

Analysis of Financial Performance Efficiency at the National Amil Zakat Agency (BAZNAS) East Java Province 2018-2020 Period Using Data Envelopment Analysis and the National Zakat Index

Sri Wahyuni Ningsih¹ Indah Yuliana²

¹²Masters in Sharia Economics at UIN Maulana Malik Ibrahim Malang, Indonesia
yuni.sriwahyuni0717@gmail.com, Indahoty@manajemen.uin-malang.ac.id

ABSTRACT

Zakat plays an important role in improving the welfare of a country, especially in supporting economic growth, in this case the government establishes BAZNAS in charge of Managing, Distributing and Empowering Zakat. To know the performance of BAZNAS, it is necessary to evaluate the efficiency. The purpose of this study was to determine the efficiency of the performance of BAZNAS JATIM for the 2018-2020 period by using two approach methods, namely Data Envelopment Analysis and the National Zakat Index. The results of the study using DEA show that the performance of BAZNAS is efficient with an efficiency line of 100% from 2018-2020 and the results using the IZN method show that there was an increase in regulation, which initially in 2018 the regulatory indicator obtained an index value of 0, which means it is not good, has increased in 2019-2020 it was also known that the regulatory indicator scored 1.00 (very good) which means the local government has issued regulations related to zakat. Regarding the allocation of APBN/APBD funds, there is also an increase, namely the indicator value of APBN support is 0.25 (not good), which means that at least 20% of the operational costs of the East Java Baznas can be met with the budget.

Keywords: *performance efficiency, BAZNASJATIM, Data Envelopment Analysis, National Zakat Index,*

INTRODUCTION

In general, in a state government system, success can be recognized if it is able to minimize what is called poverty in a country's development. so that the level of welfare of the country can be recognized by international countries. In this case, the biggest challenge that must be faced by a country is in the form of poverty which must be suppressed so that it can be seen that the welfare of a country can be seen from the percentage of the poverty rate in that country. (www.bps.go.id t.thn.) This is also the difference between developed and developing countries, including Indonesia itself.

Various efforts will be made by the government in order to reduce poverty in the form of providing job opportunities, education guarantees and social assistance will also be carried out. In Indonesia, where the majority of the Muslim community is, of course, has an important role in assisting the government in reducing poverty, because in Islam it is required to help each other in the form of labor and social assistance such as zakat. Zakat is not only wealth issued in the month of Ramadan,

but also professional zakat, zakat maal and others. In this case, the existence of zakat is important because it can help other people whose economic conditions are very difficult. according to(chams eddine djaghballou 2017) The term zakat literally means purification and growth, and in terms is part of the property owned by a Muslim to be spent on certain activities in a certain way at a certain time, as stated in the Qur'an and Hadith.

The application of zakat as an instrument of poverty alleviation so that the level of community welfare can be met and can achieve improved economic conditions in Indonesia as we know that the Indonesian economy now requires policy instruments that are able to lead to a better standard of living. The same thought was also said by(Muhammad 2002)that one that plays an important role in economic development is the existence of zakat institutions. In this case, it is hoped that zakat institutions in Indonesia will be able to have a positive impact on zakat management, both in terms of collection and distribution. As quoted from(Rri.Co.Id t.yr.)that in a year, the total collection of zakat in East Java province can reach around Rp. 80 billion in a year. It is not surprising that the province of East Java is said to be one of the biggest contributors to zakat income. However, this fairly high number is not always constant as in 2020 the total collection of zakat funds is only around Rp. 14 billion, in this case it has decreased quite a lot.

With the total collection of funds, it is certainly a big question for researchers, is the performance of the institution maximal or efficient? In this case, it is necessary to measure performance in order to be able to monitor the performance of the institution. One of them is by measuring the efficiency level of the performance of the zakat institution, because this can be a benchmark that presents maximum results based on the availability of existing data. Like research(Muhammad 2002), which also examines the efficiency of BAZNAS's performance in the 2012-2017 period. The results show that its performance achieved efficiency in 2012-2014 and also in 2017 while in 2015-2016 experienced inefficiency.

The purpose of this evaluation is nothing but monitoring the performance of BAZNAS and as a form of transparency for zakat stakeholders and also as a form of obedience to Allah SWT. (Maulana June 2020). Research related to this was also carried out by(shafaah life restuning 2019). This research was conducted to find out or monitor the performance of OPZ.The results of the analysis can be concluded based on the assumption of CRS there are 7 DMUs that have achieved efficiency with a score of 100%. Meanwhile, based on the VRS assumption, there are 9 DMUs that have reached the efficiency value.

In general (Nature October 2018.)Efficiency is a comparison between input and output and is in the form of maximum results, while inefficiency occurs when the institution or agency that administers zakat contains a poor management system that results in less than optimal performance. Therefore, zakat agencies or institutions are said to be efficient if they are able to manage existing inputs or

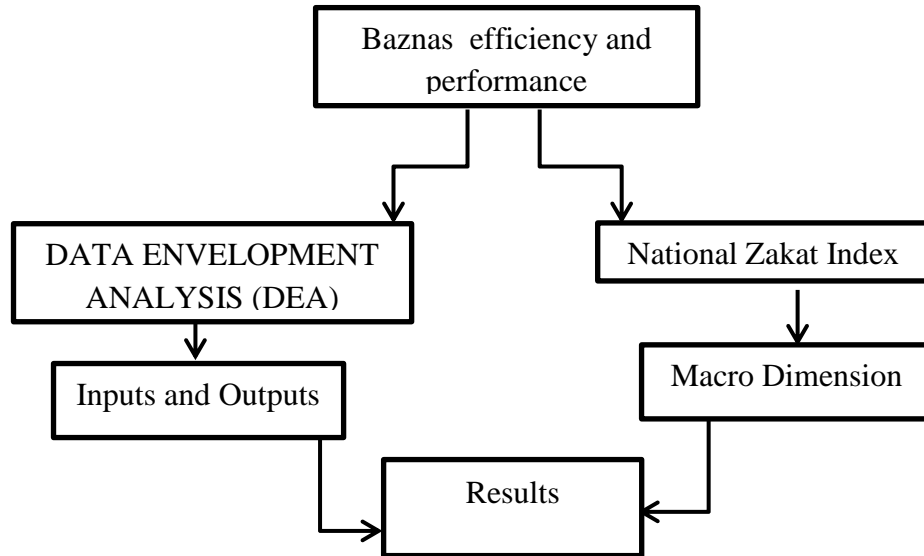
resources into greater output. Poor zakat management will result in inefficiency and result in a lack of public trust in the zakat management body or institution. Apart from this, it cannot be denied that there are still many people who distribute their zakat independently.

The government established the Amil Zakat Agency (BAZ) which is included in Law no. 8 of 2001 and confirmed in Law Number 23 of 2011 to manage both its collection and distribution at the national level. Not only that, the private sector has also established the Amil Zakat Institution (LAZ) which has the same function, only that this LAZ is initiated by the community itself. (Nature October 2018.) Therefore, researchers are interested in conducting research on efficiency analysis at the National Amil Zakat Agency (BAZNAS) of East Java Province using the DEA method and the National Zakat Index as a measure. As an analytical knife, the IZN method was also used in previous studies as well as researchers (Ahmad Sidi Pratomo 2020) stated that to measure the performance of BAZNAS as the contribution of the government and society in developing zakat institutions, it can use measurements on the macro dimension.

RESEARCH METHOD

To measure the efficiency of BAZNAS performance, the researcher uses a quantitative approach and the method used is Data Envelopment Analysis (DEA) and the National Zakat Index or the so-called IZN in the range of 2018-2020. The data used is in the form of secondary data and the data is taken from the BAZNAS JATIM website in the form of financial reports provided by BAZNAS JATIM in the 2018-2020 period. The DEA method uses two variables in the form of inputs (collected funds and assets) and outputs (distributed funds and costs incurred). This method is also known with two model assumptions, namely the assumption of CRS and VRS. The CRS assumption is that each addition of input will be in line with the output, while the VRS assumption is not certain about the existence of harmony between the input and output. This method is very possible to determine the level of efficiency based on the input and output. One of the studies using this DEA (rosyidi. 2018) with The input variables of this research are Funds Collected, Total Costs, and Amil Revenue, while the output variables are Disbursed Funds and Total Assets.

In the IZN method, the government and the community greatly contribute to the development of zakat management, which in this case is included in the large-scale economic benchmark. Variables; or this dimension has 3 indicators: regulation, government budget support (APBN/APBD) and database of zakat institutions. according to (Ayu Ruqoyyah Yunus June 2019) This method combines the stages of assessment in the preparation of the index, this makes the assessment of each component in stages. Below is a schematic of the research agreement, this aims to make it easier meaning or the purpose of this research.



RESULTS AND DISCUSSION

a. Analysis Results

The benchmark on the efficiency value of BAZNAS Performance is 100% or 1.00 so if the efficiency value is less than 100%, the performance of BAZNAS is getting less efficient. Researchers analyze performance efficiency using *Warwick DEA*. by entering the input and output variables and the result as follows:

Table 1
East Java BAZNAS financial report 2018-2020

DESCRIPTION	2018	2019	2020
Funds Raised	195,092,051,942	289,891,424.196	381,694,047,416
Fixed assets	1,651,420,448	2,066,595,639	2,294,319,227
Asset Management	13,722,396,766	31,594,219,915	29,925,679,644
Total Input	210,465.871,174	323.552.241.769	413.914.048.307
Disbursed Funds	241,096,134,243	270,716,950,765	353.146.434.765
Operating costs	17,017,308,950	24,067,882,523	26,048,461,856
Total Output	258,113,443,193	294,784,833,288	379,194,896,621

Source: Self Processed Data

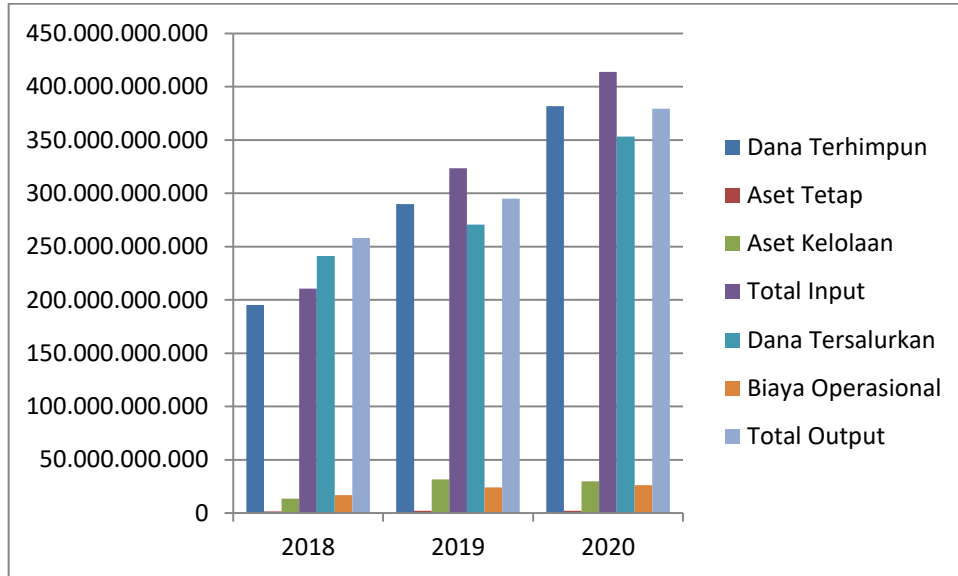


Figure 1

East Java BAZNAS financial report 2018-2020

The data obtained from the BAZNAS JATIM website is in the form of financial reports, the researchers process the data and display the results in the form of tables and graphs so that they are easily understood by readers. Based on the results of the data processing, it is known that from 2018-2020 the input and output variables have increased. Furthermore, the researcher also includes the results of calculations based on the assumptions of CRS and VRS.

Table 2.

VRS and CRS perhitungan calculation results

Description	VRS Input and output (Percent Efficiency)	Input and Output CRS (Percent Efficiency)
National Baznas 2018	100.00%	100.00%
Baznas 2019	100.00%	100.00%
Baznas 2020	100.00%	100.00%

Based on the calculation results of the CRS and VRS assumptions, the efficiency level of BAZNAS JATIM is 3year that is, starting in 2018-2020 has reached efficiency, because the value is perfect, namely 100%.

b. Discussion

Efficiency analysis results BAZNAS financial performance

In addition to the efficiency value above, there is an actual value (the original value of the variables that have been calculated). obtained), Achived, namely the percentage and additional value added to achieve the target then Target

(recommended value to reach the maximum) The results of the calculation of efficiency starting from 2018-2020 are shown in the table below:

Table 3.

DEA Analysis Results 2018

VARIABLE	ACTUAL	TARGET	TO GAIN	ACHIVED
Funds Raised	195.092.051.940	195.092.051.940	0.00%	100.0%
Fixed assets	1,651,420,448	1,651,420,448	0.00%	100.0%
Asset Management	13,722,396,766	13,722,396,766	0.00%	100.0%
Disbursed Funds	241,096,134,240	241,096,134,240	0.00%	100.0%
Operating costs	17,017,308,950	17,017,308,950	0.00%	100.0%

Source: Processed Data

We can understand from the table above that the performance of BAZNAS JATIM can be said to be efficient. It is shown that BAZNAS JATIM with a score achieved 100% in 2018 with an efficiency score based on the assumption of CRS and VRS. The target value shows the same value as the actual which means that efficiency has been achieved. In this case, the management of BAZNAS JATIM for the 2018 period is very good and has been maximally efficient.

Table 4.

DEA Analysis Results for 2019

VARIABLE	ACTUAL	TARGET	TO GAIN	ACHIVED
Funds Raised	289,891,424,200	289,891,424,200	0.00%	100.0%
Fixed assets	2,066,595,639	2,066,595,639	0.00%	100.0%
Asset Management	31,594,219,915	31,594,219,915	0.00%	100.0%
Disbursed Funds	270,716,950,760	270,716,950,760	0.00%	100.0%
Operating costs	24,067,882,523	24,067,882,523	0.00%	100.0%

Source: Processed Data

Based on the results of data processing above, it can be seen that in the 2019 period the Target and Actual values show the same numbers, which means that they are in accordance with the achievement targets. Compared to the previous year, the accumulated funds continued to increase. The increase in BAZNAS does not only apply to inputs but also to output variables, in this case it can be said that BAZNAS is able to manage funds according to targets with small costs. However, BAZNAS must be able to maintain this maximum performance so that it can become public trust. This is different from the research that has been done by(Maulana June 2020)who are both researching aboutperformance efficiency but with a different location, namely BAZNAS Yogyakarta. The result in 2016 only achieved 97% efficiency and 3% inefficient besides that in 2015, 2017 and

2018 obtained an efficiency value of 100%. From this research, it should be a reference and a challenge for BAZNAS Yogyakarta to maximize its performance.

Table 5
DEA Analysis Results for 2020

VARIABLE	ACTUAL	TARGET	TO GAIN	ACHIVED
Funds Raised	381,694,047,420	381,694,047,420	0.00%	100.0%
Fixed assets	2,294,319,227	2,294,319,227	0.00%	100.0%
Asset Management	29,925,679,644	29,925,679,644	0.00%	100.0%
Disbursed Funds	353.146.434.760	353.146.434.760	0.00%	100.0%
Operating costs	26,048,461,856	26,048,461,856	0.00%	100.0%

Source: Processed Data

BAZNAS performance measurement in 2020 obtained a score of 100% which means it is efficient. The target value is also in accordance with the actual value, both assuming CRS and VRS. Other studies have proven that to achieve efficiency, the actual value is at least equal to the target value and is supported by a to gain of 0%.(Nur Khaerat Session April 2021)in his researchRumah Zakat Indonesia in 2010, 2011, 2012, 2013, 2014, 2017, 2018 and 2019 which was 100% experienced efficiency and experienced inefficiency, namely in 2015 which was 98.1% and in 2016 it was 99.5%. This inefficiency occurs because the actual value is not the same as the target value.

Results IZN BAZNAS East Java Province

Markthis is the weighting of the two dimensions forming the NZI, namely the macro and micro dimensions. However, here only the results of the macro dimensions will be attached. The following data were obtained from the zakat management center which were further processed. (puskasbaznas.com/publications/books/t.thn.)

Table 6
BAZNAS Macro Dimension Index Value of East Java Province 2018

Variable	Index	Indicator	Index	Dimension
Regional Regulation	0.00	Regulation	0.00	
State Budget Support for BAZNAS	0.00	State Budget Support	0.00	
Number of Official Zakat Institutions, Mustahik and Muzaki	0.75			macro
Ratio of the Number of Individual Muzaki to Households at Provincial Level	0.00	Zakat institution database	0.50	0.15
Ratio of the Number of Muzaki of Business Entities to the Number of	0.75			

Business Entities at the Provincial Level

Source: Puskas, 2018 (data processed)

Results analysis in 2018 on regulatory indicators obtained an index value of 0, which means it is not good. This is because East Java Province has a Regional Regulation (Perda) on Zakat for less than 25% of districts/cities in East Java Province. Judging from the allocation of APBN/APBD funds, there is already an allocation of APBN/APBD for BAZNAS East Java Province operational funds of less than 20%. Therefore, on this indicator of APBN/APBD support, East Java Province gets an index value of 0. Meanwhile, on the indicator of the zakat institution database, East Java Province gets an index value of 0.50, meaning that it is quite good. The variable number of official zakat institutions, muzaki, and mustahik obtained an index value of 0.75, which means that East Java Province already has a database of the number of official zakat institutions, the number of muzaki, and mustahik per institution.

Table 7
BAZNAS Macro Dimension Index Value of East Java Province 2019

Variable	Index	Indicator	Index	Dimension
Regional regulations	1.00	Regulation	1.00	
State Budget Support for BAZNAS	0.25	State Budget Support	0.25	
Number of official zakat institutions, mustahik and muzaki	0.75			
The ratio of the number of individual muzaki to households at the provincial level	0.00	Zakat institution database	0.25	macro 0.48
Ratio of the number of muzaki business entities to the number of business entities at the provincial level	0.00			

Source: Puskas, 2019 (data processed)

In general, the value of the macro dimension is 0.48 (good enough), from the table above it is also known that the regulatory indicators get a value of 1.00 (very good) which means the local government has issued regulations related to zakat. The indicator value of APBN support is 0.25 (not good) which means that at least 20% of the operational costs of the East Java National Baznas can be met with the budget. The next indicator is the Database, where BAZNAS East Java gets a score of 0.25 (not good). The value of the variable Number of official zakat

institutions, mustahik and muzakki is 0.75 which means East Java BAZNAS has at least 3 databases of the number of official zakat institutions, the number of muzakki, the number of mustahik and the number of maps of their distribution. The second variable is the ratio of the number of individual muzaki to households at the provincial level which has a value of 0, 00 which means the ratio between the number of muzakki and Muslim households is still below 1.00%. And the last variable is the ratio of the number of muzakki to business entities at the provincial level with a value of 0.00 which indicates that the percentage of the number of business entities registered as muzakki in BAZNAS JATIM is less than 1.00%.

The results of this study are not much different from those carried out by (Attending 2020) using IZN on BAZNAS Yogyakarta city, The results show that the performance of zakat management in Yogyakarta is quite good with an index value of 0.4878 which is quite good.

Table 8
BAZNAS Macro Dimension Index Value of East Java Province 2020

Variable	Index	Indicator	index	Dimension
Regional regulations	1.00	Regulation	1.00	
State Budget Support for BAZNAS	0.25	State Budget Support	0.25	
Number of official zakat institutions, mustahik and muzaki	1.00			
The ratio of the number of individual muzaki to households at the provincial level	0.00	Zakat institution database	0.30	macro 0.49
Ratio of the number of muzaki business entities to the number of business entities at the provincial level	0.00			

Source: Puskas, 2020 (data processed)

Based on the results of the above processing, it can be understood that BAZNAS of East Java Province obtained an index value of 0.49 (Good Enough). A perfect score or 1.00 is achieved by the regulatory indicator which means that there are regulations management zakat at the level of East Java Province and regional heads who actively support it. Meanwhile, the index value of 0.25 on APBD support means that APBD assistance provided by local governments has been able to cover at least 20% of operational costs. The third indicator is the database where BAZNAS of East Java Province gets a score of 0.30 (Unfavorable).

The value of the variable number of official zakat institutions, muzaki and mustahik is 1.00, which means that BAZNAS of East Java Province has all of the required databases. The second and third variables that make up the database indicators are the ratio of the number of individual muzakki to households and the ratio of the number of business entities' muzaki to business entities in East Java Province. Both of these variables get a value of 0,

CONCLUSION

Performance efficiency analysis of BAZNAS is one way to determine the level of achievement of BAZNAS itself by using various methods, one of which is using the DEA and IZN methods. Based on the results of the East Java BAZNAS efficiency analysis starting from 2018-2020, it shows the maximum efficiency value, namely with an efficiency level of 100%, in this case it is expected that BAZNAS JATIM can maintain maximum performance. In addition, through the IZN BAZNAS JATIM method in 2018 on the macro dimension it obtained an index value of 0.15 in this case it was interpreted as not good because the indicator of regional regulation on zakat was less than 25%, while in 2019 it obtained a macro dimension value of 0, 48 which means quite good and in 2020 it gets a value of 0. 49 which in this case is increasing every year. In this case, it is hoped that BAZNAS JATIM can maintain maximum performance and continue to make improvements, both from regulatory indicators and from other indicators.

REFERENCES

- Ahmad Sidi Pratomo, Shulhan Zainul Afkar. "Macro Dimensional Index of Mataram City Baznas based on the national zakat index." codification: Islamic research journal, vol 14 np 01 , 2020: 195-212.
- Alam, Azhar. "Analysis of the Efficiency of the Management of Zakat Infak Alms (ZIS) Funds in the Baznas of the Regency/City of the Residency of Surakarta Using the DEA Data Envelopment Analysis Method." *Iqtishoduna* Vol. 7 No. 2 , October 2018.
- Ayu Ruqoyyah Yunus, et al. "The performance of the national zakat agency in South Sulawesi province macro review." *ASSTES*, Volume 9, Number 1, , June 2019.
- chams eddine djaghballou, mohaned djaghballou, mousa larbani and azhar mohammad. "Efficiency and Productivity performance of zakat funda in ageria." *international journal of islamic and middle eastern finance and management* vol 11 no 3, 2017.
- Haidir, M. Samsul. "Performance Analysis of Zakat Management in the National Amil Zakat Agency (BAZNAS) Yogyakarta City." *Islamic Economic Journal* Vol 11 No. 1 January-June, 2020.
- Maulana, Nurfadilah. "Analysis of Performance and Efficiency of Zakat Fund Management: Study of Yogyakarta National Development Planning Agency for the 2015-2018 Period." *Laa Maisyir*, Volume 7, Number 1,, June 2020.

Muhammad. Professional Zakat: Thought Interviews in Contemporary Fiqh. Jakarta: Salemba Diniyah, 2002.

Nur Khaerat Session, Nur Feriyanto. "Analysis of the Financial Performance Efficiency of the Indonesian Zakat House Amil Zakat Institution (LAZ) with the Data Envelopment Analysis (DEA) Method, April 2021." Journal of Baabu Al-ilmu Volume 6 No. 1, April 2021.

puskasbaznas.com/publications/books/.t.yr.

<https://puskasbaznas.com/publications/books/> (accessed October 2021).

rosyidi., Selvia rustiani and suherman. "Measurement of efficiency and productivity of zakat institutions in Indonesia using data envelopment analysis and the malmquist productivity index." International journal of zakat. Vol 3 (3) 2018 69-82. , 2018.

Rri.Co.Id.t.yr.

syafaah biological restunon, syah amelia manggala princess. "The Efficiency Of Zakat Management Organizations In Indonesia: Data Envelopmen Analysis Approach." muqtashid vol 10 no2, 2019.

www.bps.go.id.t.yr. <https://www.bps.go.id> (accessed September – October 2021).