

Human Resource Management Strategies on the Effectiveness of Zakat Collection and Distribution LAZISMU Sidoarjo

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Abstract:

Introduction to The Problem: Management of Human Resources (MSDI) plays a very important role in ensuring the effectiveness and sustainability of zakat programs.

Purpose/Objective Study: This research aims to analyze Human Resource Management Strategies in zakat management at Lazismu Sidoarjo **Design/Methodology/Approach:** using both qualitative and quantitative methods, along with field research.

Findings: The findings of the IFAS analysis indicate that Lazismu Sidoarjo possesses several significant strengths, especially in terms of legitimate legal status and accreditation by the Ministry of Religious Affairs. However, the research also identifies a primary weakness, which is the limitation in Human Resources (HR), still posing a constraint on the effectiveness of zakat management. Furthermore, the EFAS analysis highlights various opportunities that Lazismu Sidoarjo can leverage, including the certification of zakat administrators recognized at national and international levels, as well as technological advancements supporting zakat operations. On the flip side, there are threats that need vigilance, especially in the context of economic crises such as those encountered during the COVID-19 pandemic. The SWOT analysis places Lazismu Sidoarjo in Quadrant I (SO), indicating its position as an organization with robust legality and readiness to adapt to environmental changes by utilizing zakat administrator certification and technology. Therefore, the recommended strategy is to capitalize on existing strengths to address weaknesses while harnessing opportunities and confronting threats through a growth-oriented and innovative approach in zakat management.

Paper Type: Research Article

Keywords: Strategy MSDI; SWOT analysis; Lazismu Sidoarjo

Introduction

Zakat plays a very important role in the Islamic financial system and aims to help people in need (MAKHTUM, 2017). Effectiveness in the collection and distribution of zakat is a crucial factor in carrying out the social and economic functions of zakat. To achieve this effectiveness, an appropriate and efficient Human Resource Management Strategy is needed (Sulistyo et al., 2016). Thus, the management of zakat must be carried out in a professional and responsible manner (Yusuf & Al Arif, 2015).

In Indonesia, there are several aspects that need to be considered in the context of zakat distribution. This includes increasing the potential of amil zakat, both in terms of quantity and quality

(Fajrina et al., 2020). Of course, effective distribution must start with efficient collection. Therefore, many institutions have been established as zakat distributors, with the government regulating the existence of LAZ through the Law. The existence of these regulations is intended to optimize the potential of zakat by managing it through professional and quality Human Resource Management, so as to empower the community and reduce poverty levels. (Hayatika et al., 2021).

Management of Human Resources (MSDI) plays a very important role in ensuring the effectiveness and sustainability of zakat programs (Indriyani, 2021). The goal is to optimize the potential and contribution of human resources that have an important role in achieving the goals of an organization effectively and efficiently. MSDI includes processes such as proper employee recruitment, careful selection, comprehensive training, good performance management and a fair compensation system (Ramadhani et al., 2023). It also involves harmonious working relationships to increase the productivity of all members of the organization.

The quality of an organization is largely determined by the ability and dedication of its members. Both large and small organizations (Rumondor et al., 2021), the key lies in the presence of competent and passionate human resources. As organizations face the challenges of an increasingly global, dynamic, and fast-changing economy, the need for a qualified workforce is also increasing rapidly (Azhura Warman, 2022). In the context of zakat institutions, we realize that the performance of these institutions is highly dependent on the hard work and contributions of dedicated employees (Ray, 2021). They have an important contribution in achieving the goals of an organization.

Lazismu Sidoarjo is a national amil zakat institution engaged in the collection and distribution of zakat in Sidoarjo district, East Java. As an institution that focuses on the collection and distribution of zakat, Lazismu has the responsibility to ensure the effectiveness of the process so that zakat funds can be used optimally. Therefore, the role of Human Resource Management is an important factor in achieving this effectiveness.

Based on previous research conducted by (Aminudin, 2018) entitled “Analysis Of Factors That Influence Human Resource Management Strategies in the National Zakat Agency (BASNAS)” states that the human resource management (HR) strategy at the National Amin Zakat Agency (BAZNAS) is influenced by the factors of the basic pillars of BAZNAS, external environmental factors, and internal environmental factors. These factors include understanding fiqh, pillars of the zakat movement, mobilization of funds, inspiration for prosperity, the role of BAZNAS as the top of the zakat building, HR input, HR management paradigm, collaboration and partnership, and political influence. The model of the relationship between themes is also presented using the Interpretative Structural Modeling (ISM) approach. While research from (Setiawan, 2022) entitled “The Role of Human Resource Management in Improving the Performance of Credit Collection Section Employees (Case Study at West Kalimantan Regional Development Bank)” states that human resource management has a very important role in improving employee performance. Although there are obstacles such as irregular working hours and limited number of employees. Thus, the company can achieve its goals effectively and efficiently. And other research from (Realita & Menik, 2017) also states that human resources play a strategic role in the management of zakat. Amil zakat institutions must be managed professionally in accordance with predetermined criteria. The criteria for the professionalism of amil zakat institutions include having competence, totality in work, getting decent rewards, always wanting to learn, and having an awareness of social and religious responsibilities. With professionalism of amil zakat institutions include having competence, totality in work, getting

decent rewards, always wanting to learn, and having an awareness of social and religious responsibilities. With professional human resources, amil zakat institutions can improve their performance and existence, and gain the trust of muzakki.

Based on the previous research above, the researchers are interested in analyzing the strategies used by Lazismu Sidoarjo on the effectiveness of zakat collection and distribution.

The relevance of the basic concepts of SDI management strategies to the collection and distribution of zakat in organizations such as Lazismu Sidoarjo is very important to achieve the expected goals, the implementation of SDI strategies will help improve professionalism in managing zakat funds. Therefore, this study aims to analyze the MSDI strategi used by Lazismu Sidoarjo to improve the effectiveness of the zakat collection and distribution process.

By identifying the problems and objectives of this of this research, it is hoped that Lazismu Sidoarjo can improve their human resource management strategy and increase the effectiveness of zakat collection and distribution.

Methodology

This research was conducted at Lazismu Sidoarjo using a combination of qualitative and quantitative research methods, as well as conducting field research and SWOT data analysis. Quantitative methods were used in particular to examine questionnaire weights and ratings to gain an understanding of SWOT.

In using qualitative methods, researchers focus on analyzing primary data from interviews with respondents related to zakat management in Sidoarjo area. By analyzing this primary data, it can identify strategic factors in SWOT analysis related to zakat management in more depth. In addition, researchers also analyzes secondary data such as financial statements and literature studies to complement the SWOT analysis.

Through field research, researchers collect data directly in the field related to zakat management in Sidoarjo. This is to understand the real situation, such as the process of collecting and distributing zakat, the programs run, and community participation. Thus, researchers can produce more detailed and contextual information for strategic factors in SWOT analysis.

By combining primary data from interviews and secondary data, researchers can produce strategic factors in SWOT analysis. These strategic factors become the basis for formulating zakat management strategies that are more effective and in with the conditions in Lazismu Sidoarjo.

Result and Discussion

A company needs human resources, because until now no company has been able to do without human resources, even with technological advances (Saimin et al., 2023), even with technological advances, companies still need human resources to carry out their implementation activities.

Human Resource Management (HRM) is an integral part of a company or organization that aims to recruit, manage, and develop human resources to achieve organizational goals (Labola, 2019). If human resource management is not effective, companies will find it difficult to survive and thrive in this modern era. Therefore, the role of human resource management is very important in managing human resources in the company with various methods (I. Prasetyo et al., 2022).

Human resource management has various functions, such as providing training to employees and playing a supervisory role in human resource management (Larasati, 2018). Then there are other functions such as the recruitment procurement function and employee training, all of which are part of the duties and functions of HRM. The development function and compensation function are also part of HRM (Putri et al., 2022). In the development function, employees or labor will receive training or education to improve morale, skills, and other aspects. Meanwhile, in the compensation function, employees will get rewards in the form of pay, money, or goods as a reward for the work they do in the company (E. B. Prasetyo, 2021).

Thus, Human Resource Management (HRM) has a very significant role in the context of the company. Apart from playing a role in improving employee performance, HRM also functions as a strategic tool and provides added value to the company.

SWOT Analysis

Table 1. IFAS Matrix

No	Internal Factors	Integrity	Rating	Score
Strenght				
1.	Has legal legality and is accredited by the Ministry of Religious Affairs	0,15	3,47	0,52
2.	Has an extensive network	0,15	3,42	0,51
3.	Quality human resources	0,15	3,19	0,47
4.	Fair and supportive leadership style	0,12	3,33	0,39
5.	Structured and effective recruitment system	0,10	3,19	0,31
6.	Warm and cohesive work environment	0,13	3,33	0,43
7.	High team commitment	0,10	3,23	0,32
8.	Have an adequate development and training system	0,10	2,95	0,29
Total Strenght		1,00		3,24
Weakness				
1.	Benefits or reward system that is not yet optimal	0,14	2,71	0,37
2.	Still have limited human resources	0,17	2,76	0,46
3.	No long-term planning for amil competency improvement	0,12	2,42	0,29
4.	Not yet optimal organizational systems and structures such as jobs that do not match job descriptions	0,14	2,28	0,31

5.	Facilities that are still inadequate	0,17	2,52	0,42
6.	Dependence on specific donors	0,14	2,57	0,35
7.	There are SOPs that are still not implemented	0,12	2,52	0,30
Total Weaknesses		1,00		2,5
Overall total IFAS				5,74
Difference S – W				0,74

Source: Data processed by the author 2023

Referring to table 1 of the IFAS analysis, it was found that the highest score of 0,52 obtained by Lazismu Sidoarjo was in the category “Having legal legality and accredited by the Ministry of Religion”. This shows that Lazismu Sidoarjo has met the requirements and gained recognition from the relevant authorities in carrying out its activities. The existence of legal legality and accreditation from the Ministry of Religious Affairs is one of the advantages possessed by Lazismu Sidoarjo in providing service and contributions on the community.

In the IFAS analysis, it was also found that one of the weaknesses owned by Lazismu Sidoarjo is that it has limited human resources. Limited human resources can affect efficiency and effectiveness in running existing programs. However, it is important to remember that this weakness can be overcome by efforts to develop and improve the quality of human resources through training and employee development.

Despite having limited human resources, Lazismu Sidoarjo is still committed to contributing and providing the best service to the community. In facing this weakness, Lazismu Sidoarjo can collaborate with other parties, such as educational institutions or other organizations, to strengthen the team and expand the range of services. With awareness of this weakness, Lazismu Sidoarjo can continue to innovate and overcome the challenges that exist.

Table 2. EFAS Matrix

No.	External Factors	Integrity	Rating	Score
Opportunity				
1.	Certification of amil zakat that has been recognized nationally and internationally	0,19	3,38	0,64
2.	Increased awareness of zakat that is increasing	0,19	3,23	0,61
3.	Technological advancement	0,19	3,38	0,64
4.	Have a good relationship with philanthropy and the surrounding community	0,14	3,24	0,45
5.	Cooperation with companies	0,14	3,42	0,47
6.	Increasing public trust in Lazismu Sidoarjo	0,15	3,28	0,49
Total Opportunity		1,00		3,3
Threat				
1.	There are still many people who still do not pay zakat	0,19	2,71	0,51

2.	Lack of public interest in giving zakat in official institutions	0,19	2,85	0,54
3.	Institutional competition	0,12	2,47	0,29
4.	The shift in the essence of the value of zakat, which is not focused on educating the community but on educating the community but on the massive total collection of zakat	0,19	2,90	0,55
5.	Economic crisis like covid 19	0,19	3,04	0,57
6.	Changes in regulations on zakat	0,12	2,66	0,31
Total Threat		1,00		2,77
EFAS Grand Total				6,07
Difference O – T				0,53

Source: Data processed by the author 2023

Based on the EFAS matrix analysis in table 2, it is found that the two factors that stand out as Lazismu Sidoarjo's advantages are "Certification of amil zakat that has been recognized nationally and internationally" and "Technological advances". These advantages give Lazismu Sidoarjo a strong position in carrying out its duties as a zakat management institution.

The certification of amil zakat that has been recognized nationally and internationally shows that Lazismu Sidoarjo meets the qualification and competency standards as a professional zakat manager. This not only gives confidence to the community, but also opens up opportunities for cooperation with zakat institutions at the national and international levels.

In addition, technological advances are an additional advantage for Lazismu Sidoarjo in improving efficiency and effectiveness in zakat management. The utilization of technology can simplify the process of collecting, managing, and distributing zakat, thus ensuring better transparency and accountability.

With the combination of nationally and internationally recognized amil zakat certification and technological advances, Lazismu Sidoarjo has the potential to continue to grow and provide better services to the community.

Meanwhile, there are threats such as the economic crisis that occurred due to the COVID-19 pandemic, which is one of the factors with the highest score of 0,57 included in the EFAS matrix analysis. The COVID-19 pandemic has had a significant impact on the global and national economy.

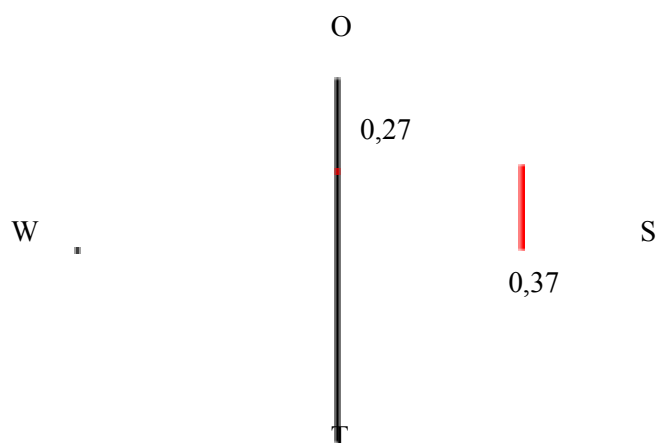
In EFAS threats, economic crises such as COVID-19 can be identified as factors that affect the performance and strategies of institutions such as Lazismu Sidoarjo. The impact of this economics crisis can be in the form of a decrease in people's income, a decrease in the amount of zakat collected, and changes in people's needs and priorities that affect the programs carried out by Lazismu Sidoarjo.

In the face of this economic crisis, Lazismu Sidoarjo needs of people who need zakat assistance, or need to restructure the program to be more responsive to the existing situation.

It is important for Lazismu Sidoarjo to take the right strategic steps in facing the economic crisis, such as diversifying sources of income, strengthening cooperation with related parties, and increasing efficiency in managing zakat. Thus, Lazismu Sidoarjo can still make a significant contribution in alleviating the impact of the economic crisis on society.

As can be seen in figure 1, showing the coordinate points at X and Y

Figure 1. IE coordinates



Source: Data processed by the author 2023

Based on the coordinate points above that point X (0,37) is in S and point Y is in O, so the strategy used by Lazismu Sidoarjo is in quadrant I (SO), which supports aggressive strategies.

Lazismu Sidoarjo Strategy

Referring to the table below Lazismu Sidoarjo will determine the SO strategy

Table 3. SO analysis

No	Strength	Opportunities
	Has legal legality and is accredited by the Ministry of Religious Affairs	Certification of amil zakat that has been recognized nationally and internationally
	Has an extensive network	Increased awareness of zakat that is increasing
	Quality human resources	Technological advancement
	Fair and supportive leadership style	Have a good relationship with philanthropy and the surrounding community
	Structured and effective recruitment system	Cooperation with companies
	Warm and cohesive work environment	Increasing public trust in Lazismu Sidoarjo
	High team commitment	
	Have an adequate development and training system	

Source: Data processed by the author 2023

SO Strategy

1. Utilize legal legality and accreditation from the Ministry of Religious Affairs as a basis for expanding outreach and increasing public trust.
2. Enhance cooperation with companies to obtain financial support and other resources.

3. Optimizing an extensive network to establish relationships with philanthropies and the surrounding community, so as to expand the base of donors and volunteers.
4. Develop a structured and effective recruitment system to obtain quality human resources that can support organizational growth.
5. Promote a fair and supportive leadership style to create an inspiring and motivational work environment.
6. Build a warm and cohesive work environment to increase productivity and team engagement.
7. Strengthen team commitment through continuous development and training.
8. Take the opportunity to obtain nationally and internationally recognized amil zakat certification, so as to increase credibility and public trust.
9. Increase public understanding and awareness of the importance of zakat through creative education and campaign activities.
10. Utilize technological advances to improve operational efficiency and effectiveness.
11. Build good relationships with related parties, such as financial institutions and other zakat institutions, to support each other and expand outreach.
12. Use the growing public trust to expand influence and gain greater support.

Conclusion

The conclusion that can be drawn is that based on IFAS analysis, Lazismu Sidoarjo has several striking strengths. One of its strengths is that it has legal legality and has been accredited by the Ministry of Religious Affairs. This shows Lazismu Sidoarjo's commitment in carrying out zakat activities in accordance with applicable laws and regulations.

However, on the other hand, there are some weaknesses that need to be considered. One of the weaknesses that can be identified is the limited Human Resources (HR) available. With limited human resources, Lazismu Sidoarjo may face obstacles in carrying out zakat collection and distribution activities optimally. Therefore, efforts to overcome the limitations of human resources need to be a strategic focus to improve the effectiveness of zakat management in Lazismu Sidoarjo.

While the results of the EFAS analysis show the opportunities and threats faced by Lazismu Sidoarjo, namely there are two significant opportunities. First, the certification of amil zakat that has been recognized nationally and internationally provides an opportunity to increase the credibility and public trust in Lazismu Sidoarjo. With this certification, the organization can attract more donors and increase the amount of zakat that can be collected.

Second, technological advancement is an important opportunity in zakat management. By utilizing existing technology, such as mobile applications and digital platforms, Lazismu Sidoarjo can improve efficiency, transparency and accessibility in collecting and distributing zakat. Technology can also be used to increase public awareness and understanding of the importance of zakat.

However, on the other hand, there are significant threats such as the economic crisis caused by the COVID-19 pandemic. This crisis can have a negative impact on people's financial condition, thus reducing their ability to give zakat. Therefore, Lazismu Sidoarjo needs to anticipate and adjust its zakat collection and distribution strategies to overcome the impact of this crisis.

In conclusion, Lazismu Sidoarjo has great opportunities with the existence of recognized amil zakat certification and technological advances. However, it needs to be aware of the threat from the

economic crisis due to the COVID-19 pandemic. With the right strategy and good adaptation, Lazismu Sidoarjo can continue to contribute to zakat management and help people in need.

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