

How Does Generation Z Pay Zakat

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Abstract

The purpose of this study is to examine the factors that affect Generation Z's propensity to pay zakat using digital means. This study falls under the category of descriptive qualitative research utilising the library research technique; specifically, it involves a review and reanalysis of earlier studies on the connection between generation Z's behavioural intention to pay zakat and the digitisation of zakat. Previous scientific research journals were used as data sources, which were subsequently processed and analysed through the use of data reduction, data display, and verification. According to the analysis's findings, generation Z's intention to use digital zakat to pay zakat is significantly influenced by convenience and ease of use. Meanwhile, generation Z's intention to use digital zakat to pay zakat is not significantly influenced by religiosity. It is hoped that future research will be able to look more broadly at the issues that this study was unable to cover.

Keywords: Gen Z, Behavioural Intentions, Digitalisation of Zakat

Introduction

Zakat collection consistently experiences a positive trend from year to year. This cannot be separated from the efforts of the National Zakat Amil Agency to increase trust and fair distribution. However, the growth in the collection of existing Zakat funds is still far from its potential.

Table 1. National Collection Growth 2013-2023

Year	ZIS (Milyar Rupiah)	Growth (%)
2013	1629	14,26
2014	2212	26,94
2015	2639	19,30
2016	3300	24,04
2018	3640	10,61
2019	4016,29	36,46
2020	6224,36	24,06
2021	8116,60	30,42
2022	10.226,94	26,00
2023	12.429,24	42,16
Average		34,64

Source: (National, Indonesia Zakat Outlook, 2023)

This table shows that there has been an increase in the amount of Zakat funds collected. The significant potential for Zakat has prompted the establishment of numerous worldwide Zakat gatherings. Aside from that, the financial sector now needs the technical advancements brought about by the fourth industrial revolution. One area with a lot of room for growth is the

Zakat Fund. One of the subjects that is frequently debated is how to best collect Zakat funds through digitalisation (Zaroni, 2023). In the era of Industrial Revolution 4.0, the creation of a Zakat collection plan coincided with the fusion of cyber technology and the humanities, or Society 4.0. Recognising Society 4.0 as a human-centered society that uses a system that deeply connects internet and physical space to solve social problems while balancing economic advancement (Zaroni, 2021).

Technology that is adjusted to BAZNAS improves the efficiency, transparency, and scale of Zakat fund management. This can reach a larger audience, including generation Z, reduce administrative costs, and improve collection security (Zaroni, 2023). Born and raised alongside technology advancements, Generation Z is a trailblazing generation. This is why generation Z is known as the generation of digital natives (Zaroni, 2022).

The modern lifestyle of Generation Z is inextricably linked to technological advancements, encompassing non-cash payment practices through diverse digital payment modalities like digital wallets, internet, mobile, and SMS banking as crucial applications utilised in transactions requiring only a smartphone. facilitating transactions with comfort, quickness, and ease. As a result, the ZIS payment method was modified to digital (Zaroni, 2022). Modifications to the ways in which funds are collected for Zakat must take into account the facilities available to them, particularly to members of Generation Z, in order to encourage their intention to pay Zakat

Literature Review

Digitalization of Zakat

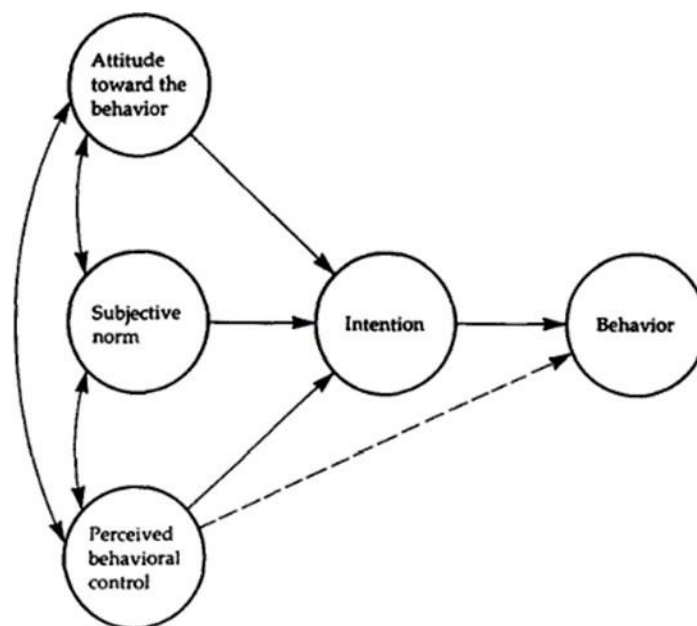
The word "zakat" refers to something that is given to a certain group using a specific manner or intention, either from property or from a body. Zakat is property that must be spent by a Muslim or business entity and given to those eligible to receive it in line with Islamic law, according to Law No. 23 of 2011 Article 1. Digitalisation, on the other hand, is the process of taking use of digital opportunities in the context of Industry 4.0. Rebuilding the The use of

digital technology by individuals, organisations, and society at large is known as "digitalisation," a sociotechnical phenomenon. Financial technology, or fintech, is one example of how the economic and financial system is becoming more digitalized. Fintech's extremely quick expansion has spread to other sectors of the economy, such as zakat management companies (Suryanto, 2022). Three platforms are typically utilised to manage zakat. Firstly, internal platforms, including websites and applications, created by Zakat organisations. Second, third-party platforms, specifically those offered by OPZ partners, in order to boost zakat money collection. Third, online crowdsourcing sites like kitabisa.com (Zaroni, 2020).

The Intentions of Behaviour

The closest thing to individual behaviour is intention. This is a shift that closes the gap between the person's attitudes and actions. Therefore, a person's continual behaviour towards a goal might be considered an intention.

Picture 1.
Theory of Planned Behavior (TPB)



Methods

The research methodology used in this study is descriptive qualitative, meaning that qualitative data is used and then presented in a descriptive manner. Since this kind of research

involves a literature study, secondary data is used. Books, journals, publications about Zakat, and other relevant literature are the sources of the literature used in this study. The Miles and Huberman paradigm of data analysis, which consists of data reduction, data display (data model), and conclusion drawing/verification, will be used to analyse the data (Suprayogi, 2022).

Results and Discussion

Previous studies on the connection between Generation Z's intention to pay zakat and the digitisation of the practice have yielded the following findings:

The Connection Between MuZaki's Intention to Pay Zakat and Perceived Security Making Use of Digital Apps

The study carried out by Norvadewi and Zaroni (2021) employed quantitative research techniques, which fall under the category of hypothesis testing research. The purpose of this approach is to describe, analyse, and understand data. This research is empirical in nature. The entire study population consisted of Indonesian muzaki. Purposive Samples are used in sampling. Researchers can use one of fifty-five surveys to explain their work. Three things. The respondents' demographic information is shown in the table below hypothesis testing research sample structure.

Table 2. Demographics of Research Respondents

Demografi	Category	Frekuensi	Persentase (%)
Gender	Man	30	48
	Woman	21	42
Age	20 – 29 year	14	29
	30 – 39 year	20	39
	40 – 44 year	11	21
	>44 year	4	10
Pendidikan	SMA	8	14
	S1	23	44
	S2	20	40
	S3	0	0

Source: (Norvadewi & Zaroni, 2021)

The results of hypothesis testing show that perceived security has a positive relationship with muZaki's interest in paying Zakat online which is declared significant with a significance of 0.002.

The Behavioural Intentions and Religious Beliefs of Generation Z with Regard to Digital Zakat Payment Decisions Made on Digital Platforms

Consumer decision theory, an explanatory approach, and survey research methods were used by Norvadewi (2022) to investigate the relationship between Generation Z's religiosity and behavioural intentions regarding the decision to pay Zakat via digital platforms. The study found that consumers' decisions to use digital Zakat applications for munfiq and muZaki can be influenced by their own beliefs. In addition to being influenced by internal elements like culture, the immediate environment, social class, public opinion, even the influence of online social media and the Theory of Planned Behaviour (TPB) as factors causing behavioural intentions, external factors can also have an impact on internal elements like motivation, personality, perception, and beliefs. individual, which encompasses beliefs, attitudes, and perceived behavioural control as well as subjective norms and religion. The population was drawn from Kalimantan's muzakki and munfiq, who are members of generation Z (1995-2011). Non-probability sampling with purposive sampling was used for the sampling process, meaning that samples were chosen based on the researcher's predetermined criteria and the needs of the research. Goodness of Fit (GoF), also known as the model goodness test, is employed in this study to determine how well the research model fits the collected research data. Because PLS-SEM is being used for the analysis in this study, manual GoF computations are necessary. The table displays the research findings.

Table 3.
Results of Research on Behavioral Intentions and Religiosity of Generation Zs on ZIS
Payment Decisions via Digital Platforms

Goodness of Fit	0.436	
T Statistics Test Results	Nilai	Information
Behavioral Intentions	4.336	Significant
Religiosity	1.144	Not significant
P Statistics Test Results	Nilai	Information
Religiosity	0.249	Not significant

Source: (Norvadewi & Zaroni, 2021)

Table 3 indicates that the test results for hypothesis H1—behavioral intentions significantly influencing digital Zakat decisions—have a T Statistics value of 4.336, over the T Statistics value's lower bound of 1.964. This demonstrates how behavioural intentions affect digital Zakat decisions in a big way. Conversely, the T Statistics yields H2: Less than the minimum limit of 1.144, religiosity has a considerable impact on digital Zakat decisions. This, along with the P Statistics values that are below the minimum limit—that is, with a value of 0.249—reveal that religiosity has no discernible impact on Zakat decisions. whereas P Statistics has a minimum cutoff of 0.04.

The Effect of Perceived Usefulness, Perceived Ease of Use, and Social Influence Toward Intention To Use Mediated By Trust

Yusuf and Kushendar (2022) employed quantitative techniques and explanatory dissertation research in their study. The consumers in the city of Bandung comprise both the population and sample. Purposive and non-probability sampling were used in the sampling process. 111 persons who fit the requirements were correspondents; Muslims aged 23 and older have Increasing perceived utility, perceived ease of use, and social impact can boost consumer trust in the digital Zakat application, according to the results shown in the above table. Additionally, consumers' intents to utilise digital Zakat applications may increase with increases in perceived utility, social impact, and trust. On the other hand, contradictory findings were seen with regard to perceived ease of use, which significantly lowered intention to use. We might conclude that customers' intentions to utilise the digital Zakat application will decline as ease of use is perceived as growing. Perceived utility, perceived ease of use, and social influence can all have an impact on intention to use, but trust can mitigate these impacts. We may conclude that intention to use is significantly influenced by perceived usefulness, perceived simplicity of use, and social influence. based on the Theory of Planned Behaviour (TPB), which claims that a person's attitude, perceived behavioural control, and subjective norms all influence their behavioural intentions.

Individual religiosity has no bearing on muzaki's behavioural intents to pay ZIS via digital Zakat, according to research by Zaroni (2021). The notion of religiosity considers all aspects, including behaviours other than ritualistic worship.

Born between 1995 and 2011, Generation Z is a generation that grew up in tandem with technology advancements. According to respondent demographics, the majority of digital Zakat users are between the ages of 13 and 28. They are highly educated, have monthly incomes between IDR 2,000,000 and Rp 5,000,000, and are well-educated. Furthermore, compared to male Generation Z Muslims, female Generation Z Muslims are more likely to employ digital Zakat.

Conclusion

Because digital Zakat is user-friendly and accessible from anywhere at any time, there is a strong correlation between behavioural intentions and decisions to pay Zakat through it. As an additional consideration, ensuring the confidentiality of Mazaki's personal information is the next. Social media or family recommendations for particular institutions, among other social influences, are examples of social influences. Despite the fact that social influence on muzaki beliefs varies. On the other hand, the intention to employ digital Zakat may act as a mediating factor between trust and social influence. The likelihood that muZaki will use digital Zakat to pay zakat is not significantly impacted by the religion variable. Overall notwithstanding, there is a connection between muZaki's intention to use digital Zakat for Zakat payment. It is intended that by include additional factors, future research would be able to analyse in greater detail.

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