

Effects of Integrity Practice on Service Quality: Evident from Zakat Services Center in Public University

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To Link this Article: <http://dx.doi.org/10.6007/IJAREMS/v13-i2/21446> DOI:10.6007/IJAREMS/v13-i2/21446

Published Online: 10 June 2024

Abstract

Integrity, defined as trustworthiness and honesty, is a noble value that should be inherent in every individual when performing a job entrusted to them with sincerity and honesty. This is especially important for people working in Zakat institutions. The aim of this study is to investigate the impact of integrity practice on service quality. A cross-sectional design was used to collect 400 questionnaires from zakat clients who received services from a zakat service center in a public university in Peninsular Malaysia. The SmartPLS software program was used to assess the quality of the instruments and then test the hypotheses. The results showed a significant impact of integrity practices on service quality. This study highlights that integrity is an integral part of the positive values promoted within the organization. As a highly respected institution in religious contexts, the Zakat institution strives to provide excellent services and it is crucial that management and administration are led with integrity and establish a strong connection to faith in Allah SWT

Keywords: Integrity, Service Quality, Zakat, Public University, Malaysia.

Introduction

The basic principle of Zakat emphasizes the need for its organized implementation within Muslim society, either under the direction of the Muslim administration or a specially appointed regulatory body (Tarmizi et al., 2021). Adherence to the highest standards of

integrity, respect and loyalty to the Muslim nation is essential for the efficient execution of the Zakat institution. Beyond the individual religious significance of Zakat, it also has a relation to social institutions that play a pivotal role in the socio-economic well-being and affairs of the Muslim Ummah (Paizin, 2021; Zainal & Saad, 2016). Indeed, in the era of ever-increasing globalization, the integrity of Zakat organizations has become imperative to describe their use and benefit to the needy. The government has taken several measures to ensure that Zakat complies with Syariah law and fulfills both its religious and social responsibilities. The recognition of Zakat as a social institution and an Islamic socio-economic tool to improve the welfare of Muslims has taken root. The first step towards institutionalizing Zakat as a social institution is the establishment of a Zakat collection and distribution agency and the appointment of Zakat officers at the state level to enforce Zakat regulations and guidelines. The administration of Zakat in Malaysia is authorized by the State Islamic Religious Councils (SIRC). However, according to Ab Rahman et al (2021) the administration of zakat varies from state to state in Malaysia.

Zakat is of great importance to Muslims. It encompasses various meanings and intentions such as purity, mercy, growth, success, peace, charity and worship. The main aim of Zakat is to reduce the wealth gap between the rich and the poor (Wahid et al., 2017). Therefore, the Zakat institution must evolve into an effective system that has a high level of integrity in practice and provides quality services to fulfill social justice by eradicating poverty and maintaining socio-economic equity (Ibrahim, 2008). In 2021, zakat revenue statistics reached RM993 million compared to 2020 where it was only RM913 million. This data shows that Zakat collection has increased (Umar & Abu Bakar, 2021). Although Zakat institutions have managed to increase Zakat collections year on year, the issue of trust continues to be a problem. This problem is due to some issues such as the inefficiency in the distribution of zakat as well as the surplus of zakat funds that are not distributed to the entitled asnaf (Tarmizi et al., 2021). With effective governance, integrity can lead to more transparent and efficient work and organizational management (Arifin & Ahmad, 2016).

Integrity practice is crucial in relation to zakat funds as they are directed to qualified asnaf groups and must be distributed equitably in accordance with Islamic law (Hairunnizam et al., 2017). Consequently, integrity practice within zakat institutions can greatly enhance community confidence in the delivery of excellent services. It serves as a preventive measure against problems in the distribution of funds and breaches of trust within the zakat institution. All zakat institutions are supervised by the Majlis Agama Islam Negeri (MAIN), where integrity is considered an ethical standard that every employee must adhere to (Tarmizi et al., 2021). The elements of integrity and efficiency in the management of Zakat organizations are rooted in Islamic requirements based on Al-Quran and the Sunnah of Rasulullah SAW (Paizin, 2021). The institutionalization of Zakat is facilitated by the implementation of a decree issued by the State Religious Council. This decree empowers the Zakat officials or a supervisory authority to enforce the rules and regulations. Another important initiative is the establishment of a Zakat Center, which is recognized as an organized and professional body. This initiative aims to ensure efficient management of Zakat, especially in higher educational institutions. Its aim is to strengthen the role of Zakat in securing the needs of both the community and individual well-being.

The establishment of Malaysia MADANI (civil society) as a national policy framework that emphasizes the elements of TRUST signifies the shared trust between the government and

citizens based primarily on transparency and cooperation. This framework embodies a collective responsibility to elevate human dignity based on trust, values, morality and the pursuit of fair and effective governance (Ibrahim, 2023). Promoting transparency, accountability and ethical governance within government institutions, including Zakat organizations, is central to fostering public trust. This policy represents an effort to align with ethical principles in order to increase effectiveness, promote transparent governance and provide optimal services to the wider community (Ibrahim, 2023). In addition, the integration of integrity in Zakat organizations plays an important role in shaping a more reliable and accountable governance culture. Moreover, these elements have a significant impact on service quality within zakat institutions and promote a work environment that is characterized by integrity while upholding Islamic work ethics (Tarmizi et al., 2021; Paizin, 2021). Although the relationship between integrity practices and service quality has been widely studied, the effect size and nature of integrity practices as an important indicator of the influence on service quality in zakat service center is still lacking (Paizin, 2021). Zakat institutions that have good and efficient management and integrity are the most important stimulus in a society. Indirectly, it can encourage the local community to use services and participate in all activities and programs of the Zakat institution.

Nonetheless, debates often arise within the community about issues of transparency and integrity within Zakat institutions that affect both contributors and beneficiaries. To add to the existing knowledge, the researcher took the initiative to develop the main research questions: Do integrity practices in Zakat service centres affect service quality? Thus, the aim of this study is to investigate the impact of integrity practices on service quality.

The practice of integrity plays a critical role in determining the quality of services provided by institutions, including zakat centers at public universities. By upholding integrity, these centers can ensure transparency, honesty and accountability in their operations, leading to improved service quality. The practice of integrity has a positive impact on the service quality of zakat centers in public universities (Rachman & Salam, 2018). Integrity enables zakat centers to build trust with their stakeholders, including beneficiaries who receive zakat and who donate and paying zakat, and the community as a whole. Therefore, this research plays a significant role to measuring the impacts of integrity practice on service quality as concern that integrity practices reduce the risk of corruption and misuse of zakat funds and ensure that these funds are distributed to the beneficiaries in a fair and equitable manner (Wahid et al., 2017).

Literature Review

Integrity Practice and its importance in zakat institutions

Integrity is an important matter in an organization, especially those in public service and always dealing with the community (Arifin & Ahmad, 2016). Integrity means honesty, perfection and integrity (Kamus Dewan, 4th edition). According to Tarmizi et al (2021), the value of integrity is usually associated with an attitude of trust, reliability and honesty in safeguarding the public interest without the intention of taking advantage for self-interest. In addition, integrity can be improved the personality of an *amil* and level of community support for the services offered. In Malaysia *amil*'s integrity is low level because there are cases of breach of trust, failure to submit collection within the stipulated time and *amils* are not certified (Ab Rahman & Abd Shukor, 2024). Therefore, integrity plays an important role in

an organization, especially in a zakat institution because the level of public trust is also a benchmark for Muslims to fulfill the third pillar of Islam. The concept of integrity needs to be emphasized in the organization by holding a program that is based on morals and ethics in carrying out every responsibility that has been entrusted. Indirectly, the quality of services among employees can be improved. Indirectly, with the principle of integrity among employees, they can comply with syariat as demanded by Islam.

Good governance in zakat institutions is able attention to the element of integrity among employees especially in the principle of accountability and responsibility with every task that has been entrusted (Hassan et al., 2019). Adding the value of integrity among employees, problems such as corruption, misappropriation of funds can be overcome in zakat institutions. Therefore, zakat institution officials need to be transparent in carrying out their duties in accordance with Islamic law and remember that every good practice will be rewarded by Allah SWT (Paizin, 2021; 2022). Every job entrusted to a zakat institution must be carried out with full integrity and professionalism as the word of Allah SWT in the Al-Quran.

Meaning:

“The mosques of Allah are only to be maintained by those who believe in Allah and the Last Day and establish prayer and give zakāh and do not fear except Allah, for it is expected that those will be of the [rightly] guided.” (Al-Qur’an, al-Taubah, 9:18)

This issue includes zakat institutions that are always dealing with the community to fulfill religious demands by accepting zakat and distributing zakat to the asnaf group. According Huberts (2018), integrity is interpreted as responsibility displayed through actions and moral values directly and in reality, to individuals, groups and society. In the context of the integrity, governance of zakat institutions, it can be linked based on the responsibility and behavior of an employee in the organization by carrying out the responsibility entrusted by the zakat payer to distribute zakat to the asnaf group. In addition, integrity in governance is to achieve quality work results and comply with rules and regulations to achieve organizational objectives and practice good values and adhere to work ethics that do not violate the law and adhere to the syariah laws that have been established by Islam. Integrity has three levels which are integrity towards the individual himself, the organization, and the country (Arifin & Ahmad, 2016; Eksan et al., 2016). These three levels are interconnected with each other because they actively respond to environmental factors, especially organizational factors. Based on the definition stated in relation to the value of integrity, as a whole it is based on the behavior and personality of employees involving manners, ethics and morals (Paizin, 2021)

Integrity In Zakat Institution

The distribution of zakat funds is an important matter in zakat institutions to gain people's confidence to pay more zakat to that organization (Hairunnizam et. al., 2017). There are various methods to maintain the efficiency of the administration and various changes have been made in the administration to improve the level of service quality and work performance. However, there are also various challenges in applying the values of integrity in the organization including the employees themselves who do not have self-esteem and ethics and do not follow the procedures set by the organization. To increase the value of integrity in governance, organizations must tighten the rules among employees to achieve the

organization's goals. Employers must constantly monitor the behavior of employees in implementing zakat management and increase the value of integrity among employees. Based on the study of Hairunnizan et al., (2017); Wahid, et al (2017), the efficiency of MAIN financial management in the collection and distribution of Zakat shows the reluctance of the community to pay Zakat due to inefficiency in the management of Zakat organizations as well as injustice in the distribution of Zakat funds. They have confirmed previous studies that the value of integrity among employees is very low.

Recently there have been various insults and insults as well as criticisms voiced by netizens via social media such as Facebook, Twitter and so on regarding the role of MAIN in the management of Zakat funds, especially in the context of integrity (Talib & Ahmad, 2020). Indirectly, the statement also affects the negative perception of the community towards the zakat institution and shows that the leadership in zakat organizations is weak and inefficient in implementing zakat administration. Even through the open dissemination of information through social media, the reputation of Zakat organizations is affected and the trust of the community in handling Zakat payments is affected. The problem of integrity in the organization of Zakat institutions is based on complaints from Zakat payers who are not satisfied with the distribution of Zakat funds to the Asnaf group (Abdul Halim et al., 2019).

The quality of the organization's services is also affected by the dissemination of information and the major challenge in zakat management is the value of integrity of employees to give the organization a good image. The results of the study by Hairunnizam et al., (2017) show that the factor that leads to lower effectiveness of integrity in zakat governance is that there are still employees who distribute zakat personally, especially family members and neighbors. Moreover, the government still interferes in the collection and distribution of Zakat funds. Then the value of responsiveness and empathy towards the asnaf group cannot be comprehensively achieved. Comprehensive control is difficult because zakat institutions under the control of MAIN are bound by the laws and regulations issued by the respective states (Lateff et., al 2014). Therefore, the existence of inconsistency and uniformity in terms of zakat payers and recipients will make it difficult to control the integrity of employees and indirectly affect the amount of zakat collection in Malaysia.

Service Quality in Zakat Institution

Service quality has been elucidated by numerous researchers, with one of the most widely acknowledged definitions being the variance between expectations and actual performance or as an overarching assessment of the merits or preferences concerning a product or service (Zeithaml, 1988). Mohamad (2013) emphasized the pivotal role of zakat institutions in providing quality service to the community, asserting its significance in attracting and motivating individuals to fulfill their zakat obligations. The evaluation of service quality becomes crucial when an organization meets customer expectations both pre and post service. Additionally, empirical evidence presented by Saad (2009) suggests that enhancing service quality correlates with improved compliance towards zakat. In congruence with the above discussion, it is assumed it is important to determine the factor that may influence service quality.

Relationship between Integrity Practice and Service Quality

In order to strengthen the value of integrity in zakat organizations, aspects of human resource management and development play an important role in the governance of zakat organizations so that the services provided to Muslims are at an excellent level (Hasan et al., 2019). Efficiency factors in the governance of zakat institutions can increase the integrity of employees in zakat organizations. Efficiency and integrity in governance, especially in the distribution of zakat, are the focus of the community, especially zakat payers (Tarmizi et al., 2021). The factor of rewarding the amil who perform the task of receiving and distributing zakat can increase the motivation of employees to perform their duties with more integrity. Rewarding amil professionals who have high academic qualifications indirectly gives confidence to the community as they have experience and religious knowledge in zakat administration (Abdul Halim et al., 2019). Indirectly, this makes zakat administration more efficient and effective.

In order to increase the integrity of Zakat organization, various efforts have been made to strengthen Zakat institutions by applying various aspects to ensure more effective management of Zakat. Governance in zakat organizations plays an important role in the effectiveness and efficiency of the management of zakat funds and can indirectly increase public confidence in zakat institutions, especially in the context of accountability, transparency of leadership and justice in zakat administration to ensure the integrity of zakat organizations (Yusr et al., 2017). The presence of an organization with integrity among employees can have a positive impact on mental and physical well-being (Yusoff, 2019). Employee motivation can also be improved in line with the requirements of service quality and improved job performance. It is the responsibility of every organization to produce employees of integrity by applying good values in the performance of every task entrusted to it. The success of Zakat institutions in increasing Zakat revenues and achieving good financial performance lies in the implementation of fair distribution and integrity in the implementation of Zakat administration by following the priorities of the Asnaf (Hairunnizam et al., 2017). In fact, the element of integrity in administration plays an important role in the formation of outstanding human capital by performing every task with more integrity and following the Shariah laws set by Islam.

Research by Van & De (2010) investigated the relationship between integrity and service quality for 153 students at a college in Belanda in the context of transportation at the college. The results of this study show that customers' trust and perception are low because they are not satisfied with the transportation services provided. In addition, the public research conducted by Abd Rahman & Lee (2019) on the integrity of the service provided by the Royal Malaysian Police (PDRM) has an impact on the quality of service provided by the organization. The results of the study show how the public perceives the services provided by the PDRM. The items related to crime issues show a high mean range of people's satisfaction with the services, but in relation to corruption, the items show a moderate range. In summary, the item on integrity in PDRM services shows that the community's perception of the relationship between integrity and service quality in the organization is rather negative.

The study is based on the Islamic leadership theory (Salin, 2023). This theory implies the concept and practice of Prophet Muhammad which are "*Siddiq, Amanah, Fathonah* and *Tabligh*". The Prophet had special character traits that distinguished him from the rest of the people and were in line with his duty not only as a messenger of God but also as a role model for the whole nation. Siddiq can be translated as a practice of honesty, integrity, and moral uprightness (Ibrahim, 2023). The concept and practice of siddiq contributed greatly to the

establishment and consolidation of the Islamic community. Leadership according to Islam covers a very broad context such as leadership for the head of state, mufti, judge, minister, armed forces, representative people, heads of departments, chiefs, heads of families and anything else that involves others under his care including leading himself to stay away evil and doing good (Abdul Halim et al., 2015). By embodying the spirit of siddiq, people strive to be truthful in their interactions, uphold moral integrity, and remain steadfast in their commitment to the truth, both in their personal behavior and in their beliefs. This concept has been applied in accordance with the commandment of Allah, the Exalted, as a guiding principle in aspects of governance, particularly in the institution of zakat.

Therefore, the following hypothesis are formulated:

H1: Integrity practice positively influences service quality.

Based on literature review, a conceptual model was presented in Figure 1.

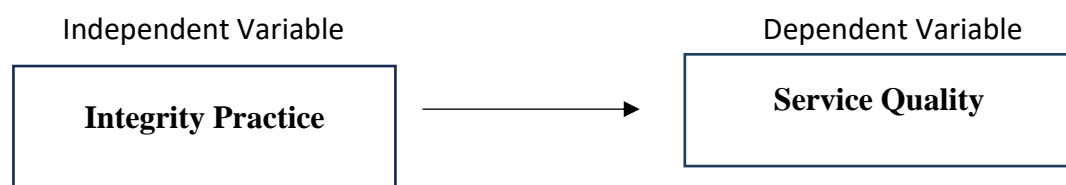


Figure 1: Research model

Research Method

Research Design

This study primarily used a survey method that allowed the researcher to collect questionnaire data through a cross-sectional study. The main advantage of this data collection method is its potential to capture relevant data, reduce data bias and improve data quality (Sekaran & Bougie, 2016). The study was conducted in a Zakat center at a public college in Peninsular Malaysia. The exact names of these institutions were not disclosed for confidentiality reasons. Most Malaysian higher education institutions have a specific department responsible for the collection and distribution of zakat, which may be the function of the Zakat unit.

Initially, a questionnaire was developed based on the existing literature on integrity in Zakat institutions. This questionnaire was translated into both English and Malay using the back-translation technique (Brislin, 1970). To ensure accuracy, authenticity and reliability, this translation technique employed the services of lecturers who are proficient in English and Malay as well as lecturers who specialize in this field of research at Universiti Sains Islam Malaysia (Brislin, 1970). Subsequently, these two bilingual faculty members reviewed the translated English version of the questionnaire to ensure consistency in item meanings, thus refining the research instrument and contributing to better results (Brislin, 1970; Sekaran & Bougie, 2016).

Measurement of the Variables

The questionnaire consisted of two parts. First, the construct of integrity comprised eight items modified from a literature review on integrity practices (Ishak et al., 2018; Daud, 2019). Second, service quality was measured using five items adapted from a literature review on service quality (Siti Hawa et al., 2016). These items were rated on a scale from one (strongly disagree/very dissatisfied) to five (strongly agree/very satisfied). Finally, the characteristics of

the respondents were only used as control variables, as this study focused on employee attitudes.

Unit of Analysis and Sample

The unit of analysis for this study is the respondents who acted as customers who received zakat support from the university's Zakat department between 2019 and 2022. The researcher distributed 600 printed questionnaires among the clients of the Zakat center by using purposive sampling. This method was chosen because the organization could not provide a list of registered clients while maintaining confidentiality, which prevented the researcher from drawing a random sample. The printed questionnaires were forwarded to the staff at Zakat headquarters who then distributed them to willing respondents. The staff then collected the questionnaires and returned them to the researchers. Of the 600 questionnaires distributed, only 400 (66.6%) were deemed usable and included in the data analysis. Respondents' participation in this study was voluntary, without any coercion, and their anonymity was consistently maintained throughout the study.

The adequacy of the sample was measured using G*Power software, as the number of customers receiving Zakat benefits fluctuates. The G*Power software determined the minimum sample size required for this study. According to G*Power's calculations, the appropriate sample size should be 74 samples (Faul et al., 2007). The sample size in this study met the requirement and was considered appropriate for testing the research hypotheses. The majority of the respondents were women (73.3%), who were undergraduate students (82.0%) and who availed Zakat more than once a month (89.9%).

Analysis of the Data

The questionnaire data were analysed using Smart-PLS software, which was selected for its ability to manage complicated research models with numerous latent variables, accommodate both small and large sample sizes, and handle non-normally distributed data (Hair et al., 2021). The data analysis methodology involved several steps. First, a measurement model analysis was conducted to determine the validity and reliability of the study instruments (Henseler et al., 2015). Subsequently, a structural model analysis was conducted to evaluate the direct effect models. The identification of significant hypotheses was based on a significant t-value ($t > 1.95$). In addition, the exploratory power of the study model was assessed using the R² value, which follows three main criteria: 0.26 for a strong model, 0.13 for a moderate model and 0.02 for a weak model (Cohen, 1988).

In addition, model fit was determined by ensuring that the estimated value of the root-mean-square residual (SRMR) was less than 0.08, indicating the adequacy of the study model (Hu & Bentler, 1999). The effect of size was assessed using the f^2 value, which was categorised into three key criteria: 0.35 represents a strong effect, 0.15 represents a medium effect, and 0.02 represents a small effect. In addition, the blindfolding value (Q^2) was measured using a criterion greater than zero, which means that the construct achieves the prediction accuracy recommended by (Hair et al., 2021).

The SmartPLS package has several advantages, including the simultaneous analysis of both measurement models, either relative or/and formative through path analysis, independence from the requirement of normally distributed data, suitability for analysing data with small sample sizes, and a user-friendly interface that presents results in an appealing manner (Henseler et al., 2015).

Result and Discussion

Validity and Reliability of Research Instrument

Table 1 illustrates the results of the convergent validity assessment, which were measured using the outer loading values and the average variance extracted (AVE) values. The external loading values, which indicate the correlation between the items and the constructs, are above 0.70, which means that the items met the standard of convergent validity (Hair et al., 2021). Similarly, the AVE values for all constructs in the study are higher than 0.50 which means that the constructs in the study met the criteria for convergent validity (Hair et al., 2021). In addition, the composite reliability values for all constructs in the study are above 0.70, indicating a high degree of internal consistency between the constructs (Hair et al., 2021).

Table 1

Factor loading and Variance Inflation Factor (VIF)

Constructs	Outer Loading	Composite Reliability	Average Variance Extracted (AVE)	Cronbach Alpha
Integrity				
IN 1	0.857	0.950	0.740	0.950
IN 2	0.849			
IN3	0.893			
IN4	0.881			
IN5	0.858			
IN6	0.863			
IN7	0.871			
IN8	0.807			
Quality of Services				
KK1	0.816	0.968	0.690	0.968
KK2	0.871			
KK3	0.827			
KK4	0.831			
KK5	0.826			
KK6	0.843			
KK7	0.819			
KK8	0.807			
KK9	0.831			
KK10	0.837			
KK11	0.861			
KK12	0.800			
KK13	0.830			
KK14	0.836			
KK15	0.822			

Table 2 and Table 3 illustrate the results of the discriminant validity assessment performed with the Heterotrait-Monotrait Ratio Test (HTMT) and the Fornell-Lacker criterion. The results show that all constructs examined in the study achieve values below 0.85 which confirms that they sufficiently fulfil the criterion of discriminant validity (Hair et al., 2021).

Table 2

Results of Discriminant Validity and HTMT Confidence Interval Values

Construct	Integrity	Quality of Services
1. Integrity		
2. Quality of Services	0.897	

Table 3

Results of Fornell Lacker Criterion

Construct	Integrity	Quality of Services
1. Integrity	0.860	
2. Quality of Services	0.862	0.831

Table 4 illustrates the variance inflation factor (VIF) and analysis of descriptive constructs. The VIF values, reflecting the correlation coefficients between independent and dependent variables are below 5.0, signifying the absence of significant collinearity issues among the study constructs (Hair et al., 2021).

Table 4

Results of VIF and descriptive constructs analysis

Constructs/ Items	VIF Value
Integrity (IN)	
IN 1 The staff are trustworthy in carrying out their duties	3.227
IN 2 Staff are disciplined and punctual	3.016
IN3 Staff are honest in communicating information	3.924
IN4 Employees keep customer information confidential from interested parties	3.585
IN5 Staff practice regular work procedures	3.089
IN6 The staff was able to solve the problem within the promised time period	3.209
IN7 Staff practice “mahmudah” practices (praiseworthy practices) in governance	3.443
IN8 Integrity is an important element in the organization of zakat	2.419
Quality of Services	
KK1 The staff listens to the customer's problem statement	3.431
KK2 Staff show sympathy and sincerity to help solve customer problems	4.030
KK3 Staff provide good service	2.943
KK4 I feel appreciated when dealing	3.747
KK5 The staff is sensitive and concerned about the welfare of customers	3.342
KK6 Staff use polite language	4.585
KK7 A comfortable and calm organizational environment	3.244
KK8 The operating hours are in accordance with the customer's needs	3.260
KK9 Staff are ready in various matters	3.153
KK10 Staff put customers first even when they are busy	3.817
KK11 Staff provide instruction and guidance	4.396

KK12 Staff provides physical facilities (Example: Sufficient chairs, pens, etc.)	3.929
KK13 Staff provide counselling and advice services	4.248
KK14 Staff facilitate the customer application process	3.951
KK15 Overall I am satisfied with the counter service	3.437

Result of Testing Direct Models

The bootstrapping method was used to evaluate the hypothesis. The robustness of the structural model is measured by the R^2 value, which indicates the explained variance. In the field of social behavior studies, the recommended R^2 values categorize the strength of the relationships as strong ($R^2 = 0.67$), moderate ($R^2 = 0.33$) and weak ($R^2 = 0.19$) (Hair et al., 2021). As shown in Table 4, the impact of effective integrity practices on work quality is estimated at 74.3%. These results underline the significant contribution of integrity to the model studied (Hair et al., 2021).

In addition, the SmartPLS path coefficient analysis for the hypothesis shows a positive relationship between integrity and service quality ($\beta = 0.862$; $t = 33.57$, $p = 0.000$), thus supporting H1. These results emphasize that integrity is an important predictor of service quality. To assess the predictive relevance of partial least squares (PLS) prediction, a blindfolding procedure was performed (Q^2). The PLS prediction test for the reflective endogenous latent variable shows a Q^2 value for service quality that is above zero, namely 0.507, which signifies the predictive relevance of this construct (Hair et al., 2021). A summarized presentation of the hypothesis results can be found in the following table.

Table 4

Results of Testing the Direct Effects Model

Hypothesis	β	t-stat	p-value	R^2	Q^2	Result
H1: integrity has a positive relationship with service quality.	0.862	33.57	0.000	74.3	0.507	Supported

Discussion

The results of the data analysis and discussion suggest that the zakat institution represented by the integrity practice of Shariah compliance has a significant impact on the quality of services provided to customers. In addition, the SERVQUAL method described by Parasuraman et al (1988) is used, which integrates integrity as an indicator of governance transparency.

The results show that integrity practices in Zakat institutions have a positive relationship with service quality. Indirectly, the element of integrity plays a very important role in the organization to increase community trust in the Zakat organization (Wahid et al., 2017; Hasan et al., 2019)

The application of Rasulullah's leadership theory is able to form a spiritual and Islamic work ethic that has a good impact on employees, especially on the integrity of the employees themselves based on Al-Quran. Indirectly, the quality of employees in performing their duties can be improved. Appointing Amil who is qualified and transparent in collecting and distributing Zakat funds contributes to the integrity of Zakat institutions. Integrity variables can strengthen governance through transparency and accountability to increase community

trust and have an overall effect on zakat institutions. Indirectly, these findings support studies conducted by researchers (Hashim et al., 2021; Tarmizi et al., 2021; Paizin, 2021). Therefore, the implication of this study is a guide for organizations in identifying elements of effective governance with an integrity approach among employees. This is able to create an excellent work culture and impact on employees' performance to improve the quality of organizational services in Zakat institutions. Although this study was conducted at a public university, outsiders still believe that transparency and accountability are common in Zakat institutions. This is not a direct indication that society has a negative bias towards the image of Zakat institutions.

Conclusion

Zakat is one of the fundamental pillars of Islam, a duty for all believers prescribed by Allah in the Quran and further explained through the teachings of Prophet Muhammad SAW (Paizin, 2022). Zakat is not only a duty of religion but also serves as a means of wealth distribution among the community and a tool that can reduce wealth disparity if implemented effectively and efficiently. However, the realization of this purpose depends on the implementation of a fair and transparent management strategy. The uniqueness of Zakat as an act of worship lies in its management and administration system, which serves as a channel for various related services. The institution responsible for the implementation of Zakat has introduced several mechanisms to improve the integrity of its employees, thereby demonstrating a commendable performance in both the collection and distribution of Zakat funds.

In the field of zakat administration, these institutions bear the weighty responsibility of trustworthy administration and strive to fulfill the mission of zakat while meeting the needs of stakeholders through their services (Paizin, 2022; Abd Rahim et al., 2022). The efficiency and integrity maintained within zakat administration have a significant impact on enhancing zakat collections while promoting public confidence in the ability of these institutions to effectively oversee zakat administration in Malaysia (Abd Rahim et al., 2022; Abd Halim et al., 2015). The pivotal role of integrity cannot be overemphasized as it serves to enhance credibility and create a high level of trust among both zakat donors and beneficiaries. This, in turn, indirectly improves the quality of services and enhances the image of the institution, similar to the practices in companies that focus on positive organizational outlook (Ab Rahman et al., 2021).

In recent years, the importance of integrity has been increasingly emphasized in various sectors, including public institutions. Integrity practices play an important role in ensuring the delivery of quality zakat services in these centers (Wahid et al., 2017). Through transparent and accountable practices, zakat centers can demonstrate their commitment to fair and equitable distribution, thereby dispelling doubts or concerns about possible misuse of zakat funds and building trust and credibility among stakeholders. In addition, integrity practices help to maintain the reputation of public universities and their zakat centers in terms of the quality of services provided to attract more beneficiaries, which in turn has a positive impact on the welfare of zakat recipients (Rachman & Salam, 2018). Moreover, adherence to integrity practices in zakat centers at public universities ensures the quality of services and maximizes the positive impact of zakat on the lives of the needy (Wahid et al., 2017). By prioritizing integrity practices, zakat centers at public universities can ensure that the distribution of zakat funds is fair and equitable, leading to a more just and prosperous society overall (Jedidia & Guerbouj, 2020). Despite this enormous function, the role of zakat institutions in today's Muslim countries is rather modest. Alongside other charitable

organizations, zakat has not received the attention it deserves to realize its potential to promote the economic prosperity of Muslim communities.

Several studies have documented the challenges faced by zakat institutions that prevent them from effectively playing their role in promoting the socio-economic development of Muslim societies. (Tarmizi et al., 2021; Abd Rahim et al., 2022; Sawmar, & Mohammed, 2021). Regulated zakat systems based on integrity have proven to be more effective in pursuing zakat objectives. However, it remains a challenge to optimize the efforts of zakat administration and achieve greater participation of zakat payers. Maintaining a high level of zakat recipients is crucial to achieve the potential role of zakat.

Acknowledgement

This research was part of a project under grant Biduni Mizaniyyah 2024 PPPI/BM/FEM/USIM/10124

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