativity, innovation, capability and competency. Lastly, financial performance (FP) is evaluated based on the ability of a program to increase standards of living of zakat recipients. According to Wagle, U. (2008), the study found that Balanced Scorecard strongly influenced the performance of zakat system. As the result, the implementation of these four perspectives will increase the performance of zakat management.

Maslow's hierarchy of needs

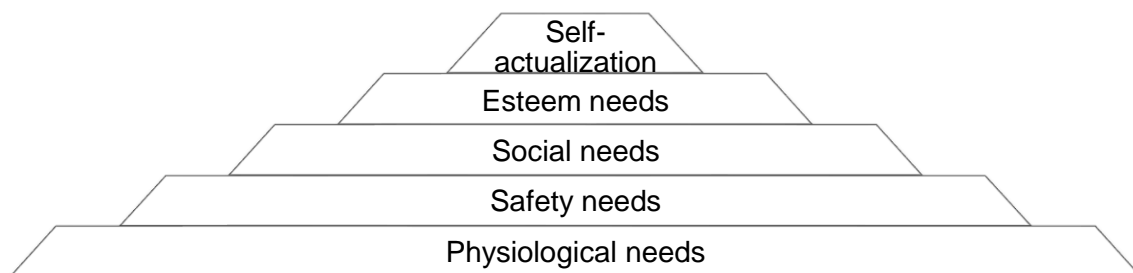


Figure 1: Maslow's hierarchy of needs

The theory proposed by Abraham Maslow consists of five main elements. The theory is called Maslow's hierarchy of human needs. The foundation of Maslow's hierarchy of needs is that human kinds are driven to satisfy their needs. At first, they would satisfy the lower needs and

then they will continue to satisfy the higher needs. The important thing is that, they will only achieve the next level of needs after the basic needs have been fulfilled. They will try to achieve the higher level of needs. The elements in this hierarchy are physiological needs, safety needs, social needs, esteem needs and self-actualization.

Physiology needs

Physiology needs is the first level of needs in this hierarchy. It consists of the human basic needs such as water, food and sex. This physiology needs will become the primary needs before other needs can be achieve. They will be driven to achieve more once they satisfy these needs. According to Maslow, this needs need to be satisfied first in order to satisfy other needs.

Safety needs

The meaning of safety needs is the need to protect their self. The second level that needs to be satisfied is safety and security. They need safety to survive in this life but it is not as demanding as physiology needs. Examples of safety needs are life and health insurance, house or any shelter and safe environment.

Social needs

The third level in Maslow's hierarchy is social needs. It means that humans also need affection, love and belonging. Maslow believes that this need is less than physiological and safety needs. These needs make people interact and communicate with each other and build a comfortable environment.

Esteem needs

Esteem needs is the fourth level in Maslow's hierarchy. This level is said to be achieved when people gain confidence and comfortable with their self. They feel satisfied with what they already achieved.

Self-actualization

As stated in Figure 1, self-actualization is the highest level compared to other elements. Whoever achieves this level is concerned with their individual growth and this will make them attain their true potential. The bad attitude from this level is that they will become ignorant and less concerned about other people's opinions.

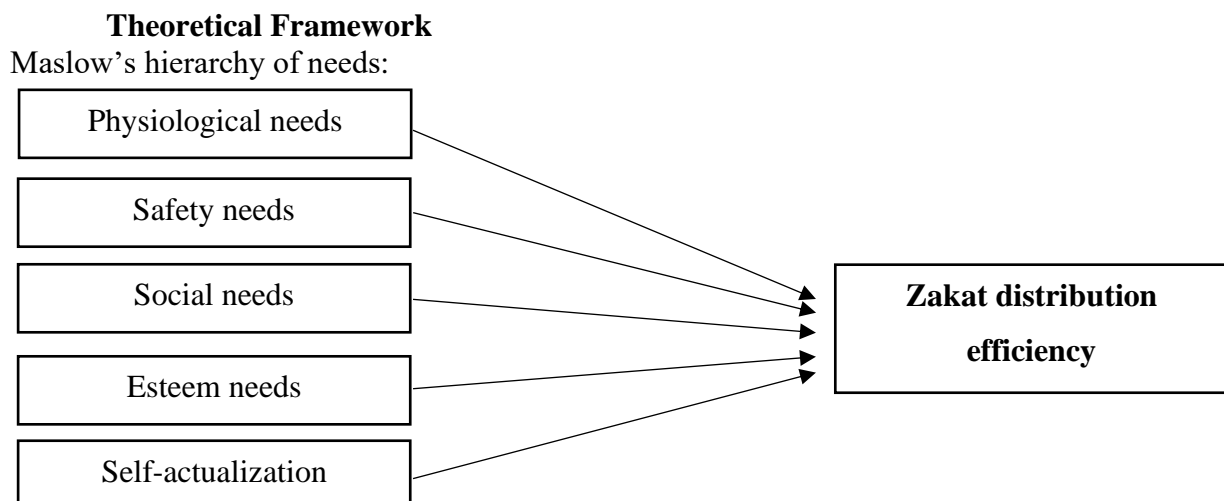


Figure 2: Theoretical Framework

Hypothesis

There are five independent variables which have been identified in this research which are physiological needs, safety needs, social needs, esteem needs and self-actualization. These five needs will be used to study on the efficiency of zakat distribution system.

H1: There is significant relationship between physiological needs and zakat distribution efficiency.

H2: There is significant relationship between safety needs and zakat distribution efficiency.

H3: There is significant relationship between social needs and zakat distribution efficiency.

H4: There is significant relationship between esteem needs and zakat distribution efficiency.

H5: There is significant relationship between self-actualization and zakat distribution efficiency.

Methodology

This design is the main and important plan that describes the process and the action plan for collecting and analysing the data needed. This study uses two types of research design including (i) descriptive and (ii) correlational research. In this study, the researcher used survey method to measure the factors that could influence the efficiency of zakat distribution in Kota Bharu, Kelantan. It can be done through collecting the data by distributing the questionnaire. This type of research can be defined as understanding the relationship between two or more variables. This method is appropriate to determine the relationship between Maslow's hierarchy of needs and zakat distribution efficiency.

For this research, the data collection process was done by structuring the questionnaires and distributing them to all 100 zakat recipients in Kota Bharu town, Kelantan. The questionnaires were structured to study the perception of zakat recipients in Kota Bharu, Kelantan towards the efficiency of zakat distribution based on Maslow's hierarchy of needs.

Simple random sampling under probability sampling was used in this study. The sampling frame in this research is zakat recipients in Kota Bharu town. The researcher obtained the listing of zakat recipients in Kota Bharu by assessing the data from the Centre of Zakat Collection in Kelantan which is Majlis Agama Islam Kelantan (MAIK).

This analysis is will be used to measure the type of relationship that exists between two or more variables. The model was derived from Multiple Linear Regression Model analysis. This research has also done the Correlation of Determination (R^2) and F-test where F-test is used to examine the reliability of the entire model. It produces the regression equation which can be used to analyse the significance of each single component towards the overall regression model. T-Statistic is used to determine if there is a significant relationship between the independent variable and dependent variable. Data were analysed using IBM SPSS Statistics 26. In order to identify the significant relationship between variables, regression analysis was done by conducting t-test and hypothesis testing..

Conclusions

The study concludes that the efficiency of zakat distribution is significantly impacted by Maslow's hierarchy of needs, which includes needs for safety, esteem, self-actualization, and physiology. Aside from that, the study also shows a positive and significant relationship between the efficiency of zakat distribution and all five needs. Self-actualization is now the factor that influences zakat distribution efficiency the most out of all of the others. Then, it is followed by physiological needs, social needs and requirements for safety. Finally, esteem

needs were the least influential factor in the efficiency of zakat distribution. This study has provided the zakat institution with a broader perspective by examining the distribution of zakat in non-monetary as well as monetary ways. The study's findings offer valuable insights for all Malaysian zakat institutions seeking to enhance their zakat management through the development of programmes that cater to the needs of recipients in terms of physiologic, safety, social, esteem, and self-actualization needs.

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