

# Accounting Information and Muzakki's Information Adequacy Perception

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## ABSTRACT

Many studies on zakat that look for a reason why muzakki pay zakat. The majority of them used a survey method to answer the question, but an experimental method was still limited in the zakat study. In the donation context, accounting information is useful for donors on donation choices. This information is still rarely examined in the context of zakat. This paper used an online experiment method by 2 x 1 between-subject in the zakat context. This study had purpose to know whether the presence of accounting information would affect the information adequacy perception of muzakki or not. This study used 79 experiment participants for two groups. The result showed that muzakki, who got accounting information, had a higher information adequacy perception than muzakki, who did not get accounting information. This result indicated that muzakki would feel to get enough information when they got accounting information to make zakat decisions. The result implied that zakat institution should give their accounting information to muzakki and the public.

**Keywords:** *Accounting information, Information adequacy, Muzakki, Perception, Zakat.*

## 1. INTRODUCTION

The emergence of various Zakat Management Organizations (OPZs) has caused Muzakki (people who have zakat obligation) to have a choice of places to pay zakat. However, the limited information that provided by OPZ makes muzakki hesitant to pay zakat to OPZ. Accounting information became one of the factors that affect the donor to donate the money to the charity [1], [2], [3], [4].

It is also applicable to charity. The availability of information is one of the reasons people to choose the place where they will pay zakat [5]. The disclosure of information, which is a form of accountability for zakat institutions, is a factor that affects the satisfaction of muzakki and their trust in the amil zakat institution [6].

The provision of accounting information by OPZ in Indonesia has been already regulated in Indonesia Financial Accounting Standard, PSAK 109. However, in practice, a few OPZ that provides accounting information on the website are authorized. This research continues Ahmad's research [7], which examines the influence of accounting information with the decision muzakki to pay zakat. Continues the research from Parsons by changing the context from donations to zakat [7], [8]. Ahmad's [7] needs to continue to prove the validity of the

experimental model in zakat research. The purpose of this study was to examine the effect of accounting information on the perception of the adequacy information of muzakki in the decision to pay zakat.

This research used the experiment methods with the different experiment format and information accounting from Ahmad [7]. Ahmad [7] uses the information of reports changes zakat fund, while the research uses the zakat allocation ratio. The zakat allocation ratio is one of the ratios that were introduced BAZNAS in 2019 to measure the performance of the institution of zakat. This research is essential to prove the research Ahmad [7] that accounting information has an influence on decision muzakki and pay zakat with accounting information are different.

## 2. LITERATURE REVIEW AND HYPOTHESIS

Information is significant for donor or muzakki. There is research related to the effect of accounting information on donating decisions. The role of accounting information in the process of giving individual donations using the experimental method [1]. Researchers manipulated the existence of information on spending ratio programs and service efforts and accomplishment (SEA) with a request for donations. The

results of the study showed the donors have the potential to feel an invitation to donate that accompanied the disclosure of information SEA more informative.

The intention to donate in the condition of the increasing number of charities [4]. Conditions have made donors who do donate should evaluate the information accounting and compare between institutions of charity. The results of the study indicated that information accounting affects the number of donations was given to the institution of charity. Threshold information only affects the adjustment donations on charity, which is at a position above and below the list, while that is the middle are not affected.

The context of Indonesia and the add a factor of concern social and praise from others as a factor that affects the pay zakat. In the realm of zakat [5], [9], Ahmad [7] examined the effect of accounting information on the decision to pay zakat. Respondents who received information accounting felt had sufficient information that is higher compared to not received [1].

Hypothesis 1: Perceptions of the adequacy of information in the group that received the zakat allocation ratio information will be higher than in the group that did not get the information.

**3. RESEARCH METHODS**

This study used an experimental method. The use of the experiment method is used by the researchers to control the variables independently through manipulation that is done as well as control extraneous variables [10].

The study was adopting the instruments of Ahmad [7]. Ahmad's material cases [7] were adapted from Parsons [8], and the multi-institutional format was taken from Van der Heijden [4].

This study looked at muzakki's information adequacy perception when it came to getting accounting information or not. The zakat allocation ratio used as information accounting for the ratio is a comparison of total zakat fund distribution and total zakat fund collection [11]. Muzakki will find out how much funds raised in OPZ are channelled to mustahiq with this information.

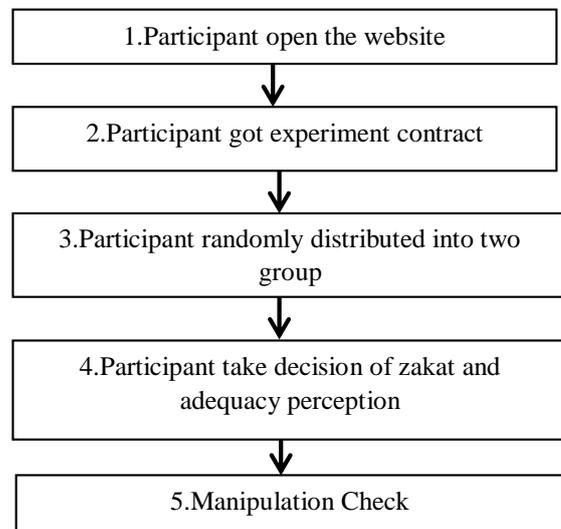
The experiment was conducted using an online experiment. The experiment processing time was about 15 minutes. This study used a 2 x 1 design between subjects and two treatments to test the causal relationship in the hypothesis. First, the group that only got the OPZ public profile. Secondly, the group who got the profile general OPZ and the zakat allocation ratio information

**Table 1.** Experiment Group

	Not get information	Get Information
The Zakat Allocation Ratio.	Grup one	Grup two

This research used the fictitious name OPZ. It is feared that researchers would be biased because of the knowledge of participants on an OPZ name. Before making a decision, participants were given an illustration regarding (1) the obligation to pay zakat (2) profiles briefly every OPZ (4) comparison of the zakat allocation ratio. In this experiment, all participants were given instructions to act as muzakki.

During the last three years, muzakki has paid zakat funds at the Zakat R Institution because they believe the Zakat R Institution is effectively and good in managing zakat funds. In the year of this, participants should pay zakat amounting to Rp5,000,000. Currently, participants have two choice OPZ to pay zakat, i.e., R and S. All participants get a brief profile OPZ, but only in group two that get zakat allocation ratio information.



**Figure 1.** Experiment Flowchart

After obtaining the information that participants were asked to decide to pay, the amount of zakat to the two OPZ are available. After completing the decision to pay zakat and information's adequacy perception, participants were asked to answer questions that describe the condition and situation of participants as a check manipulation. Question is an unbiased choice that describes the information obligation to pay zakat, accounting. The participants in this study were real muzakki.

The dependent variable of this study was the perception of information adequacy. The measurement of the perception of information sufficiency was measured

by a 7 Likert scale (1 = Not enough information - 7 = enough information). The hypothesis on research was tested using the t-test.

The independent variable in this study was accounting information. The accounting information was the form of the zakat allocation ratio and it was taken from PUSKAS BAZNAS [11]. The zakat allocation ratio was presented in the form of a pie chart. The hypothesis in this study was tested using the t-test. Before making testing hypotheses, especially the researcher, first doing the data normality test using test Kolmogorov Smirnov. The results showed that the data were normally distributed.

**4. RESULT AND DISCUSSION**

T-test was carried out on the perceived value of the adequacy of muzakki information for each group. Hypothesis 1 was tested by comparing the group that got the profile general alone (group one) with the group that received the profile public and the zakat allocation ratio (group two).

**Table 2.** Respondents Data

		<b>Freq</b>	<b>%</b>
Gender	Male	44	55.7
	Female	35	44.3
	<b>Total</b>	<b>79</b>	<b>100.0%</b>
Age	11-20	2	2.5
	21-30	40	50.6
	31-40	16	20.3
	41-50	15	19.0
	51-60	5	6.3
	More than 60	1	1.3
	<b>Total</b>	<b>79</b>	<b>100.0%</b>
Education	High School	6	7.6
	Diploma	1	1.3
	S1	39	49.4
	S2	27	34.2
	<b>Total</b>	<b>79</b>	<b>100.0%</b>
Income	Rp100 Rp3.000.000	19	24.1
	Rp3.000.001 Rp6.000.000	26	32.9
	Rp6.000.001 Rp9.000.000	17	21.5
	Rp9.000.001 Rp12.000.000	7	8.9
	Rp12.000.001 Rp15.000.000	3	3.8
	More than Rp15.000.000	7	8.9
	<b>Total</b>	<b>79</b>	<b>100.0%</b>

A total of 92 participants participated in the experiment. Thirteen participants (16%) incorrectly answered the verification questions were excluded from

further analysis. The total number of participants from the group profiles, profiles, and accounting information, was 36, and 43 (a total of 79 participants). Seventy-nine participants are males (55.7 percent). The majority of participants were aged 21-30 years (50.6 percent), followed by the age of 31-4- years (20.3 percent).

<b>Table 3. Result</b>			
<b>Group 1<sup>a</sup> n: 36</b>		<b>Group 2.<sup>a</sup> n: 43</b>	
<b>Mean</b>	<b>SD</b>	<b>Mean</b>	<b>SD</b>
4.1944	2.05384	5.6279	1.06956
F= 21.678, Sig. 0.000, t= -3.980			

The difference in information between the group is as follows:

Group 1 received General Profile only

Group 2 received General Profile and zakat allocation ratio Information

Table 3 shows the number of the adequacy of the information muzakki each group. Group one, as a group that does not get the manipulation, it shows that the average sufficiency of information for 4.1944 or lesser compared with group two with an average of 5.6279.

Hypothesis one states that the perception of the adequacy of information in the group that receives information on the zakat allocation ratio will be higher than in the group that does not receive information. The result showed that the magnitude of the perception of the adequacy of the information group two was 5.6279 or more massive compared to group one at 4.1944. The test indicated that there was a difference in the perceived amount of information adequacy between groups 1 and 2. It implied that hypothesis one was supported by t = 3.980, p <0.000, two-tailed.

**5. CONCLUSION**

This research follows [7] that focuses on muzakki's decision to pay zakat. The research is contributed to the empirical to the literature accounting and charity. This research provides evidence that information accounting can affect the adequacy perception of information when making decisions to pay zakat.

**6. LIMITATION AND FUTURE RESEARCH**

This research follows Ahmad's research [7] that focuses on muzakki's decision to pay zakat. The research is contributed to the empirical to the literature accounting and charity. This research provides evidence that information accounting can affect the adequacy of information when making decisions muzakki to pay zakat.

This study had several limitations. First, this study used an online experiment using a combination of a

simple website and google form randomization. Further research is recommended to create an experimental web so that the experiment will more optimal. Second, information used was the ratio of the use of zakat funds. The further studies can use different information suggested by PUSKAS BAZNAS [11].

## AUTHORS' CONTRIBUTIONS

First author preparing the experiment case material. First author and second author carried out the experiment. Both first author and second author contributed to the final version of the manuscript.

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