Do perceived zakat institutions and government support affect entrepreneurs' intention to pay zakat?

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Article Info

Abstract

Purpose – This study aims to determine the effect of attitudes, subjective norms, institutional zakat systems, and government support in influencing the intention of entrepreneurs in paying zakat.

Methodology – There are 140 respondents in this research from 6 big cities in Java, such as Jakarta, Serang, Bandung, Semarang, Yogyakarta, and Surabaya. This research uses the Partial Least-Square-Structural Equation Modeling (PLS-SEM) analysis technique with the Theory of Reasoned Action (TRA) model.

Finding – The findings reveal that attitudes, subjective norms, and perceived zakat institutions affect entrepreneurs' intention in paying zakat. Meanwhile, perceived government support does not affect entrepreneurs to pay zakat.

Implications – Zakat institutions need to regularly involve Muslim entrepreneur organizations in zakat management programs so that perceptions about zakat institutions and the role of government in improving zakat management can increase the motivation of entrepreneurs to pay zakat.

Originality – There has been no previous research including perceived zakat institutions and perceived government support as variables influencing entrepreneurs' intention to pay zakat in Indonesia.

Cite this article:

Introduction

Indonesia is comprised of 34 provinces, 514 regencies, and cities that manage their respective territories independently. This autonomy compels the local government to optimize economic resources to accelerate the social welfare and justice of the local community. As the country with the largest Muslim population and the fourth largest in the world, with an estimated 87 percent Muslim population, Indonesia is anticipated to maximize Islamic financial instruments to improve economic growth at the local and national levels. By establishing various Islamic finance institutions, including the central National Zakat Institution (BAZNAS) as the legal zakat management institution in each region and province, the Indonesian government has demonstrated

its commitment to establishing Indonesia as the center of Islamic finance and halal industry. In Indonesia, there are 456 BAZNAS, comprised of 34 provinces BAZNAS and 422 district/city BAZNAS. Moreover, zakat management in Indonesia is supported by the national Zakat Management Institute (LPZ), which consists of 26 OPZ on a national scale, 18 OPZ at the province level, and 37 OPZ at the district and municipal levels. (BAZNAS, 2019).

The presence of OPZ at the provincial and district levels is projected to boost muzakki's intention to pay zakat, resulting in a large rise in zakat collection. Based on the recapitulation of prospective zakat in each district/city in a province, it is known that DKI Jakarta Province has the highest potential value of zakat, at IDR 64.5 trillion, followed by East Java and West Java with respective values of IDR 36.2 trillion and IDR 30.6 trillion. The province of East Java has the highest potential zakat objects, including agricultural zakat, livestock zakat, and company zakat, with potential values of IDR 3.2 trillion, IDR. 2.4 trillion, and IDR 36.6 billion, respectively. The province of DKI Jakarta has the biggest potential for cash zakat and income zakat, with potential values of IDR 37.7 trillion and IDR 26.8 trillion (Baznas Strategic Studies Center, 2021).

Each region has a substantial zakat potential, however, BAZNAS has not attained its zakat collection target. Muzakki is influenced to pay zakat by their perceptions of zakat institutions and government support. According to research conducted by Sudarsono et al. (2021), the system of zakat institutions influences the willingness of muzakki to pay. Moreover, muzakki's perception of government support in zakat management motivates muzakki to pay zakat (Condrohadisumarto et al., 2019; Farouk et al., 2017a, 2017b; Huda et al., 2012; Sudarsono et al., 2021). Furthermore, muzakki in zakat payment is impacted by a Muslim's attitude with regard to their obligations to Allah SWT (Heikal et al., 2014; Rehman & Aslam, 2020; Sudarsono et al., 2021). Moreover, the influence of subjective norms or influential individuals, such as family, relatives, friends, and influential individuals, also encourages muzakki to pay zakat (Saad & Haniffa, 2014; Sudarsono et al., 2021 and Farouk et al. 2018).

Zakat is predicted to have a significant contribution to empowering the marginal society in Indonesia. Statistically, Zakat Potential Mapping Indicators (IPPZ), reported as of 2019, Indonesia's zakat potential was recorded at IDR 233.8 trillion or equivalent to 1.72% of the 2018 GDP which was worth IDR 13.588.8 trillion (BAZNAS Puskas, 2019). Table 1 shows that in 2019 the funds collected were IDR 10.227 trillion, of which 55.3 percent came from zakat maal income, zakat maal agency, and zakat fitrah. Then in 2020, the potential for corporate zakat reaches IDR 144.5 trillion. In other words, there is a huge potential for Indonesia to obtain additional zakat from corporate. Outlook for zakat Indonesia 2021 stated that the total potential for zakat in 2020 is IDR 327.6 (Puskas BAZNAS, 2020). The source of the largest potential tax object comes from corporate zakat of IDR 144.5 trillion, then zakat on income and services is IDR 139.07 trillion, and zakat money is IDR. 58.76 trillion, agricultural zakat of IDR 19.79 trillion, and livestock donations of 9.51 trillion (Baznas Strategic Studies Center, 2021). The annual reports of the Baznas Strategic Studies Center, also indicate that corporate zakat is the largest source of revenue for the zakat institution, accounting for 61 percent of the state's total zakat revenue. However, this figure is disappointing when compared to the total number of active businesses and the growing needs of zakat recipients.

Table 1. Collection by Type of Fund in 2019 (IDR)

Type of Fund	Realization	Percentage
of Zakat Maal-Income	3,951,113, 706, 297	38.6
Zakat Maal Agency	306.737, 147, 482	3.0
Zakat Fitrah	1,406, 144, 490, 186	13.7
Infaq /Bound Alms	712,309,604, 322	7.0
Infak/Unbound Alms	2,582,142, 106, 259	25,2
Corporate Social Responsibility	96,395,440,616	0.9
Other Religious Social Funds	1,173,101,311, 393	11.5
Total	10,227,943, 806,555	100.0

Source: National Zakat Statistics, 2019

Numerous previous studies have proved that perceived zakat institutions and perceived government support influence the intention of civil servants or the Islamic community in paying

zakat (Condrohadisumarto et al., 2019; Farouk et al., 2017a, 2017b; Huda et al., 2012; Sudarsono et al., 2021). However, previous research has never examined the effect of entrepreneurs' intention in paying zakat, particularly in Indonesian context. Even entrepreneurs are a group of muzakki who have a high enough potential to meet the target of the zakat collection. Zakat on business payments has the potential to be the major contributor to overall Zakat on business collection in the future. Empirical evidence from Malaysia and Yemen, Muhammad (2016), Sareye and Othman (2017), and Bin-Nashwan *et al.* (2021) explored the determining factors which affected the intention to pay zakat of entrepreneurs. The prior studies discovered that the intention to pay zakat is influenced by internal and external factors, such as religiosity, Islamic financial literacy, trust, moral reasoning, subjective norm, peer influence on zakat compliance, attitude, and service quality of zakat institutions. Concerning the importance of zakat from the entrepreneur for economic development and the untapped potential of zakat corporate in Indonesia, this study aims to analyze the effect of attitude, subjective nom, perceived zakat system, and perceived government support in influencing the intention of entrepreneurs to pay zakat.

The remaining sections are organized as follows. The second section illuminates the theoretical framework and develops the hypotheses, while the third section explains the research methodology and data. The empirical results and commentary are added progressively in Sections 4 and 5. In Section 6, the conclusion, consequences, and future study directions are given.

Literature Review

Theory of Planned Behavior (TRA)

TRA has two constructs that determine intentions, namely attitudes and subjective norms. Attitude is an expression of one's feelings that reflects his likes or dislikes towards an object. In contrast, subjective norms are individual perceptions of the beliefs of others that will affect the intention to do or not do something under consideration (Ajzen, 2015). However, several studies have found that subjective attitudes and norms apply to each individual (Hennessy et al., 2012). Although many studies in several fields have used TRA, several studies complement it with several constructs to answer several problems studied (Ajzen, 2012). This study includes the variables perceived zakat institution and perceived government support in the TRA model to analyze the factors influencing entrepreneurs' intention to pay zakat.

Hypothesis Development

Attitude

Attitude is the amount of affection (feeling) a person feels when accepting or rejecting an object or behavior (Ajzen, 2015). The stronger a person's attitude, the stronger the impact on behavior. Behavior or action implies human choices to get the best for themselves. Meanwhile, humans are influenced by feelings that affect the tendency of people to determine actions. Likewise, the act of muzakki in paying zakat reflects his feelings of accepting or rejecting the act of paying zakat. Several studies reveal that attitudes affect compliance with paying zakat (Idris & Ayob, 2001; Saad & Haniffa, 2014). Likewise, Sudarsono et al. (2021) and Heikal et al. (2014) found that attitudes affect the intention to tithe. Muslim entrepreneurs who know zakat problems tend to have feelings to justify actions in paying zakat. From this explanation, the following hypothesis can be formulated: H_1: The attitude of entrepreneurs affects the intention of entrepreneurs to pay zakat.

Subjective

Subjective norms are the environmental conditions of an individual who accepts or does not accept a behavior shown (Ajzen, 2015). A person will show behavior acceptable to the people or environment around them. An individual will avoid showing a behavior if the surrounding environment does not support the behavior. Farouk et al. (2018), Sudarsono et al. (2021), and Saad and Haniffa (2014) find that subjective norms have a significant effect on the intention to comply. Research by Muzaffar (2015) and Saeri et al. (2014) found that subjective norms have little effect on

a person's behavioral intentions. Similarly, Huda et al. (2012) stated that subjective norms do not affect zakat compliance behavior. From this explanation, the following hypothesis can be formulated:
H2: Subjective nom affects the intention of entrepreneurs to pay zakat.

Perceived Zakat Institution

Perception of the structure of the zakat institution is the muzakki's assessment of the existence of the zakat institution, which influences the muzakki to pay zakat. This perception is influenced by the experience of muzakki related to zakat institutions, either directly or indirectly. The more muzakki have good experience with zakat institutions, the better their perception of OPZ and vice versa (Condrohadisumarto et al., 2019). Amil zakat institutions in Indonesia are coordinated by the National Amil Zakat Agency (BAZNAS) based in the central government and village governments. BAZNAS, domiciled in sub-districts and villages, is called the zakat collection unit (UPZ). Besides UPZ, there are also mosque-based zakat institutions (LAZ), mass organization-based LAZ, company-based LAZ, and Zakat Collecting Organizations (OPZ). More zakat institutions will make it easier for Muzakki to find alternative places to pay zakat. In addition, the efforts of zakat institutions to improve services to muzakki will increase the intention of muzakki in paying zakat (Maulida et al., 2022). Saad et al. (2010) and Sudarsono et al. (2021) revealed that the institutional structure of zakat is a vital indicator of increasing the intention of muzakki in paying zakat. The relationship between perceived zakat institution and asking to pay zakat can be formulated in the hypothesis:
H3: Perceived Zakat institutions affect the intention of entrepreneurs to pay zakat.

Perceived Government Support

Perceived government support is an assessment of muzakki on government support to influence muzakki in paying zakat. Muzakki's experience regarding the government's contribution in supporting muzakki in the form of information directly or indirectly causes paying zakat. Government support is related to laws on zakat management, government regulations, ministerial regulations of religion, and BAZNAS regulations relating to zakat management. Zakat institutions, such as BAZNAS, from the center to the regions, are the implementation of these laws and regulations. If the muzakki feels they get support, then the muzakki feels safe to pay zakat. Government support guarantees muzakki to pay zakat correctly and follow the provisions. Sudarsono et al. (2021) find government support as one factor determining muzakki's intention to pay zakat. The effect of perceived government support on muzakki's intention to pay zakat can be formulated in the following hypothesis:
H4: Perceived Government Support affects the intention of entrepreneurs to pay zakat.

Conceptual framework

This study tries to analyze attitudes, subjective norms, perceived zakat institutions, and perceived government support influencing the intention of entrepreneurs in paying zakat. This research model can be illustrated in figure 1 below:
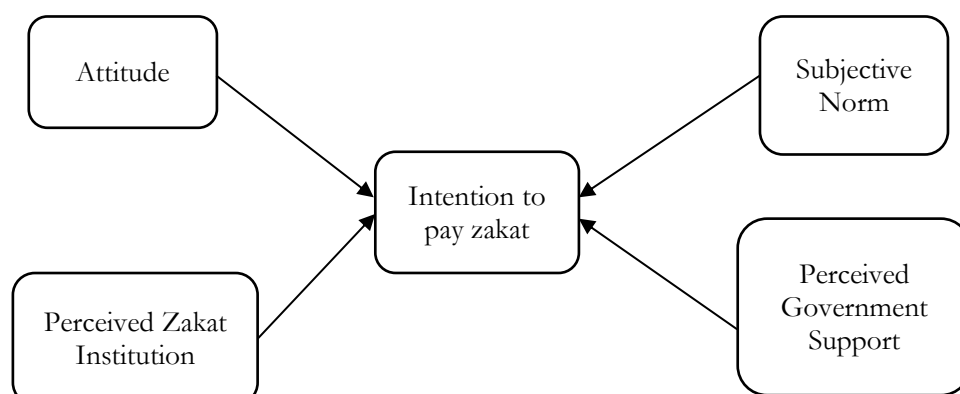

Figure 1. Research Framework Model

Sampling

The demographic and business characteristics of the wholly Muslim target sample (i.e., entrepreneur zakat payers) are presented in table 2. The population of this study is Muslim entrepreneurs who live in 6 big cities on the island of Java, such as Jakarta, Serang, Bandung, Semarang, Yogyakarta, and Surabaya. Random sample technique to collect respondents from among Muslim entrepreneurs. The questionnaire was distributed online using a Google Form to several WhatsApp groups consisting of Muslim entrepreneurs. Seventy-five men and sixty-five women responded to the survey that was distributed via WA over seventeen days. Whereas, the majority of respondents with a maximum expenditure of less than IDR 8.000.000 are under 30 years old, representing 43% of the total respondents.

Table 2. Descriptive and Business Characteristics of the Respondents

Variable	Description	Frequency	Percent
Gender	Male	75	0.54
	Female	65	0.46
Age	Less than 30 years old	60	0.43
	30+ to 40 years old	19	0.14
	40+ to 50 years old	37	0.26
	More than 50 years old	24	0.17
Status	Married	99	0.71
	Not married	41	0.29
Monthly expenses	Less than IDR 8,000,000	128	0.91
	IDR 8,100,000 – IDR 14,000,000	3	0.02
	More than IDR 14,000,000	9	0.06
Province	DKI Jakarta – Jakarta	5	0.04
	Banten – Serang	5	0.04
	West Java - Bandung	17	0.12
	Central Java - Semarang	72	0.51
	DI Yogyakarta - Yogyakarta	29	0.21
	East Java - Surabaya	12	0.09

Measurement

This research uses Partial Least Square (PLS) as one alternative method *of Structural Equation Modeling* (SEM), often called PLS-SEM. PLS is used to overcome researchers faced with conditions where the sample size is large enough but has a weak theoretical basis in the relationship between the hypothesized variables. In addition, PLS also overcomes research problems with very complex variables, but the data sample size is small (Hair et al., 2014). Several researchers also recommend PLS-SEM because the PLS-SEM approach is a flexible, more powerful, and superior statistical tool for prediction and theory testing (Henseler et al., 2015).

Result

The measurement model passes through several stages, namely the evaluation of indicator assignment, average variance, and composite reliability also called convergent validity. The discriminant validity test was used to examine factor loading and the correlation of latent variables. Checking convergent and discriminant validity is aimed at achieving content validity. Therefore, content validity is achieved through the examination of convergent validity and discriminant validity (Hair et al., 2014; Sekaran & Bougie, 2016). In summary, in PLS, the reflectively measured construct measurement model is evaluated by testing the convergent validity and discriminant validity step by step.

Convergent Validity

From Appendix 1, the loading factor of 19 question instruments on five latent variables shows a value above 0.70. This result means that the loading factor value contributes more to explaining its

latent construct (Hair et al., 2014). The reliability test in this study showed that five latent variables had Cronbach's alpha values > 0.6. Thus, it could be said to be reliable. Meanwhile, the composite reliability value on all latent variables in the study shows a value of > 0.7, following Sekaran and Bougie's (2016) statement that all latent variables are reliable. Finally, the five latent variables have an AVE value > 0.5, indicating that the five latent variables have met the criteria for convergent validity Hair et al. (2014).

Discriminant Validity

Discriminant validity is carried out to ensure that each concept of each latent model is different from other variables. In the Fornell-Larcker criterion test, discriminant validity can be said to be good if the root of the AVE in the construct is higher than the correlation of the construct with other latent variables. The discriminant validity of this study is presented in table 3.

Table 3. Discriminant Validity

	ATT	PGS	IPZ	PZI	SN
Attitude (ATT)	0.895				
Perceived Government Support (PGS)	0.336	0.913			
Intention to Pay Zakat (IPZ)	0.587	0.466	0.866		
Perceived Zakat Institution (PZI)	0.434	0.781	0.530	0.890	
Subjective Norm (SN)	0.194	0.452	0.340	0.387	0.854

At the same time, the cross-loading must show a higher indicator value for each construct than the other constructs' indicators (Sekaran & Bougie, 2016). In one variable, the cross-loading value is greater than 0.7, and the cross-loading indicator value for the latent variable is higher than the values for the other latent variables.

Model Structure

The results showed that the R^2 value was 0.443. The R^2 value shows that the attitude variables, subjective norms, perceptions of zakat institutions, and perceptions of government support can explain 44 percent of the variance of entrepreneurs' intentions to pay zakat. Chin (1998) classified the value of R^2 into three categories; 0.67 is substantial, 0.33 is moderate, and 0.19 is weak, although the minimum acceptable R^2 level proposed by Hair et *al.* (2014) is 0.10. Thus, it is concluded that R^2 in this study is substantial, following the criteria.

The Fit test results indicate that this research model has entered the fit criteria. This test is identified from the Standardized Root Mean Residual (SRMR) value of 0.059 or SRMR value < 0.10, and the model is declared invalid if the SRMR value is > 0.15. Meanwhile, the Chi-square value obtained is 384,115, or > 0.05, which shows that the empirical data used is identical to the theory used. The Normed Fit Index (NFI) value was obtained at 0.832, or the NFI value < 0.90, indicating that the model used has entered good criteria.

Table 4. Hypothesis Testing

	Coefficient	T Stat	P Values
Attitude -> Intention to Pay Zakat	0.436	3.978	0.000
Subjective Norm -> Intention to Pay Zakat	0.130	2.020	0.044
Perceived Zakat Institution -> Intention to Pay Zakat	0.223	1.809	0.071
Perceived Government Support -> Intention to Pay Zakat	0.086	0.596	0.551

The significance level of the relationship between constructs can be seen from the value of t-count (t-statistics) > t-table with a significance level of 5% (0.05) or 10% (0.10). The results of the direct influence of subjective attitudes and variables on the intention of entrepreneurs to pay zakat have a t-count value (t-statistics) > t-table and a significant level of 5% (0.05). Meanwhile, the perceived zakat institution variable on the entrepreneur's intention to pay zakat has a t-count

value (t statistic) > t-table at a significant level of 10% (0.10). Therefore, the t-statistics and p-value show that attitudes, subjective norms, and perceived zakat institutions affect the intention of entrepreneurs to pay zakat. However, perceived government support does not affect entrepreneurs' intentions to pay zakat.

Discussion

Attitude (ATT) positively and significantly affects the intention to pay zakat. The results showed that the entrepreneur's attitude affected the intention to pay zakat (coefficient = 0.436; t = 3.978; p < 0.000). These empirical results follow the findings of Idris and Ayob (2001), Saad and Hanifa (2014), Sudarsono et al. (2021), and Heikal et al. (2014), which reveal the effect of attitude on the intention to pay zakat. On average, entrepreneurs know that zakat is an obligation for every Muslim who can afford it. In addition, Muslim entrepreneurs understand that zakat has social and economic functions, such as reducing social inequality, alleviating poverty, and improving people's welfare (Maulida et al., 2022; Rachman, 2022; Razzack et al., 2022). Zakat is not only a way to get closer to God but also to increase justice in the economic field. This situation affects entrepreneurs intention in paying zakat by the provisions.

Subjective norm (PI) positively and significantly affects the intention to pay zakat. The study's results found that the influence of peers positively affected the intention to pay zakat with a coefficient of 0.130, t = 2,020, and p < 0.044. These results align with previous studies that reported that peers significantly influence intentions (Farouk et al., 2018; Sudarsono et al., 2021; Saad & Haniffa, 2014). These results confirm that the effect of partnership among entrepreneurs can build the same perspective on the obligation to pay zakat. The average entrepreneur has a partnership relationship with an entrepreneur with a related or similar type of business. The interaction between entrepreneurs fosters more intense communication related to religious obligations. Zakat is an economic instrument that is part of the problem for Muslim entrepreneurs who have fulfilled the nisab to pay zakat. Therefore, interaction among Muslim entrepreneurs increases the intention of Muslim entrepreneurs to pay zakat.

Perceived Zakat Institution (PZI) has a positive effect on the intention of entrepreneurs to pay zakat. The results showed that the relationship between perceived zakat institution and intention to pay zakat was positive and significant (coefficient =0.223: p = 1.809 and p < 0.071). This finding is consistent with Saad et al. (2010) and Sudarsono et al. (2021), who found that zakat institution affects the intention to pay zakat. The existence of zakat institutions in various places supports entrepreneurs' ability to pay zakat quickly. Zakat institutions have spread in various regions, and many zakat institutions are already in urban areas. In addition, there are mosque-based zakat institutions (LAZ), mass organization-based, company-based, and zakat-collecting organizations (OPZ). Then, paying zakat to zakat institutions can be done online, making it easier for entrepreneurs to pay zakat anywhere and anytime. Table 5 shows the number of zakat managers by level throughout Indonesia. The greater the number of zakat institutions, the more Muslim entrepreneurs will be facilitated to pay zakat. In addition, several zakat institutions have good enough facilities to provide comfort for muzakki. In addition, zakat institutions have collaborated with financial institutions to facilitate payment through online or e-commerce platforms. Therefore, the existence of zakat institutions with their facilities increases the intention of Muslim entrepreneurs in paying zakat.

Table 5. Zakat Managers based on Level of Area

BAZNAS and LAZ	OPZ
BAZNAS RI	1 OPZ
BAZNAS Province	34 OPZ spread across 34 provinces throughout Indonesia
BAZNAS Regency/City	456 OPZ who already have consideration from the leadership
of National LAZ	26 OPZ National scale
LAZ Province	18 OPZ provincial scale
LAZ Regency/City	37 OPZ scale Regency/City

Source: BAZNAS (2019)

Perceived government support (PGS) does not affect entrepreneurs' intention in paying zakat. Muslim entrepreneurs perceive that government support does not affect entrepreneurs' intention in paying zakat. These results are inconsistent with the findings of Huda et al. (2012), Farouk et al. (2017a, 2017b), and Sudarsono et al. (2021), which show the effect of government support on the intention to pay zakat. It can be understood that government support for regulations or rules does not directly affect the behavior of entrepreneurs in paying zakat. However, the government issued Law No. 23 of 2011 on zakat management, several government regulations, including No. 14 of 2014, and several regulations of the minister of religion regarding zakat management (see Table 5). However, entrepreneurs do not consider laws, government regulations, and regulations of the minister of religion to pay zakat. This phenomenon can be understood because entrepreneurs are not directly related to the government paying zakat. Entrepreneurs are more related to zakat institutions, which are considered non-government representatives.

Table 6. Government Regulations Regarding Zakat Management

No	Name of regulation
1	Law Number 23 of 2011 concerning Zakat Management
2	Government Regulation Number 14 of 2014 concerning the Implementation of Law Number 23 of 2011 concerning Zakat Management
3	Regulation of the Minister of Religion Number 52 of 2014 concerning Terms and Procedures for Calculation of Zakat Mal and Zakat Fitrah and Utilization of Zakat for Productive Business
4	Regulation of the Minister of Religion Number 69 of 2015 concerning Amendments to Regulation of the Minister of Religion Number 52 of 2014 concerning Terms and Procedures for Calculation of Zakat Mal and Zakat Fitrah and Utilization of Zakat for Business Productive
5	Regulation of the Minister of Religion Number 5 of 2016 concerning Procedures for Imposing Administrative Sanctions in the Management of Zakat
6	Decree of the Advisory Council of BAZNAS Number 001/DP-BAZNAS/XII/2010 concerning Guidelines for Collection and Management of Zakat, Infaq, and Shadaqah at the National Amil Zakat Agency
7	The decision of the Chairman of BAZNAS Number KEP. 016/BP/BAZNAS/XII/2015 concerning the Nishab Value of Income or Professional Zakat in 2016
8	The decision of the Chairman of BAZNAS Number 142 of 2017 concerning the Nishab Value of Zakat for Income in 2017

Finally, the attitude of entrepreneurs, the entrepreneur's environment, and the entrepreneur's perception of zakat institutions affect the intention of entrepreneurs in paying zakat. Therefore, efforts to increase the intention of entrepreneurs need to improve their understanding of zakat so that the attitude of entrepreneurs towards paying zakat increases. In addition, organizations, associations, and consortiums of entrepreneurs need to create programs to encourage their members to pay zakat by cooperating with zakat institutions.

Conclusion

This study found that entrepreneurs' intention in paying zakat depends on their attitudes, subjective norms, and ideas about how zakat institutions work. Meanwhile, the entrepreneur's perception of the government does not affect the entrepreneur's intention in paying zakat. From these results, it can be seen that it shows that entrepreneurs are interest in paying zakat as an effort to carry out Allah's commands. In addition, the influence of people close to entrepreneurs, such as family, relatives, and friends in organizations or groups, also influences entrepreneurs to pay zakat. The excellent perception of entrepreneurs towards zakat institutions increases the motivation of entrepreneurs to pay zakat. In practice, the results of this research can also provide crucial information and assistance for Muslim governments and zakat organizations in developing effective policies and initiatives to enhance zakat collection from entrepreneurs. Based on the finding, it is suggested that the OPZ continuously improve entrepreneurs' knowledge regarding the function and contribution of zakat institutions toward economic justice and welfare. The muzakki will learn more about OPZ through word of mouth in regencies or less-developed areas. Thus, the

OPZ should also teach people about their community development programs and spread the word about them to get more attention, which will lead to a positive view of zakat institutions. Hence, it will increase the entrepreneur's willingness to pay zakat on OPZ. At the national or provincial level, zakat institutions can take advantage of various social media to provide streaming or updated information related to zakat. In addition, zakat institutions need to regularly involve Muslim entrepreneurs' organizations in zakat management programs so that perceptions about zakat institutions and the role of the government in improving zakat management can increase the motivation of entrepreneurs to pay zakat.

The study has limitations in obtaining respondents following the proportion of the muzakki population in each region. Therefore, it is suggested that for the subsequent research, the number of respondents in each region is adjusted to the proportion of the muzakki population or the number of entrepreneurs in each region. This study recommends further research to add to the variable knowledge of zakat because it is suspected that knowledge of zakat also affects perceived institutional zakat, perceived government support, and intention to pay zakat. Subsequent research also considers the use of fintech platforms to influence the intention of entrepreneurs in paying zakat.

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Appendix 1. Measurement model indicators

Code	Variables	FL	CA	rho_A	CR	AVE
	Intention to Pay Zakat (IPZ)		0.832	0.840	0.900	0.750
IPZ1	I intend to pay zakat regularly every year	0.872				
IPZ2	I intend to pay zakat according to applicable legal provisions	0.914				
IPZ3	I ask to pay zakat at a zakat institution/amil I trust	0.809				
	Attitude (ATT)		0.917	0.921	0.941	0.801
ATT1	I pay zakat because I am obedient to Allah and seek Allah's pleasure	0.885				
ATT2	I feel happy when I can pay zakat	0.939				
ATT3	I believe that paying zakat can cleanse and purify from sin and miserliness	0.857				
ATT4	I believe that paying zakat can clean my property from all bad things	0.897				
	Subjective Norm (SN)		0.877	0.906	0.915	0.729
SN1	People who influence my decisions think that I have to pay zakat	0.764				
SN2	People who are important to me think that I have to pay zakat	0.852				
SN3	People whose opinions I respect think that I have to pay zakat	0.915				
SN4	People close to me think that I have to pay zakat	0.876				
	Perceived Zakat Institution (PZI)		0.913	0.922	0.938	0.791
PZI1	I know a zakat institution near where I live	0.876				
PZI2	I know the function and purpose of zakat institutions	0.900				
PZI3	I know how zakat institutions manage zakat	0.886				
PZI4	I know how zakat institutions manage/utilize the zakat funds that I pay	0.896				
	Perceived Government Support (PGS)		0.934	0.948	0.833	PGS1
0.952	Law No. 23 of 2011 has been implemented properly	0.886				
PGS2	Government regulations on zakat management have been running as expected.	0.922				
PGS3 The	government program launched to collect zakat funds is going well	0.929				
PGS4	The government has been alerting in supervising the management of zakat maal.	0.914				

Note: FL, Factor loading; CA, Cronbach's alpha; Rho_A, reliability coefficient; CR, composite reliability; AVE, average variance extracted