

# KNOWLEDGE MANAGEMENT IN ZAKAT DIVISION MAJLIS AGAMA ISLAM DAN ADAT MELAYU PERAK

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## ABSTRACT

This paper is an attempt to address a practice of Knowledge Management(KM) in Zakat Division, Majlis Agama Islam Perak (MAIPk). Thus, there will be a discussion about KM aspects in knowledge capture, sharing and culture with special references to Zakat Division MAIPk. The purpose of the study is to discover conventional approach within zakat staff's institution and at the same time provide the other suggestion especially in KM in order to improve their task by the fastest and the smartest way. Since this paper is a theoretical paper, thus it utilizes quantitative method as it employs empirical support within questionnaire and historical background. Hence, some basic finding is there are informal practicality of KM in Zakat Division. Based on interview, some Zakat Division are more preferred to use conventional KM method such as written mail, policies, filing and procedures rather than new method of KM such as email, facebook, e filing and etc.

**Keywords:** Knowledge, Management, Zakat, MAIPk

## 1. INTRODUCTION

Knowledge is part of Islamic culture. Since the early day of the Prophet (PBAH), this culture has been given a special concern as Allah said in the Holy Qur'an "Read: In the name of thy Lord who created" (Quran 96:1). The understanding of this concept in the Muslim world has contributed to the formation of the Islamic Civilization. The emergence of this civilization is partly due to the proper KM as mentioned by al-Abrar (2010) in his paper:

“By building higher learning education institutes in AI-Andalus (present day Spain), Bahgdad and AI-Azhar. Furthermore, publishing a variety of books in various areas of knowledge such as 'Ihya' Ulumuddin' by Imam AI-Ghazali. Also, other indicators of proper KM were the support of the Muslim leaders andn intellectuals in the knowledge movement which lead to an advanced and developed Ummah. According to Ali A.Y. [20], "the civilization of Islam witnessed management as an important practice affecting the development of knowledge and Islamic Da'wah, wise

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management of the knowledge has greatly contributed to the betterment of the Da'wah Islamiyyah” .

## **2. KNOWLEDGE MANAGEMENT**

There are many scholar defines KM; some of them refer it as a new discipline in modern world whereas which KM evolves from expert systems and intelligence . Some management experts say KM is the knowledge which is based on individual and organizational competencies such as a skills, know-how and know-what (Montano, 2004). Some scholars define KM as a continuous strategy of getting the right knowledge to the right people at the right time and helping people share and put information into action in term to improve organizational performance (Liebowitz, 2011). Other scholars refer KM as a process of formalization of access to the experience, knowledge and expertise which can create new capabilities, improve organizational performance, encourage innovation and enhance customer value added. According to researchers; intellectual assets are the valuable knowledge available to be used to exploitation – must be nurtured, preserved and used to the largest extent possible by both individuals and organizations. It will be preserved by implementation of KM (Mruthyunjaya, 2011). According to some experts, a company's culture and structure will be the critical factors which can enable knowledge to flow within organizational structure whereas some scholar suggest that human resources, processes and IT are critical and crucial factor of the implementation of KM (Tiwana, 2001).

## **3. ZAKAT INSTITUTION IN MALAYSIA**

Zakat is a famous part of the Islamic socio-economic system. In Malaysia, zakat collection is institutionalized under a state matter. It stated in Federal Constitution. The respective state authority which govern zakat matters and are responsible to promote, collect and distribute zakat. From economic perspectives, zakat provide assistance to the poor and needy people and other asnaf in accordance with the several verses stated from Quran and described by Sunnah. Zakat payment has been ordained by Allah (s.w.t.) through His Messenger Muhammad(pbuh) with a clear vision to achieve social and economic justice among various sections of the Ummah. In Islam, brotherhood among Muslims is highly stimulated by Holy Quran and Sunnah (Al-Quran 49:10). From actual sense, the population of a country is not same and equal in terms of their economic standing and personal income. There are the rich, the poor, the needy, the orphans, single parents and etc as stated in asnaf zakat (Rahman, 2012).

Zakat is an obligatory to Muslims when the conditions stipulated are met which proposed to help the poor and the needy. Zakat is a practical manifestation of a Muslim's belief in Allah (s.w.t.) stated in Holy Quran and Hadith. In fact Islam has been the first religion which provide general principles for the economic welfare of the ummah through zakat, wakaf and etc. Zakat institution may be used as a economic and social tools to counter back economics

slowdown and recession. This interpretation is more significant and flexible when an economy have a slowdown or recession as a result of financial or economic crisis. The lower income groups of the world population are most affected by economic and financial crisis. Malaysia also has experienced major recessions and financial crisis in recent years. The first crisis was the 1997/1998 East Asian Financial crisis before that the 1985-1986 world recession (Rahman, 2012).

The next economic recession is a world global financial crisis which originated from the sub-prime financial and estate crisis in the United States (US) in mid-2007. As a result of the global financial crisis which significantly affected Malaysia and world economy in global economy, the incidence of poverty of Malaysia citizens are increased from 3.6% in 2007 to 3.8% in 2008. Rahman (2012) stated:

The higher incidence in poverty was due to a jump in rural poverty (from 7.1% to 7.8%) while incidence of urban poverty remained the same. The current global crisis affected the rural poor more while the 1997/1998 crisis had the opposite effect.

### **3.1 A Study on the History of Zakat in Malaysia**

Islam arrived in the Malay World in early of the 13th century. Based on that, the history of zakat in this country also began from that period. The data on zakat collection and distribution during the early day of Islam is very hard to find and it could still be found but limited access particularly in the period before the coming of Western's colonial. The payment of zakat during pre-western colonial period was not written in proper framework. It was traditionally practice by the giving goods to religious teachers in pondok, dayah, pesantren and madrasah as a amil's of zakat who would later will be distributed them to the peoplein accordance with the needs of available asnaf stated in Holy Quran and Sunnah(Rahman, 2012).

### **3.2 Zakat in the British Colonial Period**

The segregation between religion and custom matters taking place during British colonial days. All Islamic and any related matters of Malay customs were governed and administered by a special body known as Majlis Agama Islam Negeri (MAIN) for example Majlis Agama Islam Kedah and Majlis Agama Islam Pulau Pinang. Some state known as Majlis Agama Islam dan Adat Melayu for instance Majlis Agama Islam dan Adat Melayu Perak and Majlis Agama Islam dan Adat Istiadat Melayu Terengganu. Other than that, the rest legal form came under the pure view of British civil and criminal law system. All matters associated with Zakat were administered by MAIN. Kelantan was the first state to establish the body which later became a model to others Malay Sultanate. Under this effort, the Imam has been empowered as officer to zakat related matters. A portion of zakat collection would be

delivered to the state government as a financial resource for Islamic affairs. That was how the administration of zakat developed and practiced until today which remain under the supervision of State Islamic Councils or MAIN (Rahman, 2012).

### **3.3 The Transformation of Zakat's Administration in Malaysia**

Administration of zakat comes directly under the state legal system which will governed under the patronage of HRH Yang Di-Pertuan Agong, for Federal Territories and the Sultan or Raja for the selected states. This responsibility is firmly under administration of MAIN except Kedah on behalf of the Majesty which has they have a special institution for Zakat namely Department of Zakat Kedah that is independent body of MAIN and under Zakat Enactment (Rahman, 2012).

### **3.4 The Administration of Zakat in Malaysia (before 1990's)**

As a functions acted by MAIN on behalf of Yang Di Pertuan Agong, all related cases to Islamic affairs include zakat must be referred to this body. MAIN is assisted by State Department of Islamic Affairs (JAIN) in performing its task and functions. Before the 1990's, the amount of zakat collected was considerably low due to a several factors. One Factor is the payment of fitrah (tithes) and zakat from paddy yield which were given first priority, while collection of zakat from property, business and income were not seriously in first priority. Meanwhile, the amil's duty was regarded as seasonal. They just appointed when they have a needs in a season of paddy harvested. The collection of zakat also done during the fasting month of Ramadhan.

The management of zakat just followed past trends and practicality on collection matters in which zakat was paid individually to amils and after that the amils would distribute the collection to the rightful beneficiaries in they district or qaryah. Another factors is the heavy workload, insufficient zakat personnel and not well designated tasks also contributed to the low record zakat collection. For example, an officer was assigned with all related matters to baitulmal, zakat, estates, waqf (endowment) and etc without having specialization on zakat tasks (Rahman, 2012).

### **3.5 The Administration of Zakat in Malaysia (after 1990's)**

The establishment of a private body with its function of reference to collect all-forms of zakat in professional practice has introduced a new era in the state administration of zakat. This has been done by establishing a institutionalized body that acts as a subsidiary under MAIN to perform the duties of zakat collection. We can see in this period the zakat collection was privatized. For example, Pusat Pungutan Zakat Wilayah Persekutuan was privatized in 1991, Lembaga Zakat Selangor in 1994, Pusat Urus Zakat Pulau Pinang in 1994, Pusat Kutipan

Zakat Pahang in 1995, Pusat Zakat Negeri Sembilan in 1998 and Pusat Zakat Melaka in 2001. There are three aims of zakat collection privatization as stated by Rahman (2012);

first, to provide specified officers, offices or counters for collection of zakat separately from MAIN; second, to utilise the state-of-the-art in computer technology in all zakat related dealings; third, to set up a corporate working system which is not bound by bureaucracy. In this way it would encourage innovation, creativity, proactive and expedite the delivery system. In addition to that, to introduce its own service scheme to look after the welfare that would guarantee the future of their personnels; to recruit experienced personnels that have expertise in various fields including Islamic studies, finance, marketing, I.T., research, business administration, economics, mass communication and so on. But Perak is still not privatize their zakat collection institution.

There are four different forms of zakat corporations in dealing with the collection and distribution of zakat in Malaysia. First, a corporation has been established under zakat enactment, means by the state which have their own zakat enactment for example Jabatan Zakat Negeri Kedah. This has been established under the Kedah Zakat Enactment 1955. The enactment was completely separated from the Kedah Administration of Islamic Law Enactment. Tabung Baitulmal Sarawak has been introduced by virtue of Sarawak Islamic Council (Corporation) (Amendment) 1984 Ordinan Majlis Islam Sarawak (Pemerbadanan) (Pindaan) 1984 with a task of managing the collection and distribution of zakat as well as baitulmal asset (Rahman, 2012).

Second, a corporation has been established under the state administration of Islamic law enactment, such as Lembaga Zakat Selangor that has been established under the virtue of Trustee (Corporation) Act 1952. Pusat Urus Zakat Pulau Pinang (PUZ) is a subsidiary to Majlis Agama Islam Pulau Pinang, that has been set up under Companies Act 1965 (Rahman, 2012).

The third is a corporation that has been established under an Act or State administration of Islamic law enactment with a duty to collect zakat only. All collections would be channelled to MAIN which distributes zakat collected to the rightful beneficiaries. Examples are PPZMAIWP (Harta Suci Sdn. Bhd.); PZM–MAIM (Pusat Zakat Melaka Sdn. Bhd.); PZNS–MAINS (Pusat Zakat Negeri Sembilan Sdn. Bhd.); PKZ–MAIP (Pusat Kutipan Zakat Pahang Sdn. Bhd.) (Rahman, 2012).

Fourth, the collection and distribution of zakat is executed by MAIN through its own unit or department of Baitulmal or zakat centres such as Majlis Agama Islam Johor; Majlis Agama Islam Perlis; Majlis Agama Islam dan Adat Melayu Perak; Majlis Agama Islam dan Adat Istiadat Melayu Kelantan; Majlis Agama Islam dan Adat Istiadat Melayu Terengganu and

Majlis Ugama Islam Sabah. The administration of Zakat is very crucial in ensuring all-related matters to the collection and distribution of zakat could be carried out in the best possible way. Zakat administration in the various states and federal territories have gone through phases of development and restructuring with a view to strengthen the institution of zakat machinery in delivering efficient service to the community as a whole (Rahman, 2012).

#### **4. KNOWLEDGE MANAGEMENT AT ZAKAT DIVISION MAJLIS AGAMA ISLAM DAN ADAT MELAYU PERAK**

##### **4.1 Majlis Agama Islam dan Adat Melayu Perak (MAIPk)**

MAIPk was one of Islamic institution in perak that functioned to encourage muslims community in accordance with Islamic law in State of Perak. This function stated in their mission which is to organize, encourage, assist and enhance the development and economic well-being, social and islam community administration guided by Islamic laws in state of perak. Their Objectives are; first, dignifying zakat institution through effective collection and distribution system. Second, administering the property of Baitulmal and Waqf in order to develop socio-economic and maintain the well being of the community. Last, generating quality of services, excellent and dynamic work culture as well as systematic management by leveraging information technologies and communication maximally. MAIPk vision's is to become a syumul Islamic institution in driving the progress and welfare of the community based on the Quran and the Sunnah. While their mission's is to improve socio-economic standard of the community through the effective and dynamic enrichment of Baitulmal management and practice excellent governance based on honesty, integrity and professionalism (Md. Noh, 2013).

MAIPk have 4 division in order to fullfill it's functions which is Management Division, Property and Investment Division, Zakat Division and Financial Division. Under management there are 3 unit which is management services, finance and Information technology. Under Property and Investment Division there are 2 unit which is Wakaf and Baitulmal. Zakat Division also have 2 units which is Assessment Unit and Distribution Unit. The paper only focused on Knowledge Management at Zakat Division only (Md. Noh, 2013).

##### **4.2 Knowledge Management at Zakat Division Majlis Agama Islam dan Adat Melayu Perak**

###### **4.2.1 Knowledge Capture**

Zakat Division have their own computerized system which called E-Sistem Pengurusan Bersepadu. All of staff information are storage and every staff can acces easily to get their related information. They also used traditional KM Method such as an intranet and internal magazine to capture the knowledge. They also practice the rotation of employee to other

departments or to other district in Perak in order to capture knowledge and technique so they can implement them in their own department. In other to capture the knowledge, the staff also attending the seminars and meeting held by another state and Jabatan Wakaf, Zakat and Haji in order to enhance their performances. Zakat division utilized a procedure to capture policies such as customer credit, management order, mail, email and memo. The common usage of KM tool is through conventional mail (Md. Noh, 2013).

#### **4.2.2 Knowledge Sharing**

We can divided knowledge sharing into two sections; first, internal knowledge sharing. Second external knowledge sharing. Internal knowledge sharing are how knowledge are shared among the organization. External knowledge sharing are how Zakat Division provide information to the people. In term of internal knowledge sharing, knowledge was shared through formal and informal meeting. They also have a secret group in facebook with CEO where all employee were able to share their idea. Zakat division in order to enhance their knowledge sharing was initiated academia talk in selected zakat topics. It will be presented by academia from University Teknologi Mara, Universiti Perguruan Sultan Idris and Kolej Islam Sultan Azlan Shah. They shared knowledge via their website which contain summaries of trends, rankings, comparisons etc. In order to make sure Zakat Division have accurate information, they appointed external consultant; Painsley to do a research on zakat distribution and the last finding will presented to all Zakat Division staff's (Md. Noh, 2013).

While in external knowledge sharing by promotion such as sponsorship, media massa, agency, collaboration with public universities in Perak, yearly activities, mosque programme, pamphlet and fliers. Zakat Division enhance their external knowledge sharing by sponsored selected program in state government divisions such as Hari Khidmat Cemerlang and sponsored one radio program at Perak FM, named Hiwar Islam. Zakat Division also appointed all bank as it's agent to promote and easy people to make zakat payment. The weakness of zakat perak is they don't have direct link to Bahagian Zakat, customers only can make a payment through it's agent by using internet banking or counter services. In term to enhance awareness to the payment of zakat, collaborations initiated with public universities in Perak such as UiTM, UPSI, UTP, KUISAS and UNIKL where, Zakat Division Staff will go to those university to give some talks about zakat awareness (Md. Noh, 2013).

External knowledge sharing also initiated through establishing posters, pamphlet, magazine call Wadah MAIPk, billboards especially at more than 20 masjid all over perak and using electronic billboard at Bulatan Menteri Besar in Ipoh. Zakat Division allocated more than 3 million by initiating Kembara Zakat and Ziarah Asnaf to promote zakat among perak citizens. They also have collaboration with private sectors, NGO's and agencies such as Dewan Perniagaan Melayu, Majlis Amanah Rakyat and Amanah Ikhtiar in order to enhance zakat collection in Perak (Md. Noh, 2013).

### 4.2.3 Knowledge Culture

Knowledge culture are existed in the organization in not formal, stated in interview that conducted by researcher, knowledge communities is existed through meeting rather than via formal internal knowledge communities. Every policies was discussed at formal meeting which conducted based on monthly or depend on organization's needs and necessities. Another things is knowledge culture also occurs by employees communication through professional talks, expertise talks and also by having their social event such as hi-tea and family day (Md. Noh, 2013).

## 5. CONCLUSION AND RECOMMENDATIONS

There are some recommendations to enhance Zakat Division. First, There are a needs to offer professional development programs on KM topic which can promote staff awareness of KM concepts. Second, maybe bahagian zakat can employ a KM officer such as appointed a the senior level to manage and enhance KM aspects. sharing and transfer. Third, develop more on internal and external knowledge communities to promote networking and to enhance knowledge Management. Fourth, there are a need to utilize a technical system to capture organizationall knowledge, which can employ a technical system to capture a full range of information and knowledge. Lastly, establishment of knowledge culture which can evaluate KM methods, systems and practices. Determine which methods, system and practices are effective and which are not.

As a conclusion, MAIPK have to enhance their practice of KM because it can give high impact to working process especially at Zakat Division. According to the interview, many of Zakat Division staff's prefer to use conventional method of KM such as mail, filing and procedure rather than use new method of KM such as email, facebook, e filing and etc. They have to cope with a new technology in order to perform their task and job.

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