How Governance Practices Influence Mandatory Zakāh Payment in Saudi Arabia?

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ABSTRACT. The purpose of this study is to investigate the influence of governance practices of the formal zakāh authority in Saudi Arabia, the GAZT (General Authority of Zakat and Tax), on zakāh payment compliance. It employs a quantitative approach using a questionnaire survey of actual zakāh payers in Saudi Arabia. The analysis of one hundred and twenty-five usable questionnaires collected through random sampling from al-Madinah region was done using the PLS (Partial Least Squares) - SEM (Structural Equation Models) technique. The results suggested that the perceived transparency and disclosure, and the perceived procedural fairness had significant and positive relationships with zakāh payment compliance. In addition, trust was found to have a mediating effect on the relationship between the perceived governance of the zakāh authority and zakāh payment compliance. The study’s findings provide interesting insights that benefit both theory and practices.

KEYWORDS: Zakāh institution; Governance; Transparency; Fairness; Zakāh compliance; Saudi Arabia.

JEL CLASSIFICATION: P40, H83, Z13, C54

KAUJIE CLASSIFICATION: E15
1. Introduction

Zakāh is an integral part of the Islamic economic policies that lead to a fair redistribution of wealth aiming to alleviate poverty and reduce the socio-economic gaps (al-Qaradawi, 2006, pp. 7-8). It is reported that the institution of zakāh had achieved optimum effectiveness, particularly during the reign of the Caliphs Umar bin Al-Khattab (13-22H) and Umar bin Abdul Aziz (99-101H) (al-Omar, 1996, pp. 15-17). Such examples demonstrate how zakāh can be a powerful and effective mechanism in combating poverty and reducing income inequality.

Moreover, the implementation of zakāh had long been run by the state authority. Evidence indicates that the early institution of zakāh was established and managed by the Prophet (ﷺ), and this responsibility was passed to his rightly guided Caliphs. The Prophet (ﷺ) used to personally oversee and manage zakāh affairs. According to Hasanuzzaman (1991, p. 169), the collection of zakāh by the state (zakāh workers) began in the 9th year after Hijrah. The Prophet (ﷺ) selected zakāh workers from his companions and instructed them regarding the moral conduct during the collection, assessment, and distribution of zakāh. Overall, it could be said that the management of zakāh had been run by the public authority of the state until the end of the Ottoman Caliphate (Uqlah, 1985, p. 23). However, the attention and commitment given to zakāh by the Muslim rulers varied from one era to another due to different reasons and circumstances. The long history of the institution of zakāh indicates that zakāh constitutes an essential component of the Islamic economic system. The success of this institution, especially during early times, had been possible because of the trustworthy management, which had encouraged zakāh payers to comply with zakāh collectors (Hasanuzzaman, 1991, p. 175).

However, the role of contemporary zakāh institutions is said to be insignificant. Several scholars assert that zakāh has not been given due attention to realize its potential in improving the prosperity of Muslim communities (al-Qaradawi, 2006, p. 10). Even though a few Muslim countries have established formal zakāh bodies run by the state, such as Saudi Arabia, it is reported that they face significant challenges in ensuring zakāh payers’ compliance, which is essential for optimizing zakāh effectiveness (Guermat, al-Utaibi, & Tucker, 2003, p. 3; Saad & Haniffa, 2014, p.183; Shirazi & Amin, 2006, p. 58).

For example, although the Saudi government imposes a mandatory payment of zakāh, particularly from business entities since 1951, the collected zakāh through the official zakāh body, The General Authority of Zakat and Tax (GAZT), is said to be insufficient. Evidently, zakāh revenues have been far from satisfying the needs of Saudi families receiving subsidies from the Saudi Social Security Agency (SSA) as shown in figure 1. Moreover, previous studies have suggested that among the various causes of zakāh non-compliance issues is the lack of trust, which likely results from the lacking transparency and perceived fairness of zakāh collection and distribution procedures (al-Saad, 2013, p. 73; Asiri & Yamani, 2017, p. 5).

Therefore, concerns over the lack of effectiveness of current zakāh institutions have encouraged researchers to investigate issues and challenges towards improving zakāh effectiveness. For example, several studies have discussed issues impeding zakāh institutions’ effectiveness, including the regulatory framework (Abdullah, 1995; al-Omar, 1995; Powell, 2009); zakāh management (Farhan, 2008; Ghazali, Saad, & Abdul Wahab, 2016; Guermat et al., 2003; Htay & Salman, 2014); and human resource quality (Adnan, Kamaluddi, & Kasim, 2013). Others discussed the efficiency and use of technology within zakāh institutions (Abd. Wahab & Abdul Rahman, 2011); performance and the development of performance measurements for zakāh institutions (Fadilah, 2013; Noor, Abdul Rasool, Abdul Rahman, Yusof, & Ali, 2012; Said, Ghani, Zawawi, & Yusof, 2012); and zakāh payment compliance (Ahmad, Nor, & Daud, 2011; Khamis, Salleh, & Nawi, 2011; Saad & Haniffa, 2014).

Recently, the search for improving the effectiveness of zakāh institutions has led to a growing interest in the areas of governance and its relationship with other aspects like efficiency, performance, trust, and zakāh payment compliance. However, the current study focuses on the influence of governance as a comprehensive concept on zakāh payment compliance. These two concepts can be considered as the primary challenges, while the other aspects are secondary ones because they relate directly or indirectly to them.
How Governance Practices Influence Mandatory Zakāh Payment in Saudi Arabia?

Figure (1) Difference Between Zakāh Collected by GAZT and Funds Distributed by SSA

Source: Prepared by authors; statistics were retrieved from the GAZT website (https://gazt.gov.sa) and the annual report of SSA.

2. Literature Review

2.1 Governance of Zakāh Institutions

Governance has been defined as “the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved” (IFAC & CIPFA, 2014, p. 8). In the context of zakāh institutions, Abd. Wahab and Abdul Rahman (2011, p. 47) defined governance as the organizational structures and mechanisms intended to maintain proper and accountable management of zakāh collection and distribution.

There have been a few studies discussing governance in the context of zakāh institutions and its relationship with different aspects. For example, Fadilah (2013) investigated the relationship between governance and organizational performance in the context of zakāh institutions in Indonesia. Fadilah found that good governance has a positive influence on the performance of zakāh institutions. Also, Abd. Wahab & Abdul Rahman (2011) explored the relationship between governance and efficiency, and found a positive correlation between the two. In addition, Mustafa, Mohamad, and Adnan (2013) examined the relationship between governance and zakāh payers’ trust in the context of Nigerian zakāh institutions.

Although their study could be considered similar to the current study, the contexts of the two studies differ in terms of the nature of zakāh payment, which is a form of charity in Nigeria and mandatory in Saudi Arabia. Such a difference presents additional factors to be considered when examining the role of governance, such as the role of zakāh laws and legal processes and procedures.

2.2 Zakāh Payment Compliance

In order to realize the full impact of zakāh, it is essential for zakāh institutions to attract greater resources from zakāh contributions. Accordingly, several studies have explored factors influencing zakāh compliance behaviors. A few zakāh compliance models have been proposed based on the different approaches of zakāh legal systems; whether it is a mandatory or a voluntary payment.

For example, using the Theory of Reasoned Action (TRA), Saad and Haniffa (2014) examined the influence of attitude and subjective norm on determining zakāh compliance intention. However, the TRA is relevant to understand zakāh compliance at an individual level as a voluntary act, but it is not
comprehensive of the role of formal zakāh institutions, which is essential to achieve the macro objectives of zakāh. Accordingly, Izlawanie Muhammad (2016) proposed additional factors that influence zakāh compliance intention. These factors include attitude, the role of zakāh administrators, business profitability, and the age of business establishment.

Furthermore, Khamis et al., (2011) proposed another model based on two economic theories – the Rational Choice Theory and the Expected Utility Theory. The model comprised six factors that likely influence zakāh compliance behavior, namely: (i) the level of religiosity, (ii) the level of knowledge, (iii) the length of business operation, (iv) the organization factor, (v) government incentives, and (vi) the law enforcement factor. Similarly, Ahmad et al., (2011) have developed a zakāh compliance model for formal institutions. The authors identified several factors, namely: (i) law enforcement, (ii) religious commitment, (iii) knowledge of zakāh, (iv) access to a payment system, (v) trust upon the formal zakāh institution, (vi) perception of the tax system, and (vii) the reference group effects or the environment’s effects.

2.3 The Influence of Governance on Zakāh Payment Compliance

Overall, prior studies discussing determinants of zakāh payment compliance have fallen short of exploring factors related to zakāh organizations. It is of prime importance that such factors be investigated due to their likely significant influence on zakāh payment compliance. Among the relevant studies that discussed this relationship, is the study conducted by Mustafa et. al. (2013), which investigated the antecedents of zakāh payers’ trust towards a zakāh institution. Drawing upon the legitimacy theory and the early zakāh management practices, the authors identify four factors as antecedents of zakāh payers’ trust. These four factors include the perceived board capital, perceived disclosure practices, perceived stakeholder management, and the institutional model, e.g., governmental or charity institution. Accordingly, the findings suggest that three factors were determinants of zakāh payers’ trust, while the perception of the institutional model showed insignificant influence.

However, the current study attempts to broaden the discussion by examining the impact of governance practices on zakāh payment compliance, particularly on mandatory zakāh payment. In doing so, it adopts some of the factors mentioned above as identified by the Mustafa et al. (2013) study. In addition, the current paper proposes other factors that suit the nature of mandatory zakāh payment. These factors include the perceived administration, perceived performance, perceived transparency and disclosure practices, and perceived procedural fairness.

3. Theoretical Underpinnings

The current paper’s argument regarding the relationship between governance and zakāh payment compliance can be supported by the Organizational Legitimacy Theory (OLT) and the Islamic accountability principle. The OLT, which is derived from the political economy literature, postulates that the perceived legitimacy of an organization or authority has a crucial role in determining the acceptance of its activities and decisions (Tyler, 2006). The OLT provides theoretical support to the relationship between the legitimacy of an organization (zakāh institutions in this case), as demonstrated by their governance practices, and the public recognition and acceptance of its role, as shown by zakāh payers’ compliance.

The legitimacy of zakāh institutions is well-rooted within Islamic history and the religious values of Muslims. However, the management of zakāh bodies is always required to demonstrate and maintain their legitimacy by following the early practices set by the Prophet Mohammed (ﷺ) and his pious successors in the management of the institution of zakāh. Such exemplary practices establish the legitimacy that zakāh stakeholders would accept. Mustafa et al. (2013, p. 7) identify six trust-building mechanisms derived from the early management, which include trusted leadership, accountability of the management, the employment of trustworthy workers, the integrity of zakāh workers, fair treatment of zakāh payers and zakāh beneficiaries.

Moreover, accountability has a central place in the Islamic belief that leads its followers to pursue ḥalāl (“success”) in this world and the hereafter. The dual worldview adds broader dimensions to the concept of accountability in Islam than its meaning in the traditional view by observing accountability to Allah Almighty in every act (Abdul Rahman, 2010, p.8). Accordingly, accountability is vital for maintaining the legitimacy and credibility of zakāh institutions in
pursuing the Shari‘ah objectives of zakāh. Thus, to please Allah and meet the expectation of zakāh stakeholders, zakāh administration must be free from any fraud, misuse of zakāh fund, or other malaises in the management of zakāh (Saad, Abdul Aziz, & Sawandi, 2014, p. 511).

On the other hand, zakāh payers seek accountability to Allah by ensuring their zakāh is delivered to the rightful beneficiaries. A gap of trust towards zakāh institutions leads zakāh payers to pay their zakāh directly or indirectly through unofficial channels. The problem of trust is likely to be caused by the lack of accountable practices, which undermines the legitimacy and credibility of zakāh institutions and likely discourages zakāh payment compliance.

4. Research Framework

The development of the conceptual model was based on the review of the literature and the qualitative data analysis collected for this study (Sawmar & Mohammed, 2019). Overall, the framework of this study is depicted in the developed model concerning Zakāh Governance-Compliance Relationship (ZGCR). The ZGCR model (figure 2) contains four governance-related factors, namely: (i) the perceived administration; (ii) the perceived performance; (iii) the perceived transparency and disclosure practices; and (iv) the procedural fairness. These factors were assumed to have a significant influence on zakāh payment compliance. In addition, it is assumed that trust has a mediating effect between the perceived governance quality represented by the four factors and zakāh payers’ compliance.

Figure (2) The Developed ZGCR Model and Research Hypotheses

Source: Prepared by authors.

5. Hypothesis Development

In order to examine the generalizability of the developed ZGCR model, nine hypotheses have been developed to examine the relationships between the research variables. The development of these hypotheses is detailed as follows:

1. The administration department of an organization is the backbone that facilitates the sound running of its operations. In the current context, the perceived administration construct refers to the top-level management in charge of formulating policies, setting objectives, allocating resources, and supervising the organizational operations. Hence, the administration factor is a broad construct that includes several aspects pertaining to the board and leadership qualities, the perceived organizational mission and objectives, and the organizational capacity to carry out zakāh management.
The review of the literature suggests that the leadership of an organization has a crucial role in ensuring the alignment with the direction and the commitment to achieving the organization’s objectives. Also, the leadership is responsible for building and maintaining a positive image which reflects their accountability to the organization’s stakeholders. Accordingly, the board and leadership have a vital role in monitoring the performance and setting the appropriate structure to optimize the efficiency and effectiveness of their organization (Kakabadse, Kakabadse, & Myers, 2009, p. 4). According to the study by Mustafa et al., (2013, p. 17), the board capital of zakāh institutions was found to influence zakāh payers’ trust. The administration hypothesis can also be supported by the OLT theory and the principle of accountability in Islam. According to the OLT, the legitimacy of a firm is determined by the objectives, methods, and processes involved in conducting the firm’s operations.

The aspects included in this hypothesis were derived from the literature based on stakeholders’ expectations (Gabris, Golembiewski, & Ihrke, 2001; Harrison, Murray, & Cornforth, 2013; Kakabadse, Kakabadse, & Myers, 2009). Therefore, it is expected that zakāh administrators should exhibit the required qualities and commitment to managing zakāh affairs. They are also expected to perform their responsibilities in setting a clear message and objectives that are consistent with the zakāh objectives. In addition, they are expected to provide zakāh organizations with the appropriate capacities and structure which enable the proper and efficient functioning of zakāh management departments. Thus:

Hypothesis 1: There is a significant positive relationship between the perceived administration of the GAZT and zakāh payment compliance.

2. The goals for performance measurement of zakāh institutions could be similar to charity organizations which include: (i) meeting the expectations and standards set by funders or donors; (ii) providing satisfactory services to stakeholders; (iii) enhancing staff performance through learning and development; and (iv) demonstrating the management accountability and transparency to stakeholders (Yang, Brennan, & Wilkinson, 2014, p. 781). Positive perceptions about the performance of charities help in building long-term trust, which is the foundation of the supportive relationship between funders and charitable organizations (Edwards, 1999, as cited in Yang et al., 2014, p. 782). Hence, the relationship between the perceived performance of the GAZT and zakāh compliance can be supported by the literature on charity giving behavior, which is similar to the act of zakāh payment, especially when it is paid voluntarily. As discussed earlier, the literature suggests that effective performance of charity has a crucial role in maintaining donor’s trust and commitment to supporting particular charity organizations (Sargeant & Lee, 2004; Yang et al., 2014). Performance assessment of charity includes economic measures and non-economic performance, such as service quality, donors’ satisfaction, service users’ satisfaction, program effectiveness, etc.

In addition, the relationship between the perceived performance and compliance behaviors has been addressed in the tax compliance literature, which could also have some similarities with mandatory zakāh collection, as the current case. The perceived performance of the tax authority is seen through the quality of services, educating taxpayers, and the treatment of taxpayers by the tax authority (Gangl et al., 2013). The findings suggest that perceived service orientation of the tax authority is positively related to tax compliance intentions. Also, the perceived trustworthiness of the tax authority mediates this relationship. Thus:

Hypothesis 2: There is a significant positive relationship between the perceived performance of the GAZT and zakāh payment compliance.

3. Disclosure of information is an effective way for zakāh institutions to demonstrate their transparency and accountability to zakāh stakeholders and the public. This influence of transparency and disclosure on zakāh payment compliance can be supported by the OLT theory, the Islamic accountability principle, and the findings from relevant literature. The OLT relates the legitimacy of a firm or authority, which is established based on its alignment with the sets of beliefs and values of the society. Thus, zakāh institutions are required to demonstrate this alignment by following the example set by the early administration of zakāh. The demonstration of legitimacy should be evident through transparent management and adequate disclosure of information that prove adherence to zakāh rules. Also, accountability requires following sufficient disclosure practices that provide a flow of information. Zakāh payers need to be assured that
the zakāh fund is handled properly and delivered to the rightful beneficiaries. Negative perception about the transparency and disclosure practices could trigger a trust issue and discourage zakāh payment compliance through the official channels.

The influence of transparency on compliance has also been addressed in the tax compliance literature. The transparency of tax authority in providing information accessibility regarding tax revenues and processes is found to have a positive influence on taxpayers’ trust and tax compliance (Devos & Zackrisson, 2015). Although the transparency of zakāh institutions has been addressed in the literature, there has not yet been any empirical finding to support the assumed relationship in the context of zakāh compliance. However, Mustafa et al. (2013) have examined the influence of disclosure practices of zakāh institutions on zakāh taxpayers’ trust. The findings suggest reasonable support for the hypothesized relationship. Thus:

Hypothesis 3: There is a significant positive relationship between the perceived transparency and disclosure of the GAZT and zakāh payment compliance.

4. The literature suggests that procedural fairness is associated with the legitimacy of the authority. Fairness is perceived through the procedures and processes followed when power is exercised, and decisions are made. Positively perceived fairness would likely encourage cooperative behaviors and acceptance of the decisions made. On the other hand, a negative perception may lead to alienation, resistance, and non-cooperative behaviors (Sunshine & Tyler, 2003, pp. 535-536). The influence of the procedural fairness on compliance can be supported by the literature. For example, studies investigating the relationship between the procedural fairness of the police (Jackson et al., 2012) and tax authority (Murphy, 2005) and compliance behaviors have associated between the perceived legitimacy, the perceived procedural fairness, and compliance behaviors.

However, the term procedural fairness has limited recognition in zakāh compliance literature. The absence of the term “procedural fairness” can be attributed to the lack of or ineffective regulations of zakāh, which is perceived as a voluntary payment in most Muslim countries. Nonetheless, it can be assumed that the perceived fairness of the process concerning zakāh collection and distribution has a significant influence on zakāh taxpayers’ compliance, particularly when it is imposed by the state. Thus:

Hypothesis 4: There is a significant positive relationship between the perceived procedural fairness of the GAZT and zakāh payment compliance.

5. The significance of trust in the non-profit and charity sector is evident. Trust lies at the heart of charity and defines the credibility of charitable organizations. Trust has a crucial role in stimulating support and funding from the public and potential donors (Sargeant & Lee, 2004, p. 614). Notably, formal zakāh institutions also share significant attributes with the charity sector regarding their dependence on trust and support of zakāh taxpayers. Thus, zakāh taxpayers’ trust towards the administration of zakāh is imperative to encourage greater zakāh compliance which enables them to pursue the achievement of zakāh objectives in their societies.

Several studies have found a significant relationship between trust and compliance behaviors in various contexts (Marien & Hooghe, 2011; Murphy, 2004; Wahl, Kastlunger, & Kirchler, 2010). Although a few studies have suggested the influence of trust on zakāh compliance behaviors, there is yet little empirical evidence to support this relationship. Nonetheless, the discussion of the underpinning theories and relevant literature provides reasonable support to the fifth hypothesis.

Hypothesis 5: There is a significant positive relationship between zakāh taxpayers’ trust and zakāh payment compliance.

6. The mediating effect of trust can be also supported by the OLT theory and relevant literature. The link between trust and the four factors identified in the ZGCR model has been addressed within various contexts of literature. For example, Yang et al. (2014, p. 783) investigated the features through which charity organizations are regarded as trustworthy. Among the features found were making positive changes or values; being well-managed; having a good reputation and image; being transparent; and providing good quality services to stakeholders. Evidently, these features are similar to the factors developed in the ZGCR model, which are: the perceived administration, the
perceived performance, the perceived transparency and disclosure practices, and the perceived procedural fairness.

Moreover, the administration factor reflects the perceived competence of the organization and its leadership which was found as an antecedent of zakāh payers’ trust (Mustafa et al., 2013, p. 16). The competence of the trustee refers to having the required skills, abilities, and knowledge for performing the duty entrusted. Regarding the second factor “the perceived performance”, the literature suggests that effective performance, particularly in charity, helps in building long-term trust and encourages commitment and support from funders (Luhmann, 1979, as cited in Yang et al., 2014, p. 783). Also, the literature suggests that transparency and disclosure practices are paramount to stimulate trust (Rawlins, 2008, p. 16). Lastly, trust has also been associated with procedural fairness in several studies. These studies suggest an association between the perceived procedural fairness of authority, trust, and compliance behaviors (Grimes, 2006; Hough, Jackson, & Bradford, 2013; Murphy, 2005).

Therefore, it can be assumed that trust mediates the relationships between the perceived governance of the zakāh authority, represented by the four factors, and zakāh payment compliance. Zakāh payers are likely to evaluate the quality of governance based on their experience. A positive or negative experience concerning the four factors can either improve or impair their trust, which consequently affects their zakāh payment compliance. Thus:

Hypothesis 6: Trust mediates the relationship between the perceived administration of the GAZT and zakāh payment compliance.

Hypothesis 7: Trust mediates the relationship between the perceived performance of the GAZT and zakāh payment compliance.

Hypothesis 8: Trust mediates the relationship between the perceived transparency and disclosure of the GAZT and zakāh payment compliance.

Hypothesis 9: Trust mediates the relationship between the perceived procedural fairness of the GAZT and zakāh payment compliance.

6. Research Methodology

This study has employed a quantitative approach using cross-sectional survey questionnaire to collect the data from the study sample. The targeted population consisted of zakāh payers who are liable to pay their zakāh to the official zakāh authority in Saudi Arabia, the GAZT. The total number of the population who are subject to mandatory business zakāh payment reached 678,565 establishments in 2017 as per the GAZT website (https://bit.ly/2IeV6iT). However, due to the difficulties of reaching zakāh payers across vast geographical areas, the study employed the purposive convenience sampling to select the al-Madinah region from all Saudi Arabia administrative regions. The selection of al-Madinah was based on the accessibility of zakāh payers’ contacts through the al-Madinah Chamber of Commerce and Industry (MCCI) database. Besides, al-Madinah has a large number of businesses, reaching more than 37,177, which include various sectors and industries, such as hajj (Islamic pilgrimage) and ‘umrah services industry, construction, private education, farming, real estates, etc. (MCCI, 2017, p. 28). Accordingly, the study questionnaire was distributed online through an SMS invitation sent randomly to the phone numbers of 2,000 business owners.

Instrument development: The development of the quantitative instrument was derived from prior studies and, in large part, from the data collected qualitatively at a previous stage (see Sawmar & Mohammed, 2019). The developed instrument was validated through a panel of judges (two experts in the research area). Also, a pilot study was performed to test the instrument’s reliability and its clarity to the study respondents. The content of the developed questionnaire is shown in Table 1.
### Table (1) The Developed Questionnaire Items

<table>
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<th>Research variables</th>
<th>Measurements</th>
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| 1- Perceived administration | 1- I am satisfied with the GAZT mission and objectives regarding the management and collection of zakāh.  
2- I think that the GAZT mission and objectives regarding the management of zakāh collection are clear and consistent with the Sharīʿah objectives of zakāh.  
3- I think that the administration of the GAZT has adequate attention and awareness about zakāh objectives and the role entrusted to it to achieve.  
4- I think that the GAZT administration is performing its supposed role to ensure that zakāh funds reach its beneficiaries.  
5- I think that the GAZT has the capacity and competence to manage the collection of zakāh in accordance with zakāh rulings in Sharīʿah. |
| 2- Perceived performance | 1- I think that the GAZT plays an adequate role in raising public awareness and educating zakāh payers of the rules followed in the collection of zakāh.  
2- I think that the GAZT staff in charge of zakāh collection process are qualified and sufficiently trained.  
3- I think that the GAZT employs the technology well in its communication with the zakāh payers and in facilitating the payment of zakāh.  
4- I think that the GAZT is keen to serve zakāh payers and respond to their inquiries quickly and efficiently.  
5- I am satisfied with the speed and efficiency with which zakāh assessment procedures are carried out by the GAZT. |
| 3- Perceived transparency & disclosure | 1- I think that the GAZT is transparent in implementing zakāh calculation, collection, and litigation procedures.  
2- I find it easy to know my rights and obligations as a zakāh payer based on the regulations and procedures implemented by the GAZT.  
3- I think that the GAZT discloses the amount of zakāh income collected from zakāh payers in sufficient details.  
4- I think that the procedures followed in the distribution of zakāh amounts, collected by the GAZT, are transparent and clear.  
5- I think that the GAZT provides useful and credible information about zakāh revenue in its reports and publications. |
| 4- Perceived procedural fairness | 1- I think that zakāh is collected fairly by the GAZT from all obliged zakāh payers based on zakāh rulings in Sharīʿah.  
2- I think that zakāh assessment procedures are carried out by the GAZT staff fairly and appropriately.  
3- I think that the procedures followed by the GAZT to ensure zakāh collection (such as the penalties and suspension of governmental services) are fair and appropriate.  
4- I think that the procedures followed in the distribution process of the collected zakāh by the GAZT are fair and appropriate.  
5- I think that all zakāh payers, subject to zakāh collection regulations, receive the same treatment fairly by the GAZT staff. |
| 5- Zakāh payers’ trust | 1- I pay zakāh on my business to the GAZT because I trust its administration’s credibility and efficiency in managing zakāh affairs.  
2- I pay zakāh on my business to the GAZT because I trust its efficiency and effectiveness in collecting zakāh.  
3- I pay zakāh on my business to the GAZT because I trust its transparency in the operations related to managing zakāh affairs.  
4- I pay zakāh on my business to the GAZT because I trust its credibility in disclosing information about zakāh funds.  
5- I pay the zakāh on my business to the GAZT because I trust its fairness in implementing zakāh regulations and procedures on all zakāh payers. |
| 6- Zakāh Payment compliance | 1- I provide my business information and submit the zakāh statement to the GAZT at the due time.  
2- I provide correct and verifiable information on the zakāh statement of my business.  
3- I pay the zakāh on my business at the due time to the GAZT zakāh account.  
4- I pay the true and full amount of zakāh on my business to the GAZT zakāh account. |

**Source:** Prepared by authors.
Data Analysis: The data analysis process was done using SPSS (24) software to provide descriptive statistics concerning the demographic information, data distribution, normality tests, and Exploratory Factor Analysis (EFA). Subsequently, the Partial Least Squares-Structural Equation Modeling (PLS-SEM), also called PLS path modelling, was employed in testing the study hypotheses. The PLS-SEM was employed due to several reasons. First, the developed research model is relatively complex and contains multiple independent, mediating, and dependent variables. Second, the research model consists of latent variables that are measured indirectly through several indicators. The PLS technique involves two steps, as suggested by Hair, Hult, Ringle, and Sarstedt (2014), which are: the assessment of the measurement model, and then the assessment of the structural model. Figure 3 displays the procedures followed in those two processes.

![Figure (3) Data Analysis Procedures Using PLS-SEM](image)

**Source:** Prepared by authors.

7. Results

Descriptive statistics: Out of the 2,000 questionnaire invitations that were sent to respondents via SMS, only 157 answered questionnaires were received, from which only 125 were usable. Nevertheless, the collected sample size was considered sufficient to perform the statistical analysis using PLS-SEM, which accommodates a small sample size (Hair et al., 2014, p. 16). The demographic statistics included information about the respondents’ gender, age, educational qualifications, and type of business liable to zakāh, size and age of business establishment. Table 2 shows the demographic information of the respondents.

As can be seen from table 2, the demographic profile of the respondents shows that there was a sufficient variation within the collected sample representing different age groups, educational qualifications, industries, and business sizes. However, the female representation seems low which reflects the official statistics of business ownership in KSA, where female ownership is significantly lower than male ownership, representing around 20% of the total business owners (https://bit.ly/3nYNhNe).

Table 3 shows how the respondents answered the study’s constructs, which reports on the means, standard deviations, and minimum and maximum values for the constructs of this study. In general, the views on each construct were mixed, though most of the responses were slightly leaning towards a positive view. Besides, the standard deviation for the research constructs was small, which shows that there was no significant variation of opinions among respondents.
Table (2) Demographic Profile of the Respondents

<table>
<thead>
<tr>
<th>Variables</th>
<th>Groups</th>
<th>Number of cases</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>110</td>
<td>88.0</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>15</td>
<td>12.0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>125</td>
<td>100.0</td>
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<td></td>
<td>30-44</td>
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<td></td>
<td>45-59</td>
<td>41</td>
<td>32.8</td>
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<tr>
<td></td>
<td>60-above</td>
<td>17</td>
<td>13.6</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>125</td>
<td>100.0</td>
</tr>
<tr>
<td>Educational Qualification</td>
<td>High school or lower</td>
<td>19</td>
<td>15.2</td>
</tr>
<tr>
<td></td>
<td>Diploma</td>
<td>9</td>
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<tr>
<td></td>
<td>Bachelor</td>
<td>69</td>
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<tr>
<td></td>
<td>Master</td>
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<tr>
<td></td>
<td>PhD</td>
<td>9</td>
<td>7.2</td>
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<tr>
<td></td>
<td>Total</td>
<td>125</td>
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</tr>
<tr>
<td>Business Types</td>
<td>Trade and retail</td>
<td>39</td>
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<tr>
<td></td>
<td>Service</td>
<td>33</td>
<td>26.4</td>
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<tr>
<td></td>
<td>Industrial</td>
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<td></td>
<td>Construction</td>
<td>17</td>
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<td></td>
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<td>21.6</td>
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<td>Total</td>
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<tr>
<td>Business Size</td>
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<td></td>
<td>Large size</td>
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<td></td>
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<td>100.0</td>
</tr>
<tr>
<td>Age of Business Establishment</td>
<td>1-5</td>
<td>54</td>
<td>43.2</td>
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<td>6-10</td>
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<td>31.2</td>
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<td></td>
<td>11-20</td>
<td>14</td>
<td>11.2</td>
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<tr>
<td></td>
<td>21-above</td>
<td>18</td>
<td>14.4</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>125</td>
<td>100.0</td>
</tr>
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</table>

Source: Prepared by authors.

Table (3) Respondents Overall Responses to the Constructs

<table>
<thead>
<tr>
<th>Constructs</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived administration</td>
<td>125</td>
<td>1</td>
<td>5</td>
<td>3.829</td>
<td>0.647</td>
</tr>
<tr>
<td>Procedural fairness</td>
<td>125</td>
<td>1</td>
<td>5</td>
<td>3.762</td>
<td>0.579</td>
</tr>
<tr>
<td>Perceived performance</td>
<td>125</td>
<td>1</td>
<td>5</td>
<td>3.800</td>
<td>0.616</td>
</tr>
<tr>
<td>Transparency &amp; disclosure</td>
<td>125</td>
<td>1</td>
<td>5</td>
<td>3.898</td>
<td>0.693</td>
</tr>
<tr>
<td>Trust</td>
<td>125</td>
<td>1</td>
<td>5</td>
<td>3.862</td>
<td>0.793</td>
</tr>
<tr>
<td>Zakat payment compliance</td>
<td>125</td>
<td>1</td>
<td>5</td>
<td>3.780</td>
<td>0.748</td>
</tr>
</tbody>
</table>

Source: Authors’ computations.

Also, the normality distribution was assessed using two statistical measures, i.e., skewness and kurtosis. The skewness assesses the extent to which the variable distribution is symmetrical, while the kurtosis indicates whether the distribution is too peaked (Hair et al., 2014, p. 54). The results of the normality test using skewness and kurtosis indicated that the values of skewness and kurtosis for all variables fall within the acceptable range of normality -2 to +2.
7.1 Assessment of the Measurement Model

The reliability of the developed instrument was established by testing the consistency of the measurement model, which was done using the following criteria: (i) Internal reliability (IR): which is achieved when the value of the Cronbach’s Alpha is ≥ 0.7. (ii) Composite reliability (CR): which accounts for the difference in the outer loadings of the indicator variables. The required value for achieving composite reliability should be > 0.7 for a construct (Hair et al., 2014, p. 107). In addition, researchers use the average variance extracted (AVE) as a common measure to establish convergent validity. It is suggested that an AVE value of 0.50 or higher is acceptable, which indicates that the construct explains more than half of the variance of its indicators (Hair, et al., 2014, p. 107).

Table 4 shows that the results of Cronbach’s alpha and composite reliability were high and greater than 0.8. Also, it shows the result of the convergent validity via AVE, which indicates that all AVE values were higher than 0.50. Therefore, the reliability and convergent validity of all constructs were fulfilled.

In addition, the factor loadings of all indicators should be statistically significant. It is suggested that values greater than 0.70 are considered to be significant (Hair et al., 2014, p. 44). Accordingly, the results showed that the loadings for all the items fulfilled this requirement and exceeded the recommended value of 0.70, as shown in Appendix A.

Lastly, the discriminant validity was established using two measures, which are the cross-loadings and Fornell-Larcker criterion. The cross-loading assessment fulfilled this requirement as all indicators’ outer loadings on a construct were higher than their cross-loadings with other constructs. The Fornell-Larcker criterion compares the square root of the AVE values with the latent variable correlations, which should be greater than its highest correlation with other constructs (Hair et al., 2014, p. 107). Accordingly, the result indicates that the square root of the AVEs on the diagonals were higher than the correlations between constructs, which suggests good discriminant validity (Hair et al., 2014, p. 107). Also, the correlation between exogenous constructs are less than 0.8. Thus, the discriminant validity of all constructs was fulfilled. Figure 4 shows the PLS algorithm results (regression weights) for the full ZGCR model, including the coefficient of determination R², which refers to the explanatory power of the exogenous constructs. The PLS algorithm was drawn on the version PLS 3.0.

### Table (4) Results of IR, CR, and AVE

<table>
<thead>
<tr>
<th>Construct</th>
<th>Code</th>
<th>Cronbach’s Alpha</th>
<th>Composite Reliability</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived Administration</td>
<td>PA</td>
<td>0.865</td>
<td>0.9</td>
<td>0.643</td>
</tr>
<tr>
<td>Perceived procedural Fairness</td>
<td>PF</td>
<td>0.774</td>
<td>0.847</td>
<td>0.593</td>
</tr>
<tr>
<td>Perceived Performance</td>
<td>PP</td>
<td>0.822</td>
<td>0.882</td>
<td>0.651</td>
</tr>
<tr>
<td>Perceived transparency &amp; disclosure</td>
<td>TD</td>
<td>0.869</td>
<td>0.905</td>
<td>0.717</td>
</tr>
<tr>
<td>Trust</td>
<td>T</td>
<td>0.901</td>
<td>0.927</td>
<td>0.657</td>
</tr>
<tr>
<td>Zakāh Compliance</td>
<td>ZC</td>
<td>0.857</td>
<td>0.903</td>
<td>0.721</td>
</tr>
</tbody>
</table>

**Source:** Authors’ computation.
7.2 Assessment of the Structural Model

The structural model specifies the relationship between the constructs in the research model and evaluates the path model (Chin, 2010, p. 670). The assessment of the structural model was made by testing the coefficient beta (β), which represents the relationship’s strength amongst the constructs in the research model. The path coefficient value close to +1 represents a strong positive relationship between the endogenous and exogenous constructs (Hair et al., 2014, p. 80). Other tests include the coefficient of determination (R²) and the bootstrapping procedure (t-value and p-value). In bootstrapping, a large subsample is generated by the PLS software from the original sample (Hair et al., 2014, p. 130). The sample was drawn with the replacement of 1000 samples.

The results of the structural model, shown in table 5, indicated that three of the direct hypotheses’ relationships were accepted, which are H3 (β = 0.317, t = 4.297, p < 0.001), H4 (β = 0.297, t = 4.041, p < 0.001), and H5 (β = 0.269, t = 3.135, p < 0.05). The findings suggested that there are significant relationships between the perceived transparency and disclosure of the zakāh authority GAZT and zakāh payment compliance (H3), the perceived procedural fairness and zakāh payment compliance (H4), and zakāh payers’ trust towards the GAZT and zakāh payment compliance (H5). However, two hypotheses were rejected, which concern the relationship between the perceived administration of the zakāh authority and zakāh compliance (H1), and between the perceived performance and zakāh compliance (H2).

With regard to the mediating effect of the trust, the findings indicated that trust has a mediating effect on the relationship between the perceived performance of the GAZT and zakāh payment compliance (β = 0.076, t = 2.174, p < 0.05), which provides evidence to support H7. Moreover, trust was also found to have a mediating effect on the relationship between the perceived transparency and disclosure of the GAZT and zakāh payment compliance (β = 0.071, t = 1.987, p < 0.05), which supports H8. Likewise, trust was found to mediate the relationship between the perceived procedural fairness and zakāh payers’ compliance (β = 0.073, t = 2.146, p < 0.05), which supports H9. However, H6 regarding the mediating effect of trust between the perceived administration of the GAZT and zakāh payment compliance was rejected based on the test results.
Table (5) Hypotheses Testing Results

<table>
<thead>
<tr>
<th>Hypo</th>
<th>Relationship</th>
<th>Std Beta $\beta$</th>
<th>T-Values</th>
<th>P-Values</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>$H1$</td>
<td>PA $\rightarrow$ ZC</td>
<td>0.082</td>
<td>1.287</td>
<td>0.198</td>
<td>Not Supported</td>
</tr>
<tr>
<td>$H2$</td>
<td>PP $\rightarrow$ ZC</td>
<td>0.049</td>
<td>0.694</td>
<td>0.488</td>
<td>Not Supported</td>
</tr>
<tr>
<td>$H3$</td>
<td>TD $\rightarrow$ ZC</td>
<td>0.317</td>
<td>4.297</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>$H4$</td>
<td>PF $\rightarrow$ ZC</td>
<td>0.297</td>
<td>4.041</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>$H5$</td>
<td>T $\rightarrow$ ZC</td>
<td>0.269</td>
<td>3.135</td>
<td>0.002</td>
<td>Supported</td>
</tr>
<tr>
<td>$H6$</td>
<td>PA $\rightarrow$ T $\rightarrow$ ZC</td>
<td>0.002</td>
<td>0.088</td>
<td>0.93</td>
<td>Not Supported</td>
</tr>
<tr>
<td>$H7$</td>
<td>PP $\rightarrow$ T $\rightarrow$ ZC</td>
<td>0.076</td>
<td>2.174</td>
<td>0.03</td>
<td>Supported</td>
</tr>
<tr>
<td>$H8$</td>
<td>TD $\rightarrow$ T $\rightarrow$ ZC</td>
<td>0.071</td>
<td>1.987</td>
<td>0.049</td>
<td>Supported</td>
</tr>
<tr>
<td>$H9$</td>
<td>PF $\rightarrow$ T $\rightarrow$ ZC</td>
<td>0.073</td>
<td>2.146</td>
<td>0.032</td>
<td>Supported</td>
</tr>
</tbody>
</table>

Key: PA: perceived administration; PP: perceived performance; TD: transparency & disclosure; PF: procedural fairness; T: trust, ZC: zakāh compliance.

Source: Authors’ computations.

8. Discussion

The results suggest that three direct hypotheses showed significant positive relationships with zakāh payment compliance. Also, three out of the four indirect hypotheses suggested a significant mediating effect of the trust between the perceived governance of the zakāh authority and zakāh payment compliance.

The perceived administration of the zakāh authority: Although the result indicated insignificant relationship with zakāh compliance, the researchers suggest that this construct should be further investigated and refined in future studies. The lack of statistical support is justified by the lack of familiarity among the respondents with the new identity, leadership, and organizational changes within the GAZT, which has recently transformed from a sub-department under the finance ministry into an independent authority with a newly established board of directors.

Besides, the impact of such changes may still be unclear to the respondents, particularly with regard to the responsibilities and functions of the recently established board and the Sharīʿah committee within the GAZT structure. Moreover, the negative result can be explained by a common negative perception towards zakāh administrators by having reputable and competent board members who represent zakāh stakeholders. Also, zakāh administrators should reflect the message and objectives of zakāh in order to maintain the legitimacy established by the early institution of zakāh.

The perceived performance of the zakāh authority: The result of testing the second hypothesis also showed an insignificant relationship with zakāh payment compliance. This result can be justified by the lack of transparency and disclosure of information about the collection and distribution processes, which would affect how the public perceived the quality of the GAZT performance (Sawmar & Mustafa, 2019, p. 25). In addition, the legal arrangement regarding the separation between zakāh collection and distribution functions limits zakāh payers from observing and evaluating how zakāh is being managed.

The perceived transparency and disclosure: The result suggested that the perceived transparency and disclosure of the GAZT had a significant positive relationship with zakāh payment compliance. Although the discussion of this relationship in zakāh literature has been limited, this result is somewhat in line with previous findings of Devos and Zackrisson (2015), which suggested a positive relationship between the perceived transparency of the tax authority and tax compliance. However, the findings of Mustafa et al. (2013) suggested a weak relationship between the disclosure practices of zakāh institutions and zakāh payers’ trust.
Moreover, this result provides evidence of the relevance of the OLT theory and the Islamic accountability principle to the current context. Thus, the legitimacy and accountability of zakāh authority are highly associated with the perceived transparency and disclosure practices, which is explained by its influence on zakāh payment compliance. Therefore, the evidence suggests that improving zakāh payment compliance requires improving zakāh institution’s transparency, which necessitates sufficient disclosure of information to the public.

The perceived procedural fairness: The result suggested a significant positive relationship between the perceived procedural fairness of the GAZT and zakāh payment compliance. This result is in line with Hamdan’s study (2016) which suggested that perceived fairness has a significant positive effect on zakāh compliance intention in the Saudi context. Also, the result is similar to findings of studies from tax compliance literature suggesting that perceived procedural fairness had a positive relationship with tax compliance behaviors (Hough et al., 2013; Murphy, 2005). Moreover, this result demonstrates the relevance of the OLT theory, which is in line with the arguments made in prior studies addressing the link between legitimacy, procedural fairness, and compliance behaviors (Hough et al., 2013; Murphy, 2005). Thus, it can be argued that the legitimacy of zakāh authority is highly associated with the perceived fairness of the procedures and rules followed during the management of zakāh affairs, which is explained by its influence on zakāh payment compliance.

Trust: This construct referred to zakāh payers’ trust towards the perceived governance quality of the zakāh authority, GAZT. The result suggested that trust had a significant positive relationship with zakāh payment compliance. This finding is in line with previous studies suggesting a positive relationship between trust and compliance behaviors, including areas of policing and law-abiding behaviors (Braithwaite & Makkai, 1994; Hough et al., 2013), and tax compliance behaviors (Faizal, Palil, Maelah, & Ramli, 2017; Murphy, 2004; Wahl et al., 2010). However, there has been a dearth of studies that empirically examined the influence of trust on zakāh compliance behaviors. Although trust has been proposed as a dependent and a mediating variable in zakāh compliance literature, no significant finding has been reported yet. However, this result regarding the significant relationship between trust and zakāh payment compliance contradicted the result of Ahmad et al. (2011), which suggested an insignificant relationship with trust. Thus, this finding provides empirical evidence, regarding the significant role of trust in encouraging zakāh payers’ compliance by adopting good governance practices.

The mediating effect of trust: The results suggested that three hypotheses out of the four were supported. Specifically, except for the perceived administration construct, it was found that trust had a significant mediating effect on the relationship between the perceived performance, the perceived transparency and disclosure, and the perceived procedural fairness of the zakāh authority, GAZT, and zakāh payment compliance. The findings from the mediating hypotheses are in line with previous studies suggesting an association between perceived legitimacy, trust, and compliance behaviors (Jackson et al., 2012; Marien & Hooghe, 2011; Murphy, 2005). Although there has been limited literature examining the role of trust as a mediating variable, the findings are in line with previous findings suggesting associations between trust and the constructs investigated in this study. For example, Yang et al.’s (2014) findings suggested that effective performance of charitable organizations is a significant factor for acquiring public trust and encourages donors’ commitment. Moreover, prior studies have suggested an association between perceived transparency and trust (Rawlins, 2008; Siahaan, 2013; Yousaf, Ihsan, & Ellahi, 2015). Lastly, several studies have found positive relationships between the perceived fairness of authority, trust, and compliance behaviors (Grimes, 2006; Hough et al., 2013; Murphy, 2005). In the context of zakāh institutions, Mustafa et al.’s, study (2013) also found that the perceived board capital, disclosure practices, and stakeholder management practices are antecedents of zakāh payers’ trust.

Accordingly, the results of the mediating hypotheses provide empirical evidence that trust has a significant mediating effect on the relationship between the perceived governance quality of the zakāh authority and zakāh payment compliance. Hence, improving zakāh compliance requires zakāh administrators to bridge the trust gap by embracing good governance practices, particularly through these four factors
mentioned above. The higher the zakāh payers’ trust towards zakāh institutions, the higher they compliance with zakāh rules imposed by the zakāh authority.

8.1 Implications of the Study
This study expands the discussion on zakāh compliance behaviors by examining the influence of governance practices of zakāh institutions. Although this study was conducted in a specific context that imposes a mandatory payment of zakāh through a unique legal arrangement, the findings provide interesting insights that benefit both theory and practices.

The findings of this study provide insights to policymakers and zakāh administrators on how to improve zakāh compliance through good governance. Thus, zakāh authorities, especially the GAZT, should make efforts to improve the public perceptions towards their governance practices, especially in relation to the four factors, namely the administration, the performance, the transparency and disclosure, and the procedural fairness. Therefore, it is crucial that zakāh administrators address issues that could undermine the perceived legitimacy of zakāh organizations. With regard to the Saudi context, it is recommended to address such issues by directing more efforts towards improving perceived administration of zakāh. For example, it should be considered to separate the zakāh administration from tax collection authority, which allows more independence and enables aligning its objectives with the objectives of zakāh. Additionally, having a Shari‘ah department or committee with a supervisory role will have a positive influence by reinforcing public trust towards the credibility and competence of zakāh administration.

Moreover, zakāh payers’ compliance can be optimized by improving the perceived performance regarding the efficiency of the collection and distribution processes, the effectiveness of communication, and service quality. Thus, it is recommended that zakāh administrations improve the public awareness towards their roles in maintaining the prosperity and wellbeing of their societies. However, this awareness necessitates high transparency and sufficient disclosure of information about the collection and distribution processes, which is lacking in the GAZT context.

Lastly, based on the findings regarding the mediating effect of trust, it could be said that low zakāh compliance is likely due to the lack of zakāh payers’ trust towards the zakāh authority. Thus, to improve zakāh payment compliance, there is a need to recognize the vital role of trust. Hence, more efforts should be directed towards boosting the trust of the public and zakāh payers by adopting good governance practices.

9. Conclusion
Acknowledging the crucial role that zakāh institutions play in achieving the noble objectives of zakāh, this study attempted to expand the discussion by examining the role of governance in influencing zakāh payment compliance in the Saudi context. A quantitative approach was adopted to examine the developed hypotheses by surveying the views of zakāh payers subject to mandatory zakāh collection according to the Saudi zakāh laws. The findings suggested that the perceived transparency and disclosure and the perceived procedural fairness had significant positive relationships with zakāh payment compliance. In addition, trust was found to have a mediating effect on the relationship between the perceived governance of the GAZT and zakāh payment compliance. Overall, the findings of this study contribute to the zakāh literature by expanding the discussion on improving zakāh institutions’ effectiveness. It also provides practical suggestions to zakāh administrators, especially in the Saudi context.
How Governance Practices Influence Mandatory Zakāh Payment in Saudi Arabia?

References


Asiri, A.B.A., & Yamani, A.B.Q. (2017). Ahammu al-bunood allaty tuthiru al-khilaf’ bayn al-hay’ah al-‘aammah li al-zakah wa al-dakhil wa al-mukallafee al-zakawiyeen wa asabiba wa turuqu ‘ilajihah [Some important elements of the alms (zakāh) base which raise dispute between the zakāh and income tax departments (ZITD) and the zakāh payers in the kingdom of Saudi Arabia, and the causes of this dispute and some suggested ways to eliminate or minimize it]. Majallah Kulliyah Al-tijaarah Lil Buhut Al-‘ilmīyyah, 54(1), 297-345.


Appendix (A)

Factor Loadings

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Items</th>
<th>Loading</th>
</tr>
</thead>
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<tr>
<td><strong>Perceived Administration (PA)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PA1</td>
<td>0.837</td>
<td></td>
</tr>
<tr>
<td>PA2</td>
<td>0.823</td>
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<tr>
<td>PA3</td>
<td>0.809</td>
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<td>PA4</td>
<td>0.775</td>
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<tr>
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<td>0.763</td>
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</tr>
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<td>0.847</td>
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<td>T1</td>
<td>0.783</td>
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<td>T2</td>
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<td><strong>Trust (T)</strong></td>
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</tr>
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<td>TD1</td>
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</tr>
<tr>
<td>TD2</td>
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</tr>
<tr>
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</tr>
<tr>
<td>TD4</td>
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</tr>
<tr>
<td>TD5</td>
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<td></td>
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<tr>
<td><strong>Zakāh Compliance (ZC)</strong></td>
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</tr>
<tr>
<td>ZC1</td>
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<tr>
<td>ZC4</td>
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</tr>
<tr>
<td>ZC5</td>
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</tbody>
</table>

*Source:* Authors’ computations.
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كيف تؤثر ممارسات الحوكمة في الدفع الإلزامي للزكاة في المملكة العربية السعودية؟

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المستخلص:
يهدف هذا البحث إلى استقصاء تأثير ممارسات الحوكمة للهيئة العامة للزكاة والدخل في المملكة العربية السعودية على الامتثال لدفع الزكاة. ولتحقيق هذا الغرض استخدمت الدراسة نهجًا بحثيًا قائمًا على التحليل الكمي من خلال توزيع استبانة على دافعي الزكاة في المملكة العربية السعودية. وتم تحليل مائة وخمسة عشر استبانة صالحة تم جمعها من عينات عشوائية في منطقة المدينة المنورة باستخدام أداة المربعات الصغرى الجزئية (PLS)، التي تمثل مقاربة مبنية على نماذج المعادلات الهيكلية (SEM). وأظهرت نتائج الدراسة أن الشفافية والإفصاح المتوقعين، والعدالة الإجرائية المتضمنة للهيئة، والعلاقات المتبادلة بين الحوكمة، والاحترام نحو الزكاة، وأثرت على الامتثال لدفع الزكاة. تقدم النتائج الدراسة رؤى مثيرة للاهتمام من شأنها أن تفيد في الجوانب النظرية والتطبيقية.

الكلمات الدلالة: مؤسسات الزكاة، الحوكمة، الشفافية، العدالة، الامتثال الزكوي، السعودية

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