


Comparison Of The Efficiency Of ZISWAF Fund Management At Amil Zakat Institutions In Indonesia

Sania Ramellia Putri¹, Faizal Amir²

^{1,2}Islamic Faculty, University of Trunojoyo Madura, Madura, Indonesia

Article Info	ABSTRACT
<p>Keywords: Efficiency, Amil Zakat Institutions, Indonesia, Data Envelopment Analysis.</p>	<p>This research aims to analyze and compare the level of efficiency of ZISWAF fund management in seven LAZs for the 2020–2022 period in Indonesia. This research includes descriptive quantitative research sourced from secondary data in the form of financial reports using the DEA analysis method. The results of this research show that in the 2020–2022 period, there are three LAZs, namely LAZ RZI, LAZ DDR, and LAZ AA which are in stable condition with an efficiency score of 100%. Meanwhile, four LAZs such as LAZISNU, LAZ LMIUI, LAZ YGYD, and LAZ YMAI tend to experience fluctuations with efficiency scores of less than 100%. The main cause of the inefficiency of the four LAZs is that funds have not been collected and distributed to the target optimally. Meanwhile, operational costs, personnel, and total assets are the second cause because they have a higher value, especially in general and administrative costs, basic amil rights and allowances, cash and cash equivalents, receivables, and advances for fund distribution activities when compared to a particular year. when achieving efficiency. So to be able to achieve the maximum level of efficiency, input variables need to be suppressed and output variables must be maximized.</p>
<p>This is an open access article under the CC BY-NC license</p> 	<p>Corresponding Author: Sania Ramellia Putri Universitas Trunojoyo Madura Madura 200721100085@student.trunojoyo.ac.id</p>

INTRODUCTION

Zakat is one of the pillars of Islam, and Muslims are required by Allah SWT to pay zakat (Anwar, 2022). Zakat is a portion of assets that must be distributed by the owner if the amount of the assets has reached the nisab (predetermined minimum amount) to eight groups of zakat recipients, including the needy and poor (Al-Faizin & Akbar, 2020). Zakat in Islam has a very important and strategic role as a means of reducing poverty and advancing the economy of the people (Hayatudin & Anshori, 2021). Indonesia has a large zakat potential, reaching IDR 327 trillion per year. However, based on realization, zakat collection in 2023 will only reach IDR 20 trillion and less than 10% of the potential zakat (PPID Badan Riset & Inovasi Nasional, 2024). Meanwhile, in 2023, the number of poor people in Indonesia will reach 25.90 million people, including 11.74 million poor people in urban areas and 14.16 million poor people in rural areas (Statistik, 2023b), out of a total population of Indonesia of 278,696.2 people (Statistik, 2023a). From these figures, it can be seen that there is a gap between the potential for zakat and the realization of zakat collection in Indonesia. This gap is caused by several

factors, such as the lack of public trust in the Zakat Management Organization (OPZ) (Merdeka & Muid, 2022).

Law no. 23 of 2011 regulates two types of OPZ in Indonesia, namely the National Zakat Amil Agency (BAZNAS) and the Zakat Amil Institute (LAZ) with the task of optimizing zakat potential and ensuring that its collection and distribution are carried out efficiently and effectively (Hasan & Rifqi, 2023). An organization or company is considered efficient if they use fewer inputs compared to other organizations or companies to produce the same output, or with the same input but can produce greater output than other organizations or companies. More efficient organizations or companies tend to show better performance than less efficient organizations or companies (Utami et al., 2023). Efficiency is crucial in assessing the performance of zakat institutions because it maximizes benefits for beneficiaries. Apart from that, efficiency is also a key indicator for assessing whether zakat institutions are feasible in managing zakat (Fuad, 2023). Therefore, researchers are interested in analyzing and comparing the level of efficiency of several LAZs in Indonesia as one part of OPZ which works to help improve the economic welfare of the people.

Based on previous research discussing the efficiency of the performance of zakat amil institutions in Indonesia, namely Dompot Dhuafa and Rumah Zakat, in 2012-2016, it shows that during the 2012-2016 period, Rumah Zakat reached a maximum efficiency level of 100%. Meanwhile, Dompot Dhuafa experiences fluctuations in efficiency levels that vary every year. In 2012, 2013, and 2014 the efficiency level reached its peak of 100%, however in 2015, there was a decrease in efficiency to 78.71%, resulting in an inefficiency level of 21.29%. This decline in efficiency continued in 2016, with the efficiency level falling to 64.33% (Fathurrahman & Hajar, 2019). Other research at the Amil Zakat Nurul Hayat Institute, Yatim Mandiri, and the Al-Falah Social Fund Foundation during the Covid-19 pandemic shows that the three LAZs have operated efficiently (Permatasari & M Haris Hidayatulloh, 2021). Research that analyzes the level of efficiency in zakat management using the DEA method at BAZNAS West Java in 2015-2019 shows that BAZNAS West Java has met the standard efficiency criteria according to the guidelines set by the Ministry of Trade of the Republic of Indonesia No. 690,900,327 of 1996 concerning Guidelines for Financial Performance Assessment. This achievement can be seen from the actual value, which is in line with the target recommended by the DEA and can reach a score of 1 or 100% (Maharani et al., 2022).

Similar research analyzing the efficiency of zakat management using the DEA super efficiency method at LAZ Mizan Amanah for the 2012-2019 period showed that five of the eight DMUs observed showed efficiency values. DMU Mizan 2015 was ranked first with the highest efficiency, followed by Mizan 2019, Mizan 2013, Mizan 2016, Mizan 2018, Mizan 2017, Mizan 2012, and Mizan 2014. From the results of these measurements it can be concluded that the efficiency level of LAZ Mizan Amanah has fluctuated (Firdaus et al., 2022). Meanwhile, previous research discussing Efficiency Analysis using the Data Envelopment Analysis (DEA) Method at the Amil Zakat Muhammadiyah institution for the 2017-2020 period showed that in 2017, 2018, and 2020, input variables such as operational costs, personnel costs, socialization costs, and total assets indicate the level of efficiency. Likewise, the

output variables in the form of receipt of ZIS funds and distribution of ZIS funds also show efficiency. 2019 shows that the input variables operational costs and personnel costs show efficiency, but socialization costs and total assets show inefficiency. Output variables such as receipt of ZIS funds show inefficiency, while distribution of ZIS funds shows efficiency (Fuad, 2023).

Based on the previous research above, research discussing the analysis of the efficiency of zakat fund management still needs to be completed. So researchers want to conduct research with different research periods and subjects. This research aims to measure and compare the level of efficiency in managing zakat, infaq, and alms funds at several Amil Zakat Institutions (LAZ) in Indonesia which have received recommendations from the National Amil Zakat Agency (BAZNAS) from 2020 to 2022. So the results of this research will contribute to LAZ in Indonesia in maintaining the management of zakat, infaq, and alms funds so that they always have highly efficient value and have an impact on increasing the level of interest and loyalty of the community.

METHODS

This research is a type of descriptive quantitative research. Descriptive quantitative research is descriptive research that uses a quantitative approach and aims to describe an event or phenomenon that is currently occurring in the form of numbers (Fadjarajani et al., 2020). The object of this research is the Amil Zakat Institution (LAZ) in Indonesia which received a recommendation from the National Amil Zakat Agency (BAZNAS) with the criteria of having published complete financial report data for the period 2020 to 2022 on the website of each LAZ. The LAZ that received recommendations from BAZNAS were 34 LAZ, so the population in this study was 34. The sampling technique used in this study was non-random sampling, where each element or member of the population does not have the same opportunity to be selected as a sample. The sampling method applied was purposive sampling, an approach where sample determination is based on special considerations by the research objectives (Maya Adiba & Amir, 2023). A total of 7 LAZs were selected from the entire LAZ population as samples for this analysis. The data source used in this research is secondary data originating from financial reports for the period 2020 to 2022 which are complete and published on the seventh LAZ website, including LAZISNU, LAZ Rumah Zakat Indonesia, LAZ Dompot Dhuafa Republika, LAZ Infaq Ukhuwah Management Institute Islamiyah, LAZ Al-Azhar, LAZ Griya Yatim Dhuafa Foundation, and LAZ Mandiri Amal Insani Foundation. Apart from financial reports, secondary data in this research comes from literature related to the efficiency of managing zakat, infaq, and shadaqah funds.

The analytical method used in this research is Data Envelopment Analysis (DEA) with a production approach that assumes Variable Return to Scale (VRS) through Banxia Frontier Analyst software. The DEA method was chosen because it is an analytical technique used to assess how efficient a DMU (Decision Making Unit) is, such as a company or organization (Rahmadiani et al., 2023). The objectives and characteristics of the research, namely measuring and comparing the level of efficiency in managing zakat, infaq, and alms funds in several DMUs in the form of Amil Zakat Institutions (LAZ) in Indonesia. The assessment of

LAZ efficiency levels in this research depends on several variables which can be divided into two categories, namely input variables consisting of personnel costs, operational costs, and total assets, as well as output variables consisting of collected funds and disbursed funds. The input and output variables were determined because these variables can describe the function and behavior of the LAZ. Input variables involve the utilization of resources by LAZ to achieve optimal fund collection. On the other hand, the output variable reflects the results of the input and the utilization process to provide maximum benefits to the mustahik (Fuad, 2023).

From the Banxia Frontier Analyst software, three types of calculation results will appear, including:

1. Green, with an efficiency value of 100%, shows that zakat management is efficient and achieves the expected goals.
2. Yellow, with an efficiency value ranging from 81-99.9%, indicates that zakat management is close to optimal but will be risky if the problem is not resolved.
3. Red, with an efficiency value ranging from 0-80%, indicates that zakat management is less than optimal and does not achieve the expected goals.

If the management of zakat, infaq, and alms is inefficient or less than optimal, improvements are needed so that the level of efficiency increases. Apart from providing calculation efficiency results, the Banxia Frontier Analyst software also offers improvement solutions in the form of a percentage of potential improvements that need to be increased or reduced for each input or output variable.

RESULTS AND DISCUSSION

Table 1. Variable Data for Amil Zakat Institutions (LAZ) for the 2020-2022 Period

Year	Unit	Personnel Costs	Operating Costs	Total Asset	Funds Collected	Funds Distributed
2020	LAZISNU	1.683.132.429	11.094.097.247	91.150.954.957	765.662.256.767	705.939.451.807
	LAZ RZI	28.178.781.814	19.094.913.111	29.869.286.601	295.826.747.548	262.312.288.366
	LAZ DDR	29.261.679.036	49.081.592.484	210.237.009.794	287.014.950.460	241.022.249.998
	LAZ LMIUI	3.928.110.625	3.156.896.062	8.656.396.879	55.263.453.130	55.599.274.151
	LAZ AA	4.655.854.200	1.644.896.079	11.621.847.908	50.803.876.517	53.317.592.088
	LAZ YGYD	3.188.176.350	3.515.911.478	23.853.310.232	39.822.457.058	34.592.841.112
	LAZ YMAI	3.286.068.725	983.953.964	8.086.008.318	34.279.748.255	32.414.291.036
2021	LAZISNU	4.551.841.292	61.199.775.093	111.039.763.472	414.829.679.904	396.815.431.351
	LAZ RZI	29.610.298.926	18.755.559.474	43.100.153.497	309.780.402.382	263.786.275.180
	LAZ DDR	28.547.437.885	21.820.172.060	220.114.640.603	301.745.700.584	290.111.799.739
	LAZ LMIUI	3.568.995.926	3.933.238.804	12.203.850.829	71.824.423.297	71.811.817.614
	LAZ AA	4.711.798.146	1.009.042.306	13.827.193.406	50.920.423.722	47.921.758.070
	LAZ YGYD	3.939.630.910	4.045.929.087	27.415.087.194	41.673.226.307	38.639.459.357
	LAZ YMAI	3.327.856.384	2.635.879.804	7.591.719.693	33.889.490.087	34.627.703.146
2022	LAZISNU	4.917.951.850	7.358.226.799	39.003.880.591	787.737.619.315	787.106.827.534
	LAZ RZI	28.367.572.889	18.800.065.403	38.365.340.091	334.181.375.631	279.579.290.032
	LAZ DDR	28.281.897.271	24.733.942.853	227.874.119.661	306.608.551.831	298.066.049.463

Year	Unit	Personnel Costs	Operating Costs	Total Asset	Funds Collected	Funds Distributed
	LAZ AA	5.057.319.609	1.200.427.799	12.691.080.750	52.879.696.124	53.627.606.373
	LAZ LMIUI	3.925.828.981	3.216.958.527	12.497.002.836	42.521.610.756	39.198.270.473
	LAZ YGYD	4.331.828.328	3.946.636.830	27.452.191.545	36.689.665.767	35.251.441.725
	LAZ YMAI	3.763.795.176	2.543.268.625	8.746.977.186	31.327.523.878	33.987.451.359

Source: Financial Report Data, 2020, 2021 and 2022

From this data, it is known that from 2020 to 2022, LAZISNU was in first place as the LAZ with the largest amount of funds collected, then LAZ Rumah Zakat Indonesia was in second place, and LAZ Dompot Dhuafa Republika was in third place. However, based on the concept of efficiency analysis, the nominal value is not sufficient to determine the extent of efficiency of an LAZ in managing zakat, infaq, and alms funds. So, this data must be processed using DEA method software with models, approaches, and calculation orientation. A Decision Making Unit (DMU) is considered efficient when it reaches a value of 100%. Therefore, the further the efficiency value is from 100% or closer to 0%, the DMU is considered less or inefficient.

LAZ efficiency trends in 2020-2022

Table 2. Efficiency Score of Amil Zakat Institutions (LAZ) for the 2020-2022 Period

Year	DMU	Score	Efficient	Condition
2020	LAZISNU	100%	√	Green
	LAZ RZI	100%	√	Green
	LAZ DDR	100%	√	Green
	LAZ LMIUI	100%	√	Green
	LAZ AA	100%	√	Green
	LAZ YGYD	100%	√	Green
	LAZ YMAI	100%	√	Green
2021	LAZISNU	52,8%		Red
	LAZ RZI	100%	√	Green
	LAZ DDR	100%	√	Green
	LAZ LMIUI	100%	√	Green
	LAZ AA	100%	√	Green
	LAZ YGYD	100%	√	Green
	LAZ YMAI	100%	√	Green
2022	LAZISNU	100%	√	Green
	LAZ RZI	100%	√	Green
	LAZ DDR	100%	√	Green
	LAZ LMIUI	75,2%		Red
	LAZ AA	100%	√	Green
	LAZ YGYD	93,1%		Yellow
	LAZ YMAI	98,5%		Yellow

Source: Banxia Frontier Analysis.

Based on the results of efficiency measurements for seven LAZs in the period 2020 to 2022, various efficiency scores were obtained each year with three conditions, namely Green, Yellow, and Red. In 2020, the seven LAZs studied, including LAZISNU, LAZ Rumah Zakat Indonesia, LAZ Dompot Dhuafa Republika, LAZ Institute for Infaq Ukhuwah Islamiyah Management, LAZ Al-Azhar, LAZ Griya Yatim Dhuafa Foundation, and LAZ Mandiri Amal Insani Foundation have achieved The maximum efficiency score is 100%. However, in 2021, the efficiency trend of the seven LAZs will decrease. This is proven by the existence of one LAZ, namely LAZISNU, which has an efficiency score of 52.8% or a decrease of around 47.2% from the previous year. This condition tends to be stagnant in 2022, even though the results of measuring the condition change from Red to Yellow, the number of LAZs that are classified as less efficient and have not yet achieved the maximum efficiency score will increase to two LAZs, namely the Griya Yatim Dhuafa Foundation LAZ with a score of 93.1 % and LAZ Mandiri Amal Insani Foundation with a score of 98.5%. Even though the score is close to optimal, it will be a problem if it is not resolved immediately.

LAZ which is in Green condition with an efficiency score of 100% is considered to be able to manage input variables such as personnel costs, operational costs, and total assets very optimally. Meanwhile, LAZs that have not achieved an efficiency score of 100% are considered to still have certain factors in the input variables that have not been managed optimally and have not produced maximum output. However, when linked to one of the theories in Islamic economics, namely Shariah Enterprise Theory (SET), SET is considered to be more representative and developed based on the concept of zakat which essentially reflects the principle of balance (Triwuyono in Hermawan & Rini, 2018). SET is the result of internalizing theory with Islamic values which seeks to understand the basic actions in human relationships with nature and communication between humans as objects, as well as other basic actions related to human relationships with their creator. In essence, this concept emphasizes that life on earth is a blessing for the universe, which requires Muslims to provide benefits to others as God's creation (Ermiati & M. Wahyuddin Abdullah, 2021).

The seven LAZs studied can be assessed as having been able to implement the SET concept by providing rights to direct stakeholders and Indirect Stakeholders through the principles of transparency and accountability. This is proven by open access to financial reports which are not only provided to donors and employees but also to the wider community. Meanwhile, fulfilling the rights of indirect stakeholders is carried out by distributing zakat, infaq, and sadaqah funds to parties who are entitled to receive them (Mustahik). Even so, Allah SWT remains the highest party and the sole goal of human life. By placing Allah as the main stakeholder, the management of zakat, infaq, and alms funds is directed at strengthening awareness of His Majesty (Hermawan & Rini, 2018). So even though it has given rights to direct stakeholders and indirect stakeholders, Amil Zakat Institutions must always be able to manage trust funds effectively and efficiently. For Amil Zakat Institutions that are considered inefficient, regular monitoring and evaluation are required as a form of accountability and conformity to sharia principles.

a. Causes of LAZ inefficiency in 2020-2022

Table 3. Percentage of Potential Improvement for Amil Zakat Institutions (LAZ) for the 2020-2022 Period

Year	DMU	Variable	Actual	Target	Potential Improvement
2021	LAZISNU	Operating Costs	61.199.775.093	7.781.045.335,78	-87,29%
		Personnel Costs	4.551.841.292	4.551.841.292,00	0,00%
		Funds Collected	414.829.679.904	785.239.172.802,64	89,29%
		Distributed Funds	396.815.431.351	777.920.462.129,52	96,04%
		Total Assets	111.039.763.472	44.905.784.842,68	-59,56%
2022	LAZ LMIUI	Operating Costs	3.216.958.527	3.216.958.527	0,00%
		Personnel Costs	3.925.828.981	3.900.327.388,46	-0,65%
		Funds Collected	42.521.610.756	56.544.707.706,37	32,98%
		Distributed Funds	39.198.270.473	56.853.572.377,32	45,04%
		Total Assets	12.497.002.836	8.930.848.892,50	-28,54%
2022	LAZ YGYD	Operating Costs	3.946.636.830	3.946.636.830	0,00%
		Personnel Costs	4.331.828.328	3.798.855.173,44	-12,30%
		Funds Collected	36.689.665.767	41.326.507.532,38	12,64%
		Distributed Funds	35.251.441.725	37.881.375.376,50	7,46%
		Total Assets	27.452.191.545	26.747.832.243,44	-2,57%
2022	LAZ YMAI	Operating Costs	2.543.268.625	2.543.268.625	0,00%
		Personnel Costs	3.763.795.176	3.325.513.661,18	-11,64%
		Funds Collected	31.327.523.878	33.911.368.956,00	8,25%
		Distributed Funds	33.987.451.359	34.503.613.613,55	1,52%
		Total Assets	8.746.977.186	7.619.430.774,95	-12,89%

Source: Banxia Frontier Analysis.

Potential Improvement or increasing the potential of LAZ is used to identify sources of inefficiency from various existing variables. Based on the information contained in the LAZ

potential improvement percentage table for the 2020-2022 period, it can be seen that there are actual values and target values. The actual value refers to the input-output value possessed by each unit, while the target value is the value recommended by the DEA so that the input-output variable becomes efficient (Alfina & Putra, 2021). The following are the measurement results of potential improvement for four LAZs that are considered deficient or inefficient:

1. LAZ Nahdlatul Ulama (LAZISNU)

From the research results in the table, the main factor causing LAZISNU to be in an inefficient condition in 2021 comes from the output variable which consists of collected funds and disbursed funds. So there needs to be improvement in the form of increasing the amount of funds collected by 89.29% or Rp. 370,409,492,898.64 from the actual value. And it will automatically increase the amount of funds distributed by 96.04% or Rp. 381,105,030,778.52 from the actual value. Steps to improve efficiency are not only carried out by adding several values to certain variables, but sometimes there are certain variables whose values must be reduced to help achieve maximum efficiency scores. LAZISNU also needs to reduce operational costs by Rp. 53,418,729,757.22 or 87.29% of the actual value and reduce the value of the total asset variable by IDR. 66,133,978,629.32 or 59.56% of its actual value at that time. Although the cause of LAZISNU's inefficiency in 2020 comes from the four variables that have been described, there is one input variable that strengthens the efficiency score, namely personnel costs, because the value is in line with the target value.

2. LAZ Lembaga Manajemen Infaq Ukhuwah Islamiyah (LAZ LMIUI)

Almost the same as LAZISNU, LAZ LMIUI in 2022 received a score of 75.2%, which means it is inefficient. The main cause comes from output variables, namely collected funds and disbursed funds whose actual values do not match the recommended target values of the DEA method. So in this case, LAZ LMIUI needs to increase the collected funds by Rp. 14,023,096,950.37 or 32.98% of the actual value, and additional disbursed funds of Rp. 17,655,301,904.32 or 45.04% of the actual value. Apart from that, LAZ LMIUI also needs to slightly reduce the value of the input variable which includes personnel costs amounting to IDR. 25,501,592.54 or 0.65% of the actual value. As well as reducing total assets by Rp. 3,566,153,943.5 or 28.54% of the actual value at that time. Meanwhile, operational costs in the output variable are a strengthening factor in obtaining the LAZ LMIUI efficiency score in 2022.

3. LAZ Yayasan Griya Yatim Dhuafa (LAZ YGYD)

Apart from LAZISNU, the main factor causing the Griya Yatim Dhuafa Foundation's LAZ to be in a less efficient condition in 2022 also comes from the output variable. However, there is one input variable, namely operational costs, which is an amplifier and influences the efficiency score obtained. These operational cost variables are by the recommended target values of the DEA method. The steps that can be improved based on the potential improvement table above include the first, LAZ Griya Yatim Dhuafa Foundation must increase the amount of funds collected and funds distributed to the output variable. The accumulated funds that need to be added are 14,023,096,950.37

or the equivalent of 12.64% of the actual value. And the addition to disbursed funds was 2,629,933,651.5 or 7.46% of the actual value. Second, reduce personnel costs by Rp. 532,973,154.56 or 12.30% of the actual value. And total assets are Rp. 704,359,301.56 or 2.57% of the actual value.

4. LAZ Yayasan Mandiri Amal Insani (LAZ YMAI)

In contrast to LAZISNU and LAZ Griya Yatim Dhuafa Foundation, in 2022, LAZ Mandiri Amal Insani Foundation is considered less efficient because it is mainly due to the large total assets owned as an input variable compared to 2020 and 2022. So it is necessary to reduce Rp. 1,127,546,411.05 or 12.89% of the actual value. Meanwhile, operational costs are the only variable that is a strengthening factor and has a good influence on the LAZ efficiency score of the Mandiri Amal Insani Foundation in 2022. Apart from reducing total assets, to improve the efficiency score, based on the potential improvement table, the Mandiri Amal Insani Foundation LAZ needs to reduce personnel costs by Rp. 438,281,514.82 or 11.64% of the actual value, as well as adding an amount to the collected funds of around Rp. 2,583,845,078 or 8.25% and the funds disbursed were around Rp. 516,162,254.55 or 1.52% of the actual value in 2022.

Based on the description of the results in the potential improvement table, it is known that input variables consisting of operational costs, personnel costs, and total assets are the non-dominant causal factors for the inefficiency of the three LAZs. From the analysis of LAZ's fourth financial report data, it was found that the cause of the high operational costs came from the use of general and administrative costs, while the high personnel costs were caused by the large basic amil rights and allowances from the previous year. The amount of total assets comes from cash and cash equivalents, receivables, and advances for fund distribution activities.

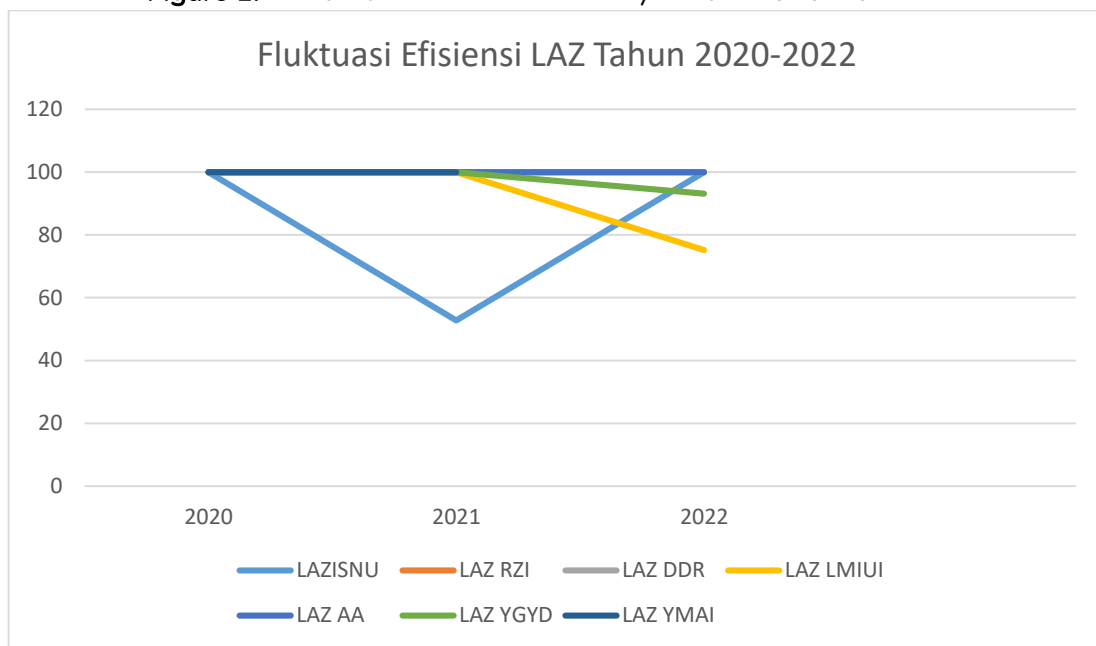
The dominant factor causing the low-efficiency scores of LAZISNU, LAZ LMIUI, LAZ YGYD, and LAZ YMAI is the low level of fund collection and the suboptimal distribution of zakat, infaq, and alms funds. This is in line with the results of research conducted by (Firdaus et al., 2022). The low collection of zakat, infaq, and alms in Indonesia is caused by several factors. One of them is the lack of public trust in Zakat Amil institutions. Some of the assumptions that have developed in society are that there are zakat amil institutions that are linked to political parties or state institutions such as the Department of Religion, which have a negative image. Apart from that, the community also feels that the Zakat Amil institution does not yet have an accurate Mustahiq database, and its programs have not been truly felt by the community. This causes many people to prefer to distribute their zakat directly to mustahiq around them, rather than through zakat amil institutions. Apart from that, educational factors also play an important role, as there are still many people who do not understand how to calculate zakat (Fitri Afiyana et al., 2019).

Meanwhile, the steps that need to be taken to improve the collection and distribution of zakat are by providing regular socialization and education, providing superior or appropriate service, being fast, accurate, and able to handle complaints well, developing innovative and creative zakat products and services programs, to improve awareness and motivation of muzakki in paying zakat, managing zakat professionally and presenting administration and

financial reports accurately, timely, transparent, credible and easily accessible so that muzakki know how their funds are distributed, LAZ must be able to manage zakat funds well and innovatively, according to with necessity, measurability, and sustainability, to increase the status of mustahik to muzakki (Annisa & Fatwa, 2021).

Fluctuations in Efficiency of each LAZ in 2020-2022

Figure 1. Fluctuations in LAZ Efficiency for the 2020-2022 Period



In economics, production efficiency is achieved if it can fulfill one of two criteria: reducing production costs with a fixed amount of output or increasing output at a fixed price. From a conceptual perspective, the efficiency of an institution is measured by its ability to produce greater or the same output using less or the same input. The Qur'an emphasizes the importance of using resources wisely and not excessively, as conveyed in the Al-Furqan verse 67 which teaches humans not to waste their wealth because excess resources are considered detrimental. This principle is also applied to zakat institutions which are directed to use input efficiently, especially in operational expenditure which must be appropriate and effective, without excessive waste, considering that the Amil Zakat Institution (LAZ) has a very large social responsibility in managing people's funds (Widyaningrum, 2018). The fluctuation graph above shows that among the seven LAZs studied, there are three LAZs, namely Rumah Zakat Indonesia LAZ, LAZ Dompot Dhuafa Republika, and LAZ AI-Azhar which are in a stable condition, have not experienced a decrease in efficiency scores and have achieved maximum efficiency scores during 2020-2022 period. Because the two LAZs have been able to use and manage existing resources optimally. So it is hoped that it can become a role model for other LAZs in evaluating the efficiency of managing zakat, infaq, and alms funds.

Meanwhile, the LAZ that has experienced fluctuations for three years is LAZISNU. In 2020 LAZISNU reached a state of efficiency, and this condition did not last long. In 2021 it decreased to an inefficient condition, but in 2022, LAZISNU succeeded in reaching an efficient

condition again. The LAZ that is classified as experiencing a significant decrease in efficiency is the Griya Yatim Dhuafa Foundation LAZ (LAZ YGYD). In 2020 and 2021 LAZ YGYD also succeeded in achieving an efficient condition, however in 2022 it experienced a slight decrease in its efficiency score which resulted in it being in a less efficient or less optimal condition. Apart from LAZ YGYD, there is LAZ which is classified as experiencing a decline, but this decline is not significant. The LAZs in question are the Griya Yatim Dhuafa Foundation LAZ (LAZ YGYD) and the Mandiri Amal Insani Foundation LAZ (LAZ YMAI) which also managed to achieve efficient conditions in 2020 and 2021, however in 2022, there was a slight decrease in efficiency scores which as a result were at conditions that are less efficient or less than optimal. From the analysis of the previous financial reports and potential improvements, it is clear that the decline in efficiency occurs because there are several factors in the input and output variables that have not been managed optimally, including the lack of maximum activities for collecting and distributing zakat, infaq and sadaqah funds, high general costs. and administration, principal rights and allowances, cash and cash equivalents, and receivables when compared with the previous year when it managed to reach an efficient condition.

CONCLUSION

From the results of research on the efficiency of seven Amil Zakat Institutions (LAZ) in Indonesia from 2020 to 2022, it can be concluded that in the 2020-2022 period, there are three LAZs, namely LAZ Rumah Zakat Indonesia (LAZ RZI), LAZ Dompot Dhuafa Republika (LAZ DDR), and LAZ Al-Azhar (LAZ AA) which is in stable condition with an efficiency score of 100%. Meanwhile, four LAZs such as LAZ Nahdlatul Ulama (LAZISNU), LAZ Institute for Management of Infaq Ukhuwah Islamiyah (LAZ LMIUI), LAZ Griya Yatim Dhuafa Foundation (LAZ YGYD), and LAZ Mandiri Amal Insani Foundation (LAZ YMAI) tend to experience fluctuations with lower efficiency scores. from 100%. The main cause of the inefficiency of the four LAZs is that funds have not been collected and distributed optimally from the target. Meanwhile, operational costs, personnel, and total assets are the second cause because they have a higher value, especially in the accounts for general and administrative costs, principal rights and allowances, cash and cash equivalents, receivables, and advances for fund distribution activities when compared to a particular year. when achieving efficiency. So to be able to achieve the maximum level of efficiency, input variables need to be suppressed and output variables must be maximized.

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