



A CONCEPTUAL FRAMEWORK ON THE SUCCESS FACTORS OF *ASNAF* ENTREPRENEURS

EFRI SYAMSUL BAHRI (Corresponding Author)

Sekolah Tinggi Ekonomi Islam (STEI) SEBI and Ph.D. Candidate, School of Graduate Studies Asia e University, Wisma Subang Jaya, No.106, Jalan SS 15/4, 47500 Subang Jaya, Selangor, Malaysia. E-mail: efri.sb@sebi.ac.id

AMRAN BIN MUHAMMAD (Co-Author)

Dean, School of Arts, Humanities and Social Sciences Asia e University, Wisma Subang Jaya, No.106, Jalan SS 15/4, 47500 Subang Jaya, Selangor, Malaysia.

E-mail: amran.muhammad@aeu.edu.my

MOHD MIZAN MOHAMMAD ASLAM (Co-Author)

Associate Professor at the Centre for Communication Technology and Human Development (iKOM), Universiti Malaysia Perlis (UniMAP), Kampus Alam UniMAP Pauh Putra 02600 Arau, Perlis, Malaysia.

Email: m.mizan@unimap.edu.my

A PEER-REVIEWED ARTICLE

(RECEIVED – 5TH DEC. 2020: REVISED – 18TH AUG. 2021: ACCEPTED – 1ST SEPT. 2021)

ABSTRACT

The success of *asnaf* entrepreneurs is a form of accountability of the zakat institution entity to strategic stakeholders, which in turn is accountable to Allah SWT. However, determining the success of these entrepreneurs is a problem. Therefore, this study aims to identify and describe the success factors of *asnaf* entrepreneurs. Charting the Field method to sort articles by topic, discussion, year, and the source was used in this study. Meanwhile, data was obtained from a literature review of various sources, including reference journals for 2016-2020. This study produces a conceptual framework regarding the success factors of *asnaf* entrepreneurs, namely: motivation, competency, and productive zakat. From the results, 5 aspects in the success of *asnaf* entrepreneurs were identified, namely, financial performance, non-financial performance, life-improvement, rich materially, and rich spiritually. Also, the success of these

entrepreneurs has positively impacted the good governance of zakat and transformed them from *mustabiq* to *munfiq* and eventually *muzaki*. This study enriches previous limited studies on *asnaf* entrepreneurs and contributes to academic development, entrepreneurial *asnaf*, poverty alleviation, and good zakat disbursement.

Keywords: *asnaf* entrepreneurs; motivation; competency; productive zakat.

INTRODUCTION

Zakat is an exciting subject because it is an essential instrument for Muslims in solving various problems, such as those faced by micro-entrepreneurs, known as *asnaf* entrepreneurs (Bahri *et al.*, 2019). This program is aimed explicitly to help them escape from difficult situations and the possibility of becoming zakat donors themselves in the business world (Muhamat *et al.*, 2013).

Furthermore, these entrepreneurs are included as *asnaf* that receive capital assistance from zakat organizations (Halim *et al.*, 2012). They are classified as *mustabiq* under the category of poor and needy (Muhamat *et al.*, 2013) with low-income households (Al Mamun *et al.*, 2017). In addition, their business types vary by providing trade products and services (Nasir and Talib, 2018).

As a pillar of Islam, zakat must be paid by *muzaki*, to fulfilled the *nisab*. Subsequently, the zakat collected is distributed to *mustabiq*, and this topic has been discussed in many studies. According to Rini (2020), the most popular topic in 2016-2019 was poverty because zakat can reduce its rate. Moreover, *mustabiq* has felt the benefits of the zakat fund and institutions have been successful in empowering them through the *asnaf* entrepreneurs' program. According to Yaakub *et al.* (2018), the study on the success of these entrepreneurs received less attention because they have many weaknesses and shortcomings. This success is a form of accountability in managing zakat to increase *muzaki's* trust (Saad *et al.*, 2014).

Therefore, the Institution's capacity to disburse zakat and succeed in the *asnaf* entrepreneurs' program is necessary and follows the criteria for the good governance of the institution (Adiwijaya & Suprianto, 2020), namely distribution criteria, efficiency, and financial

reporting. To manage the *asnaf* entrepreneurs' program, the factors that influence successful *asnaf* entrepreneurs must be recognized. This study describes and summarizes several others conducted in various countries regarding the success factors.

Although there are many studies on *asnaf* entrepreneurs, this study classifies the significant factors in achieving success. Furthermore, references from various countries, collected from the Google Scholar database, in the 2016-2020 timeframe are used. Therefore, this study provides a clear picture of running the *asnaf* entrepreneurs program based on significant success factors. In addition, some crucial points about the impact of managing *asnaf* entrepreneurs from several articles are discussed in this study.

LITERATURE REVIEW

Asnaf Entrepreneur

Zakat collected by Amil, and distributed to zakat recipients is called *mustabiq* (Hashim *et al.*, 2020). Based on the Qur'an in surah At-Taubah verse 60, *mustabiq* consists of eight groups of *asnaf*: *poor*, *needy*, *amil*, *converts*, *riqab*, *gharimin*, *ibn sabil*, and *fūṣabilillah*. Furthermore, Saini (2004), divided *asnaf* into 2 categories namely, consumptive and productive. Consumption includes 8 groups, while productive *asnaf* comes from 8 groups with additional criteria such as the ability, potential, and energy to work (Saini, 2004). According to Rahman & Ahmad (2011), and Shiyuti & Al-Habshi (2018), the entrepreneurial group are productive *asnaf* who have strong mental and physical strength and can work.

Furthermore, Muhamat *et al.* (2013) and Abai *et al.* (2020) argue that these entrepreneurs belong to the needy and poor *asnaf* groups that desire to transform through this platform. Therefore, they have the right to funds from zakat management entities as business capital assistance (Halim *et al.*, 2012). Based on the explanation above, *asnaf* entrepreneurs can be defined as zakat recipients that perform entrepreneur activities.

According to Fitri (2017), the success of *asnaf* entrepreneurs is the transformation from *mustabiq* to *muzaki*. Meanwhile, Zakaria & Harun (2019) argue that *asnaf* entrepreneurs can successfully run a

business alone and get out of poverty. Therefore, the success indicators for *asnaf* entrepreneurs need to be identified.

Theoretical Background

The success of *asnaf* entrepreneurs can refer to several theories, for example, human capital and planned behavior theory. Schultz first introduced the idea of human capital in 1960 and suggested that it is a set of knowledge, abilities, and motivation that will provide income and enjoyment in the future (Kuzmin *et al.*, 2020). Furthermore, Becker (1964) created a basic theoretical model of human capital (consisting of a set of knowledge, abilities, and skills) and argued that formal education, experience, and training were vital (Ozyilmaz, 2020).

Xadicha (2020) used a new term for a set of knowledge, skills, and abilities, namely competency. Several studies such as Son (2010), Azua in Huseini (1999), Sullivan & Sheffrin (2003), and Rapih (2015), argue that competence reflects the productive capacity of human resources. Additionally, Arafeh (2016) discovered that competency applies to all aspects of life, including entrepreneurs. According to Unger (2011), Rauch (2011), Frese & Rosenbusch, (2011), and Assaker *et al.* (2020), entrepreneurs that build human capital will increase capabilities to improve performance. Similarly, Limsong *et al.* (2017) and Sefiani (2013) discovered that the competency factor greatly affects business success. Based on the explanation above, human capital theory can be used to test the success of *asnaf* entrepreneurs.

The next theory is the planned behavior which was initiated by Ajzen (1991) designed to predict and explain human behavior. According to this theory, the main factor is the individual's intention to perform certain behaviors (Ajzen, 1991). Ajzen (1991) defines intention as an indication of the extent a person is willing to try, the effort they plan and engage in the behavior. According to Hunjra *et al.* (2012), the intention is a strong sign of entrepreneurial potential. Therefore, the theory of planned behavior can be used to test the success of *asnaf* entrepreneurs.

METHODOLOGY

The Charting the Field method developed by Hesford *et al.* (2006) in Adiwijaya and Suprianto (2020) was used in this study. This approach, sorts articles by topic, discussion, year, and source, and the topic chosen was *asnaf* entrepreneurs. Furthermore, the success factors and indicators of *asnaf* entrepreneurs were the selected discussion, while reference journals published in the 2016-2020 range were the selected data.

Data were obtained from the Google Scholar reference, which is based on open source, while the selection of articles was based on 3 criteria. The first criterion was that articles must be indexed in Google Scholar from 2016-2020. Meanwhile, the second criterion, was that articles must be accessible online. Furthermore, the third criterion was that the article discussed the success factors or indicators for *asnaf* entrepreneurs. Data analysis was performed qualitatively with a descriptive approach to explain the success factors and indicators for *asnaf* entrepreneurs.

RESULTS AND ANALYSIS

Article Regarding *Asnaf* Entrepreneurs

This section presents the results of a literature review based on 4 predefined criteria. Articles that met the criteria were arranged based on Charting the Field. Table 1 presents articles that discuss the success factors and indicators for *asnaf* entrepreneurs.

Table 1: The List of The Journal

No	Journal Name	Title	Author	Index
1	International Journal of Zakat and Islamic Philanthropy	The Challenges Encountered by Zakat Recipients Entrepreneurs	Hashim <i>et al.</i> (2020)	Google Scholar
2	International Journal of Zakat and Islamic Philanthropy	The strategy of Teraju Ekonomi <i>Asnaf</i> Sdn Bhd (TERAS) as a Catalyst for the Successful of <i>Asnaf</i>	Ismail <i>et al.</i> (2020)	Google Scholar

		Entrepreneur in Selangor		
3	Business Perspectives and Research	The Development of an Entrepreneurship Index for Low-Income Households	Ibrahim <i>et al.</i> (2019)	Google Scholar
4	TEST Engineering & Management	The Influence of Zakat Support, Motivation, Networking, and Training on the Business Performance of <i>Asnaf</i> Entrepreneurs in Kedah	Hashim <i>et al.</i> (2019)	Scopus
5	Proceedings of the 1st Kedah International Zakat Conference 2019 (KEIZAC 2019)	E-Marketing Strategies in <i>Asnaf</i> Entrepreneur Product Marketing Transformation: A Proposal	Ismail <i>et al.</i> (2019)	Google Scholar
6	Global Journal Al-Thaqafah	Enterprise governance of micro-entrepreneurs in Malaysia: Comparison between the Amanah Ikhtiar Malaysia and <i>Asnaf's</i> economic development program	Nadzri <i>et al.</i> (2018)	Scopus
8	Journal of Advanced Research in Social and Behavioural Sciences	Success Factors of Majlis Agama Islam Melaka (MAIM) Icon Entrepreneur	Yaakub <i>et al.</i> (2018)	Google Scholar
9	International Journal of	Productive Zakat Distribution by Zakat	Ismail and	Google Scholar

	Academic Research in Business and Social Sciences	Institutions in Malaysia	Hussain (2017)	
10	Jurnal Ilmiah Akuntansi dan Bisnis	Productive Zakat and Its Role in the Development of SMEs (Study at LAZ el-Zawa UIN Maulana Malik Ibrahim, Malang)	Khairani and Ekawaty (2017)	Google Scholar
11	Journal of Fatwa Management and Research	Entrepreneur Program to Empower the <i>Asnaf</i> Economy: Monitoring from the Myewa Application	Rahman <i>et al.</i> (2016)	Google Scholar

Source: from various reference sources

According to table 1, 11 articles met the criteria for discussion of the success factors and indicators for *asnaf* entrepreneurs. The distribution of articles was based on the most recent publications were 2020 (n=2), 2019 (n=3), 2018 (n=2), 2017 (n=2), and 2016 (n=1), therefore, most articles were published in 2019. Furthermore, the 11 available articles were analyzed into 2 parts namely: (1) the success factors of *asnaf* entrepreneurs, and (2) indicators of the success of *asnaf* entrepreneurs.

Success Factors for *Asnaf* Entrepreneurs

Based on an analysis of 11 articles following the established criteria, 3 factors determine the success of *asnaf* entrepreneurs namely, motivation, competency, and productive zakat. Table 2 presents these 3 factors in detail.

Table 2: Results of Identification of Success Factors for *Asnaf* Entrepreneurs

No	Variable	Source
1	Motivation	Hashim <i>et al.</i> (2019), Ibrahim <i>et al.</i> (2019), Ismail

		<i>et al.</i> (2020)
2	Competency	Ismail and Hussain (2017), Khairani and Ekawaty (2017), Rahman <i>et al.</i> (2016), Yaakub <i>et al.</i> (2018)
3	Productive Zakat	Hashim <i>et al.</i> (2020), Ismail <i>et al.</i> (2020), Yaakub <i>et al.</i> (2018), Ismail and Hussain (2017)

Based on Table 2, motivational factors were discussed in 3 articles, while the competency factor was in 4 articles. Similarly, the productive zakat factor was also discussed in 4 articles. Each factor is described in detail in the sections below.

a. Motivation Factor

Based on a literature review, 3 studies discuss the success factors for *asnaf* entrepreneurs, namely motivation Hashim *et al.* (2019), Ibrahim *et al.* (2019), and Ismail *et al.* (2020). According to Ismail *et al.* (2020), realizing the success of *asnaf* entrepreneurs by providing motivation has been practiced by the Selangor Zakat Institute (LZS) through the TERAS program. Furthermore, the study conducted by Ibrahim *et al.* (2019), examined the aspects of entrepreneurial motivation which include: self-improvement, self-confidence, openness to change, pull factors, driving factors, and the need for achievement. Of the six variables tested, it was discovered that motivation had a significant relationship with microbusiness performance. This is consistent with the previous study by Eijdenberg & Masurel (2013), and Ibrahim *et al.* (2019). According to Hashim *et al.* (2019), a positive motivator can attract someone to be self-employed and be an essential factor in achieving business performance.

Almobaireek & Manolova (2012), and Ibrahim *et al.* (2019), argue that motivation is a person's belief and expectations about the benefits achieved from entrepreneurial endeavors. Based on the human capital theory put forward by Schultz (1960), and Kuzmin *et al.* (2020), motivation is a source of income and enjoyment in the future. Furthermore, Halim *et al.* (2012), explains that motivation is an internal factor possessed by *asnaf* entrepreneurs both horizontal and vertical (Baladina, 2013).

According to Baladina (2013), motivation is seen in developing self-potential and providing significant benefits to society both vertically and horizontally. However, entrepreneurship has an important vertical goal, namely to serve Allah SWT. According to Mamun and Ekpe (2016), motivation is one of the driving forces for achieving success. Therefore, based on the study of Ibrahim *et al.* (2019) and Hashim *et al.* (2019), the zakat institution needs to support and motivate entrepreneurship development by the individual, and group approaches. It is one of the steps in distributing zakat funds to *mustahiq* (Firmansyah, 2013). In addition, Hashim *et al.* (2019) encourage zakat institutions to provide optimal services to recipients through entrepreneurial activities and hence increase their income. The practices performed by LZS must also be replicated in other zakat institutions.

b. Competency Factor

Based on the literature review, 4 studies discuss the success factor of *asnaf* entrepreneurs, namely competence. According to Hashim *et al.* (2020), competence in skills and knowledge development can increase aspiring entrepreneurs' potential to become zakat payers in the future. However, Ismail *et al.* (2020) argue that developed *asnaf* entrepreneurs take roles from courses and exercises. Yaakub *et al.* (2018) describe knowledge as one external factor that influences their success. Meanwhile, results by Ismail and Hussain (2017) illustrate that the distribution of productive zakat in Malaysia includes training and monitoring.

The term competency was first coined by White (1959) who described competency as fitness or ability and suggested synonyms which include ability, capacity, efficiency, proficiency, and skills. This has continued to develop until now and according to Xadicha (2020), competency has emerged as a substitute for knowledge, skills, and abilities in the last decades. It is needed to run a business (Parmar, 2003), a significant human resource dimension (Mubarik et al., 2020). Even entrepreneurial competence is the missing link between competence and successful entrepreneurship (Inyang and Enuoh, 2009).

This shows that the study conducted in the 2016-2020 period was consistent with previous results by Limsong *et al.* (2017) and Muhamat *et al.* (2013) that knowledge is an item of competency which has a significant effect on successful of *asnaf*. Therefore, the zakat Institution needs to increase the competency of *asnaf* entrepreneurs to ensure that the business achieves success.

c. Productive Zakat Factor

Based on the literature review, 4 studies discuss the success of productive zakat as one of the factors of *asnaf* entrepreneurs, namely Ismail and Hussain (2017), Khairani and Ekawaty (2017), Rahman *et al.* (2016), and Yaakub *et al.* (2018). According to Yaakub *et al.* (2018), productive zakat as capital assistance can prevent *asnaf* entrepreneurs from being trapped in usury problems and not continuously becoming zakat *asnaf*. Yaakub *et al.* (2018) also discover that capital assistance affects the success of these entrepreneurs.

Furthermore, Ismail & Hussain (2017), argue that productive zakat encourages the transformation of *asnaf* entrepreneurs involved in earning income for themselves. According to Khairani & Ekawaty (2017) that the amount of productive zakat earned by *mustabiq* has a significant effect on the business development of *mustabiq*. This study shows that the higher the productive zakat received by *mustabiq*, the *asnaf* entrepreneurs' business grows. Also, Rahman *et al.* (2016), revealed that the *asnaf* entrepreneurs' program significantly impacts economic status.

This shows that the studies conducted in 2016 have similar results with Muhamat *et al.* (2013) that capital has a significant influence on the success of *asnaf* entrepreneurs. Also, the results are consistent with *mustabiq* in Mataram, which revealed that the productive zakat given as capital positively impacts the growth of micro-businesses and the absorption of labour and welfare *mustabiq*.

Productive zakat is a fund distributed to *mustabiq* and spent directly for consumption but this can be developed and used to help their business (Wardhana *et al.*, 2020). This is expected to meet daily needs sustainably. Furthermore, Productive zakat aims to improve the economic life of the *mustabiq* and meet the needs of worshipping Allah SWT (Bahri *et al.*, 2020). Moreover, this fund helps *asnaf*

entrepreneurs stay long in their trade (Ismail *et al.*, 2019). An example of a successfully managed productive zakat is The National Board of Zakat (Pratama, 2015), and these funds are distributed in working capital (Beik *et al.*, 2019; Bidol, 2014).

Productive zakat has many roles and functions, such as working capital, earning a steady income, increasing business, developing a saving business (Sartika, 2018), a source of poverty alleviation funds (Atabik, 2015; Embong *et al.*, 2013), and transforming *mustahiq* to *muzaki* (Fitri, 2017). Furthermore, in the spiritual context, productive zakat and meeting the needs of a decent life and worshipping Allah SWT, avoid the dangers of *kufr*, eliminate envy, and provide sufficiency and prosperity (Ismail *et al.*, 2018). Meanwhile, from a sociological perspective (Firmansyah, 2013), zakat has 3 benefits for *mustahiq* namely, reducing social inequality, minimizing the gap between rich and poor people, and fostering family brotherhood values.

Regarding the aspect of sharia, the distribution of productive zakat is allowed to improve the economic life of the *mustahiq* (Zalikha, 2016). According to Law no. 23 of 2011 concerning Zakat Management, utilization is channeled for productive efforts to handle the poor and improve the people's quality. Therefore, empowering the poor and improving the people is performed after the basic needs of *mustahiq* have been met (Faisal and Yuliani, 2018).

Based on several literature studies, the zakat institution needs to increase the amount of productive zakat distribution to *mustahiq* hence, the business managed by *asnaf* entrepreneurs will be more empowered, develop and transform into *munfiq* and eventually *muzaki* (Khairani & Ekawaty, 2017).

D. Indicators of Success *Asnaf* Entrepreneurs

The success of *asnaf* entrepreneurs is proof that zakat is well managed. Therefore, good governance is a form of accountability for the zakat institute to *muzaki*, and ultimately Allah (Norazlina & Rahim, 2011, Saad *et al.*, 2014). Good zakat governance impacts increasing public trust and increasing zakat funds (Fadilah, 2013). Furthermore, satisfaction with zakat distribution affects the trust of zakat stakeholders (Zainal *et al.*, 2016).

Based on a review of various literature, the measurement of success of *asnaf* entrepreneurs can be categorized into five dimensions namely, financial performance, non-financial performance, life-improvement, rich materially, and rich spiritually. Table 3 describes the details below.

Table 3: Indicator of the Dimensions of the Success of *Asnaf* Entrepreneurs

No	Dimension	Indicator	Source
1	Financial Performance	Break-even point, profit growth, turnover	Calvo (2010) in Setia (2018)
		Financial returns	Limsong <i>et al.</i> (2017)
		Profitability, sales growth, and return on assets	Owen <i>et al.</i> (2013) in Setia (2018)
		Sales, profits, zakat and sadaqah	Cokrohadisumarto (2020)
2	Non-Financial Performance	Happiness, personal achievement, and self-fulfilment	Kakabadse (2015) in Limsong <i>et al.</i> (2017)
		Customer satisfaction, personality development, and entrepreneurial awareness	Basir <i>et al.</i> (2009) in Riyaldi (2017)
		Business ownership, happiness, satisfaction, level of independence	Nadzri <i>et al.</i> (2018)
		Seek Allah's blessing and pleasure	Yaakub <i>et al.</i> (2018)
		Practicing religious values	Hadi and Borhan (2013), Yaakub <i>et al.</i> (2018)
		Business is developed to pursue the hereafter, not only in the world, useful	Cokrohadisumarto (2020)

		for the community, and get blessings in business.	
		Employee growth	Owen <i>et al.</i> (2013) in Setia (2018)
3	Life-Improvement	Household income, ownership of assets, housing conditions, savings, children's education, and medical care	Nadzri <i>et al.</i> (2018)
		The transformation from <i>mustabiq</i> to <i>muzaki</i>	Fitri (2017)
4	Material	The transformation from <i>mustabiq</i> to <i>muzaki</i> with rich materially	Beik and Arsyianti (2015)
5	Spiritual	The transformation from <i>mustabiq</i> to <i>muzaki</i> with rich spiritually	Beik and Arsyianti (2015)

Source: from various reference sources

Based on a review of various literature, the measurement of success of *asnaf* entrepreneurs can be categorized into 4 dimensions namely, financial performance, non-financial performance, life-improvement, rich materially, and rich spiritual dimensions. There are eight indicators for successful *asnaf* entrepreneurs in the financial performance dimension namely, Break-even point, profit, turnover, financial returns, sales growth, return on assets, zakat, and sadaqah. Indicators of measuring the success of *asnaf* entrepreneurs in the financial performance dimension change the previous view by Buttner and Moore (1997), that profit and business growth are less significant in measuring success. Furthermore, of the eight items put forward in 2016-2020, 2 new items developed by Cokrohadisumarto (2020) include zakat and sadaqah as measures for improving business performance.

In the non-financial performance dimension, 12 items measure the success of *asnaf* entrepreneurs. The first is the personal and family aspect, such as happiness, personal achievements, and

personality development. Meanwhile, the second aspect, measured is from the business context, namely, customer satisfaction, entrepreneurial awareness, business ownership. The third aspect is concerned with spirituality and independence, namely, the level of independence, seeking blessings and the pleasure of God, practicing religious values, developing efforts to pursue the afterlife not only in the world. Another aspect is the community, namely, benefit to the community and employee growth. Similarly, Buttner and Moore (1997), discovered that self-fulfilment and goal achievement are essential measures of success.

There are seven indicator items for successful *asnaf* entrepreneurs in the life-improvement dimension namely, household income, asset ownership, housing conditions, savings, children's education, medical care, and the transformation from *mustabiq* to *muzaki*. Meanwhile, *Mustabiq* consists of eight *asnaf* mentioned by Allah in Surah At-Taubah verse 60 (Ismail *et al.* (2018), including poor, needy, amil, converts, riqab, gharimin, ibn sabil, and fiisabilillah (Bahri and Arif, 2020). *muzaki* is a Muslim or a business entity obliged to pay zakat (Ismail *et al.*, 2018). Based on the seven items, the *asnaf* entrepreneurs' program substantially changes *mustabiq's* condition to muzaki. According to Fitri (2017), the zakat fund utilization program's essence through productive economic activities transforms *mustabiq* into *muzaki*.

Furthermore, in the material and spiritual dimensions, the CIBEST Model which uses the household as the unit of analysis is implemented. In this Model, there are 4 quadrants of household criteria, namely: (1) spiritually and materially prosperous, (2) prosperous spiritually but materially poor, (3) prosperous materially but spiritually poor, and (4) low spiritual and material. Quadrant 1 is the best while quadrant 4 is the least. The CIBEST Model's advantage is that it can illustrate *Mustabiq's* condition in two aspects namely, material and spiritual aspects. Based on the description above, opportunities in the future are opened to test the relationship and influence of motivation, competency, and productive zakat factors on the success of *asnaf* entrepreneurs.

E. Theoretical Background

In this literature review, several theories are used. The First, resource-based view (RBV) theory. RBV theory is used to explain the performance of an entity. According to the RBV theory, the performance of a business entity is determined by 4 elements, namely, valuable, rare, imperfectly imitable, and not substitutable (VRIN) (Barney, 1991, Hashim *et al.*, 2020). According to Barney (1986), and Hashim *et al.* (2019), the RBV theory of company internal factors or resources are determinants of a company's performance. Wiklund and Shepherdd (2011) and Hashim *et al.* (2019), says this theory can be used for *asnaf* entrepreneurs because it faces limited resources in determining business performance. Therefore, Hashim *et al.* (2019), explained that the RBV theory is based on performance factors such as zakat support, motivation, networking, and training.

The second is the free-rider theory. According to Albanese and Van Fleet (1985), Cullitty (1995), Russell (2003), Hadi & Kamaluddin (2015), and Nadzri *et al.* (2018), the free-rider theory describes a situation in which a person receives benefits without or at little cost. However, it can lead to inefficient use of funds. The third theory is the Maqasid Sharia. In the study of Yaakub *et al.* (2018), the Maqashid Sharia theory is not explained further. However, Yaakub *et al.* (2018) illustrated that zakat, given to *mustabiq* in working capital in a certain amount, aims to develop business opportunities. In this case, the distribution of zakat is following the Maqashid Sharia principles put forward by Imam As-Shatiby (Bahri *et al.*, 2019), which includes five benefits, namely: maintaining religion (deen), soul (nafs), reason (aql), family (nasl), property (maal).

Fourth is the microeconomic theory. According to this theory, the economy's production (input) consists of labour and capital (Khairani and Ekawaty, 2017). Furthermore, overall profit is a function of labour and capital. Capital consists of internal and external sources, while productive zakat is a source of external funds received by *mustabiq*. Therefore, when the number of productive zakat increases, capital increases, and production will also increase. Based on an analysis of reference articles that discuss *asnaf* entrepreneurs, 5 articles include theories. The same theory was used by Hashim *et al.* (2020) and Hashim *et al.* (2019) in different years.

However, the four theories that form the study's background are the resource-based view (RBV) theory, the free-rider theory, the Islamic Maqasid theory, and the microeconomic theory. Therefore, this opens up opportunities for further studies to examine the same topic using relevant theories.

F. Model of Success *Asnaf* Entrepreneurs

Based on the literature review above, a conceptual model for the success of *asnaf* entrepreneurs consisting of the independent and dependent variables was designed. The independent variables included motivational factors, productive zakat, and competence. Meanwhile, the dependent variable was the success of *asnaf* entrepreneurs. Based on the literature review above, to score successful *asnaf* entrepreneurs is influenced by motivation, competency, and productive zakat, therefore, there are 3 hypotheses: H1: Motivation has a positive and significant influence on the success of *asnaf* entrepreneurs; H2: Competency has a positive and significant influence on the success of *asnaf* entrepreneurs. H3: Productive zakat has a positive and significant impact on the success of *asnaf* entrepreneurs.

Based on the above hypothesis, a conceptual framework for the success of *asnaf* entrepreneurs was obtained, consisting of 3 exogenous variables (motivation, competency, and productive zakat) and one endogenous variable (success of *asnaf* entrepreneurs). Therefore, the illustration conceptual model for the successful *asnaf* entrepreneurs can be seen in Figure 1 below.

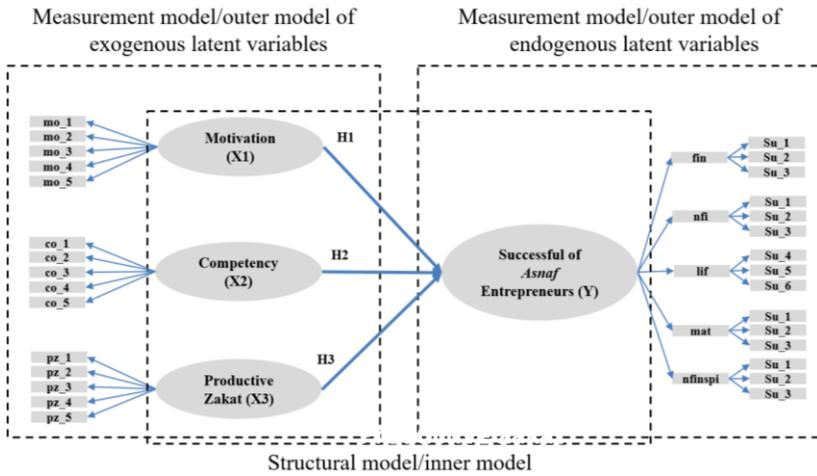


Figure 1: Conceptual Model for The Successful of *Asnaf* Entrepreneurs

CONCLUSION

The *asnaf* entrepreneur program is essential and must be developed by zakat management entities globally because it can transform *asnaf* entrepreneurs into *munfiq* and *muzaki* as zakat payers. moreover, this study has identified articles that discuss *asnaf* entrepreneurs using the charting the field approach. The results discovered 3 success factors for *asnaf* entrepreneurs (motivation, competency, and productive zakat), and 5 dimensions of success (financial performance, non-financial performance, life-improvement, rich materially, and rich spiritually) that enables various parties to manage zakat better, therefore entrepreneurs *mustabiq asnaf* enjoy the maximum benefits. Furthermore, this gives confidence to *muzaki* that zakat funds have been well managed. The results of this study provide information for zakat institutions to increase distribution to *asnaf* entrepreneurs. Likewise, the government as policymakers can use this information to increase the contribution of the zakat in alleviating poverty through appropriate and quality programs.

This study provides a new space for further research to test the proposed conceptual model. From the collection aspect, the success of *asnaf* entrepreneurs certainly increased *muzaki's* trust in the zakat institution. Therefore, *muzaki* beliefs will ultimately increase

zakat collection. Meanwhile, in distribution, the success of *asnaf* entrepreneurs is accountable to stakeholders, and ultimately becomes the responsibility of the zakat institution to Allah SWT.

Since the literature review was obtained from one of the Google Scholars data sources, this study is limited. However, the limited data on *asnaf* entrepreneurs opens the opportunity to conduct further studies by examining the factors that influence their success. Moreover, studies on *asnaf* entrepreneurs are still rare, therefore, development on other databases and a more extended publication year are required.

REFERENCE

- Abai, D. S. A., Awang, M. D., Yusoff, A. N. M., Majid, A. A., & Hamli, H. (2020). Assistant Type of Capital Zakat Distribution and Achievement of Asnaf Entrepreneur in Malaysia: An Empirical Study. *Malaysian Journal of Social Sciences and Humanities*, 5(1), 93–99. <https://www.msocsciences.com/index.php/mjssh/article/view/353>
- Abd Hadi, F. S., & Borhan, J. T. (2013). Faktor-faktor kejayaan perniagaan Khadijah binti Khuwailid: analisis terhadap usahawan asnaf di Lembaga Zakat Selangor. *Jurnal Syariah*, 21(2), 117–144.
- Abdul Halim, H., Said, J., & Syed Yusuf, S. N. (2012). Individual Characteristics of the Successful Asnaf Entrepreneurs : Opportunities and Solutions for Zakat Organization in Malaysia. *International Business and Management*, 4(2), 41–49. <https://doi.org/10.3968/j.ibm.1923842820120402.1040>
- Adiwijaya, Z. A., & Suprianto, E. (2020). Good Governance of Zakat Institutions: A Literature Review. *Journal of Southwest Jiaotong University*, 55(2), 1–7. <https://doi.org/10.35741/issn.0258-2724.55.2.38>
- Al Mamun, A., & Ekpe, I. (2016). Entrepreneurial traits and micro-enterprise performance: a study among women micro-entrepreneurs in Malaysia. *Development in Practice*, 26(2), 193–202. <https://doi.org/10.1080/09614524.2016.1135879>

- Al Mamun, A., Kumar, N., Ibrahim, M. D., & Bin Yusoff, M. N. H. (2017). Validating the measurement of entrepreneurial orientation. *Economics and Sociology*, 10(4), 51–66. <https://doi.org/10.14254/2071-789X.2017/10-4/5>
- Assaker, G., Hallak, R., & O'Connor, P. (2020). Examining heterogeneity through response-based unit segmentation in PLS-SEM: a study of human capital and firm performance in upscale restaurants. *Current Issues in Tourism*, 23(2), 137–152. <https://doi.org/10.1080/13683500.2018.1490253>
- Atabik, A. (2015). Peranan zakat dalam pengentasan kemiskinan. *ZISWAF: Jurnal Zakat Dan Wakaf*, 2(2), 339–361.
- Bahri, E. S., & Arif, Z. (2020). Analisis Efektivitas Penyaluran Zakat pada Rumah Zakat. *Al Maal: Journal of Islamic Economics and Banking*, 2(1), 13. <https://doi.org/10.31000/almaal.v2i1.2642>
- Bahri, E. S., Ariwibowo, P., & Robbani, H. (2020). Productive Zakat on Sharia Perspective and Regulation in Indonesia. *Literatus*, 2(1), 66–76. <https://doi.org/10.37010/lit.v2i1.36>
- Bahri, E. S., Aslam, M. M. A., Hj Hasan, A. A., & Wibowo, H. (2019). Maqasid Al-Shariah in Micro-entrepreneurs Development: an Overview. *International Conference of Zakat*, 258–267. <https://doi.org/10.37706/iconz.2019.182>
- Baladina, N. (2013). Membangun Konsep Entrepreneurship Islam. *ULUL ALBAB Jurnal Studi Islam*, 13(2), 123–136. <https://doi.org/10.18860/ua.v0i0.2371>
- Bastiar, Y., & Bahri, E. S. (2019). Model Pengukuran Kinerja Lembaga Zakat di Indonesia. *ZISWAF: Jurnal Zakat Dan Wakaf*, 6(1), 43. <https://doi.org/10.21043/ziswaf.v1i1.5609>
- Beik, I. S., & Arsyianti, L. D. (2015). Construction Of CIBEST Model as Measurement of Poverty and Welfare Indices From Islamic Perspective. *Al-Iqtishad: Jurnal Ilmu Ekonomi Syariah*, 7(1), 87–104. <https://doi.org/10.15408/aiq.v7i1.1361>
- Beik, I. S., Bahri, E. S., Asmita, B., & Fahrudin. (2019). Measurement of zakat impact through sustainable livelihood impact assessment on balai ternakin Tanah Datar. *Test Engineering and Management*, 81, 2881–2892.

- Bidol, S. (2014). Pengaruh Tata Kelola Terhadap Perolehan Zakat Bagi Kelangsungan Usaha Mustahiq di Sulawesi Selatan. *Jurnal PILAR*, 2(2), 1–52.
- Buttner, E. H., & Moore, D. P. (1997). Women's organizational exodus to entrepreneurship: Self-reported motivations and correlates with success. *Journal of Small Business Management*, 35(1), 34–46.
- Cokrohadisumarto, M. (2020). Islamic Network-Based Business Model: Theory and Practice UNISSULA Semarang. *PROCEEDINGS OF THE FOURTH INTERNATIONAL WORKSHOP IN ISLAMIC ECONOMIC THEORY (4th IWJET 2020)*.
- Embong, M. R., Taha, R., & Nor, M. N. M. (2013). Role of zakat to eradicate poverty in Malaysia. *Jurnal Pengurusan*, 39(2013), 141–150. <https://doi.org/10.17576/pengurusan-2013-39-13>
- Fadilah, S. (2013). The Effect of the Implementation of Organizational Culture and Total Quality Management on the Application of Good Governance (Studies in Lembaga Amil Zakat Indonesia). *International Journal of Applied Finance and Business Studies*, 1(1), 1–12. <tp://hdl.handle.net/123456789/26658>
- Faisal, A., & Yuliani, I. (2018). Productive Zakat of Baznas Yogyakarta on the Growth of Micro Business. *Shirkah: Journal of Economics and Business*, 2(3). <https://doi.org/10.22515/shirkah.v2i3.169>
- Firmansyah. (2013). Zakat sebagai instrumen pengentasan kemiskinan dan kesenjangan pendapatan. *Jurnal Ekonomi Dan Pembangunan*, 21(2), 179–190. <https://jurnalekonomi.lipi.go.id/JEP/article/view/66/26>
- Fitri, M. (2017). Pengelolaan Zakat Produktif sebagai Instrumen Peningkatan Kesejahteraan Umat. *Economica: Jurnal Ekonomi Islam*, 8(1), 149–173. <https://doi.org/10.21580/economica.2017.8.1.1830>
- Hashim, N., Mohamad, A., & Othman, A. (2020). The Challenges Encountered By Zakat Recipients Entrepreneurs. *International Journal of Zakat and Islamic Philanthropy*, 6958(2), 157–164.

http://journal.zakatkedah.com.my/wp-content/uploads/2020/03/Vol2_1_16.pdf

- Hashim, N., Othman, A., Mohamad, A., & Md Hussin, M. N. (2019). The influence of zakat support, motivation, networking and training on the business performance of asnaf entrepreneurs in Kedah. *Test Engineering and Management*, 81(2849), 2849–2858. <http://repo.uum.edu.my/id/eprint/26665>
- Ibrahim, M. D., Mamun, A. Al, Othman, N., Yusoff, M. N. H., Samy, N. K., Baba, S., Ismail, A. S. J., Mahmood, T. M. A. T., & Abdullah, N. N. H. N. (2019). The Development of an Entrepreneurship Index for Low-Income Households. *Business Perspectives and Research*, 7(1), 16–29. <https://doi.org/10.1177/2278533718800136>
- Icek, A. (2019). The Theory of Planned Behavior Organizational Behavior and Human Decision Processes. In *Organizational Behavior and Human Decision Processes* (Vol. 50, Issue 2, pp. 179–211). Academic Press. Inc. As.
- Inyang, B. J., & Enuoh, R. O. (2009). Entrepreneurial Competencies: The Missing Links to Successful Entrepreneurship in Nigeria. *International Business Research*, 2(2). <https://doi.org/10.5539/ibr.v2n2p62>
- Ismail, A. S., Mas'udi, M. F., Bahri, E. S., Halim, I., Tajang, M. N., Qasim, F., Hambali, A., & Erianton, P. (2018). *Fikih Zakat Kontekstual Indonesia*. Badan Amil Zakat Nasional.
- Ismail, I. A. binti, & Hussain, M. N. bin. (2017). Productive Zakat Distribution by Zakat Institutions in Malaysia. *International Journal of Academic Research in Business and Social Sciences*, 7(3), 554. <https://doi.org/10.6007/IJARBS/v7-i3/2758>
- Ismail, I. A., Hussain, M. N. M., & Hamed, A. B. (2019). Proceedings of the 1st Kedah International Zakat Conference 2019. *Proceedings of the 1st Kedah International Zakat Conference 2019 (KEIZAC 2019)*.
- Ismail, I. A., Md Hussain, M. N., & Hamed, A. B. (2020). Strategi Teraju Ekonomi Asnaf Sdn Bhd (Teras) sebagai Pemangkin Kejayaan Usahawan Asnaf di Selangor. *International Journal of Zakat and Islamic Philanthropy*, 2(1), 145–156.

http://journal.zakatkedah.com.my/wp-content/uploads/2020/03/Vol2_1_15_20.pdf

- Izatul Akmar Ismail, AminChe Ahmat, Muhammad Nasir Md Hussain, & Abu Bakar Hamed. (2019). Strategi e-Pemasaran dalam Transformasi Pemasaran Produk Usahawan Asnaf: Satu Cadangan. *Proceedings of the 1st Kedah International Zakat Conference 2019 (KEIZAC 2019)*, August.
- Khairani, M., & Ekawaty, M. (2017). Zakat Produktif dan Perannya Terhadap Perkembangan UMKM. *Jurnal Ilmiah Akuntansi Dan Bisnis*, 2(1), 1–16. <https://doi.org/http://dx.doi.org/10.38043/jiab.v2i1.170>
- Kuzmin, O., Bublyk, M., Shakhno, A., Korolenko, O., & Lashkun, H. (2020). Innovative development of human capital in the conditions of globalization. *E3S Web of Conferences*, 166. <https://doi.org/10.1051/e3sconf/202016613011>
- Limsong, S., Sambath, P., Seang, S., & Hong, S. (2017). Model of Entrepreneurial Success: Linking Theory and Practice. *Academy of Management Proceedings*, 2017(1), 12771. <https://doi.org/10.5465/ambpp.2017.12771>
- Mubarik, M. S., Devadason, E. S., & Govindaraju, C. (2020). Human capital and export performance of small and medium enterprises in Pakistan. *International Journal of Social Economics*, 47(5), 643–662. <https://doi.org/10.1108/IJSE-03-2019-0198>
- Muhamat, A. A., Jaafar, N., Rosly, H. E., & Manan, H. A. (2013). An appraisal on the business success of entrepreneurial asnaf. *Journal of Financial Reporting and Accounting*, 11(1), 51–63. <https://doi.org/10.1108/jfra-03-2013-0012>
- Mushtaq, H. A., Niazi, C. S. K., Hunjra, A. I., & Kashif-Ur-Rehman. (2012). Planned Behavior Entrepreneurship and Intention to Create New Venture Among Young Graduates. *SSRN Electronic Journal*, 6(3), 437–456. <https://doi.org/10.2139/ssrn.1944685>
- Nadzri, F. A. A., Omar, N., & Rahman, R. A. (2018). Enterprise governance of micro entrepreneurs in Malaysia: Comparison between the Amanah Ikhtiar Malaysia and Asnaf's economic development program. *Global Journal Al-Thaqafah*, 2018(1), 25–40. <https://doi.org/10.7187/gjatsi2018-02>

- Nasir, M. H. M., & Talib, Y. Y. A. (2018). MASMe: Developing mobile accounting software for micro entrepreneurs. *Journal of Telecommunication, Electronic and Computer Engineering*, 10(2–4), 179–185.
- Ozyilmaz, A. (2020). Hope and human capital enhance job engagement to improve workplace outcomes. *Journal of Occupational and Organizational Psychology*, 93(1), 187–214. <https://doi.org/10.1111/joop.12289>
- Parmar, R. (2003). Understanding The Concept Of Entrepreneur Competency. *Journal of Business Management & Social Sciences Research (JBMe&SSR)*, 2(1), 31–33.
- Pratama, Y. C. (2015). *The Role of Zakat in Poverty Alleviation (Case Study: Productive Zakat Program at the National Board of Zakat)*.
- Rahman, Azman A., Basah, M. Y. A., Nooh, M. N., Abdullah, M., Fauzi, A. A. M., & Bakar, M. F. A. (2016). Jurnal Pengurusan dan Penyelidikan Fatwa, Vol. 7 2016 eISSN: 0127- 8886. *Jurnal Pengurusan Dan Penyelidikan Fatwa*, 7, 29–38.
- Rahman, R. A., & Ahmad, S. (2011). Entrepreneurship development strategy for poor and needy recipients on capital assistance through zakat distribution. *Jurnal Pengurusan*, 33, 37–44. <https://doi.org/10.17576/pengurusan-2011-33-03>
- Rapih, S. (2015). Analisis Pengaruh Kompetensi Sumber Daya Manusia (Sdm), Modal Sosial Dan Modal Finansial Terhadap Kinerja Umkm Bidang Garmen Di Kabupaten Klaten. *Assets: Jurnal Akuntansi Dan Pendidikan*, 4(2), 168. <https://doi.org/10.25273/jap.v4i2.685>
- Rini, R. (2020). a Review of the Literature on Zakah Between 2003 and 2019. *International Journal of Economics and Financial Issues*, 10(2), 156–164. <https://doi.org/10.32479/ijefi.9035>
- Riyaldi, M. H. (2017). Faktor-Faktor Yang Mempengaruhi Keberhasilan Penerima Zakat Produktif Baitul Mal Aceh: Satu Analisis. *Jurnal Perspektif Ekonomi Darussalam*, 1(2), 185–202. <https://doi.org/10.24815/jped.v1i2.7163>
- Saad, R. A. J., Aziz, N. M. A., & Sawandi, N. (2014). Islamic Accountability Framework in the Zakat Funds Management. *Procedia - Social and Behavioral Sciences*, 164(August), 508–515. <https://doi.org/10.1016/j.sbspro.2014.11.139>

- Saini, M. (2004). Pemberdayaan Ekonomi Ummat Melalui Zakat Produktif. *Jurnal Lentera*, 14(2), 148–162.
- Sartika, D. (2018). Pengaruh Modal Terhadap Omset Pada Pelaku Umkm Di Seluruh Kecamatan Pekanbaru. *Jurnal Daya Saing*, 4(2), 234–239. <https://doi.org/10.35446/dayasaing.v4i2.240>
- Sefiani, Y. (2013). Factors for Success in SMEs: A Perspective from Tangier. In *University of Gloucestershire* (Issue May). University of Gloucestershire.
- Setia, S. (2018). Personality profile of successful entrepreneurs. *Journal of Economics, Business & Accountancy Ventura*, 21(1), 13–23. <https://doi.org/10.14414/jebav.v21i1.1004>
- Shiyuti, H. A., & Al-Habshi, S. M. (2019). An Overview of Asnaf Entrepreneurship Program by Lembaga Zakat Selangor, Malaysia. *SSRN Electronic Journal*, November. <https://doi.org/10.2139/ssrn.3299107>
- Wardhana, R., Badriyah, E., Ningsih, M., Mubiyatiningrum, A., & Tjaraka, H. (2020). *Design of Productive Zakat Management Models with Social Business Insights Relating to Poverty Alleviation in Indonesia*. <https://doi.org/10.4108/eai.21-9-2019.2293943>
- White, R. W. (1959). Motivation reconsidered: The concept of competence. *Psychological Review*, 66(5), 297–333. <https://doi.org/10.1037/h0040934>
- Xadicha, C. (2020). Psychological Bases of Improving Professional Competence of Young Specialists. *European Journal of Research and Reflection in Educational Sciences*, 8(3), 73–77.
- Yaakub, Z., Ilyana, N., & Adnan, M. (2018). Success Factors of Majlis Agama Islam Melaka (MAIM) Icon Entrepreneur. *Journal of Advanced Research in Social and Behavioural Sciences*, 1(1), 82–93.
- Zainal, H., Abu Bakar, A., & Saad, R. A. J. (2016). Reputation, satisfaction of zakat distribution, and service quality as determinant of stakeholder trust in zakat institutions. *International Journal of Economics and Financial Issues*, 6(7Special Issue), 72–76.
- Zakaria, F. B., & Harun, A. Bin. (2019). Skills and Success of Asnaf Entrepreneurs: Islamic Spiritual Practice as Moderators. *International Journal of Accounting, Finance and Business (IJAFB)*, 4(24), 98–108.

Zalikha, S. (2016). Pendistribusian Zakat Produktif Dalam Perspektif Islam. *Jurnal Ilmiah Islam Futura*, 15(2), 304.
<https://doi.org/10.22373/jiif.v15i2.547>