

EXPLORING ZAKAT PAYMENT CHALLENGES AMONG WOMEN ENTREPRENEURS: INSIGHTS FOR ZAKAT AUTHORITIES

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Abstract	<p><i>Zakat compliance among women entrepreneurs in the bustling market of Pasar Siti Khadijah Kelantan is alarmingly low, emphasizing an essential need for intervention for enhancing community welfare and economic development. This study addresses a gap in understanding the particular challenges that these business owners experience when meeting their zakat commitments, a topic that has received little attention in previous research. The objective is to investigate operational and fundamental challenges to zakat payment using qualitative methodologies, involving in-depth interviews with 12 women entrepreneurs and thematic analysis with NVivo. The findings reveal two major themes: operational challenges, which include calculating complexities, record-keeping challenges, nisab calculations, and systemic and educational barriers, which highlight regulatory ambiguities and educational gaps. This study provides thorough insights into the specific challenges that this group encounters, alerting zakat authorities and religious educational institutions about the necessary measures. Recommendations include the development of specialized educational programs and digital tools for women entrepreneurs to ease zakat calculation and payment processes, hence improving knowledge and compliance.</i></p> <p><i>Keywords: Operational challenges, Pasar Siti Khadijah, Systematic barriers, Women entrepreneurs, Zakat compliance.</i></p>
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INTRODUCTION

Zakat, an essential principle of Islam, is an obligatory form of charity that seeks to redistribute income among Muslims, fostering social fairness and alleviating poverty. Kelantan showcases a notable representation of women entrepreneurs, as more than 90% of the sellers in the Siti Khadijah Market are women who actively engage in diverse companies within the area. This study aims to explore the specific problems that women encounter in fulfilling their zakat obligations, an aspect that has been overlooked in prior research.

Pasar Siti Khadijah in Kelantan is a vibrant center of economic activity, primarily fueled by women entrepreneurs. These women make substantial contributions to the local economy but encounter various challenges related to zakat payments. The objective of this research is to examine these challenges by employing qualitative approaches, such as in-depth interviews and thematic analysis, in order to offer insights and recommendations to zakat authorities and policymakers.

Several recent studies have identified multiple elements that affect the behaviour of businesses when it comes to making zakat payments. Sudarsono et al. (2022) discovered that the attitudes, subjective norms, and views of zakat institutions have a substantial

influence on entrepreneurs' inclination to pay zakat. Ilmi et al. (2024) showed that both religiosity and social pressures are significant factors in promoting zakat compliance. Febriandika et al. (2022) highlighted the significance of trust and accountability within zakat institutions, proposing that bolstering these elements can enhance compliance rates.

However, there is a significant lack of research in comprehending the specific challenges encountered by women entrepreneurs, especially in localised marketplaces like Pasar Siti Khadijah Kelantan. Prior research has primarily concentrated on wider entrepreneurial settings or particular industries such as Islamic banking institutions, resulting in a lack of scholarly work on the distinct operational and systemic challenges encountered by women entrepreneurs in traditional markets.

The research incorporates institutional theory to examine the impact of social structures, norms, and legitimacy on zakat compliance. Max Weber's categories of traditional, charismatic, and legal-rational legitimacy offer a framework for examining how established practices, influential leaders, and regulation clarity impact zakat payment behaviours. This theoretical framework assists in placing the challenges encountered by women entrepreneurs in Pasar Siti Khadijah Kelantan into a specific context and provides a foundation for creating focused interventions.

The aim of this study is to identify as well as understand the specific challenges that women entrepreneurs experience when meeting their zakat responsibilities. The research uses a qualitative case study approach to thoroughly analyse the challenges present in the distinctive socio-economic setting of Pasar Siti Khadijah. The purpose of the findings is to provide zakat authorities and educational institutions with information on the essential steps to enhance zakat compliance within this specific demographic.

The paper is organised as follows: The literature review provides a concise overview of the most recent studies on the challenges faced by entrepreneurs in making zakat payments. The study methodology section provides a detailed explanation of the qualitative approach and the methods employed for data collecting. The findings section provides the outcomes of the theme analysis, while the discussion expands on the consequences of these findings. Ultimately, the conclusion provides suggestions for policy and practice, emphasising specific areas that should be explored in future research.

LITERATURE REVIEW

Factors Influencing Zakat Payment Challenges

The issue of zakat payment challenges among entrepreneurs is complex and influenced by various factors, as evidenced by several recent research. Gaining a thorough comprehension of these characteristics is important for developing effective strategies to tackle these challenges, particularly among female entrepreneurs in specialised markets like Pasar Siti Khadijah Kelantan.

A study conducted by Sudarsono et al. (2022) highlights the significant impact of attitude, subjective norms, and perceived zakat institutions on entrepreneurs' intention to pay zakat. The authors discovered that the way entrepreneurs observe zakat institutions and the level of support they receive from the government significantly influences their readiness to fulfil their zakat commitments. These findings indicate that by enhancing the image and effectiveness of zakat institutions, and by providing more government assistance, it is possible to increase compliance rates among entrepreneurs.

Similarly, Ilmi et al. (2024) investigated the influence of religiosity and subjective norms on zakat compliance among Muslim entrepreneurs. The study found a direct relationship between religiosity and the intention to comply with zakat. Entrepreneurs who have more dedication to their religious practices are more likely to fulfil their zakat requirements, driven by their own beliefs and the social pressures they face. This emphasises the significance of developing an effective religious culture along with supporting community norms to promote compliance to zakat.

Febriandika et al. (2022) highlighted the significance of maintaining zakat institutions accountable and ensuring their legitimacy. This study reveals that these elements have a substantial influence on trust, which then affects zakat compliance behaviour. This research suggests that zakat organisations should give priority to creating and sustaining reputation in order to foster confidence among entrepreneurs. Trust, when combined with a strong level of religious loyalty, can greatly improve compliance to rules and regulations. These findings indicate that zakat institutions can achieve higher compliance rates by implementing transparent and accountable approaches.

When considering women entrepreneurs in Pasar Siti Khadijah Kelantan, it is important to understand the significance of addressing both psychological and organisational challenges. These women encounter operational challenges, such as complex calculations, challenges with maintaining records, and nisab calculations. These challenges are worsened by systemic and educational challenges. In order to overcome these challenges, it is important to strengthen the reputation and assistance offered by zakat institutions, as well as implement specialised training programmes and digital technologies.

Institutional Theory and Zakat Payment Challenges

Institutional theory offers a comprehensive framework for understanding how social structures, norms, and legitimacy impact organisational behaviour. The field is greatly influenced by Max Weber's significant contributions, as emphasised by Akinlabi (2022) and Uphoff (1986).

Akinlabi (2022) examines the ongoing influence of Weber's concepts on legitimacy in shaping our comprehension of authority. Weber proposed that legitimate authority evokes cooperation by instilling a belief that authority ought to be respected. He classified three overarching types of legitimacy: traditional, charismatic, and legal-rational dominations. Traditional legitimacy derives from established customs and longstanding practices. Charismatic legitimacy stems from the extraordinary human attributes of a leader that inspire significant respect and compliance. Legal-rational legitimacy is derived from a structured framework of clear regulations and established procedures.

Uphoff (1986) explores Weber's distinctions between power, authority, and legitimacy, highlighting that considering power and authority as equivalent contradicts Weber's examination. Weber made a distinction between power, which refers to the capability to impose one's desires even in the midst of opposition, and authority, which is the acknowledged entitlement to give orders and be followed. Legitimacy, although not a determining attribute of authority according to Weber, is essential as it serves as the foundation for the acceptance and justification of power.

Weber's thoughts on legitimacy and authority are highly applicable when considering the challenges faced by women entrepreneurs in Pasar Siti Khadijah Kelantan in making zakat payments. Traditional legitimacy can influence zakat payment behaviours by shaping the effect of established customs and procedures within the community. Charismatic legitimacy is seen when community leaders or influential businesspeople use influence that motivates others to fulfil their zakat duties. The presence of legal-rational legitimacy can be observed in the well-organized procedures and laws that regulate the payment of zakat. However, when these rules are unclear or inadequately explained, they may create significant challenges to making the payment.

Zakat Payment Challenges Among Entrepreneurs

Several research have examined the challenges associated with zakat payment among entrepreneurs (Awang et al., 2023; Zuhairah et al., 2023; Abdullah et al., 2021; Hashim et al., 2020). Gaining a comprehensive understanding of these challenges is of utmost importance in order to formulate efficient methods for addressing them, especially when it comes to women entrepreneurs operating in specific markets such as Pasar Siti Khadijah Kelantan.

Awang et al. (2023) examine the correlation between firm characteristics and the quantity of corporate zakat paid in Malaysia. This study addresses a fundamental deficiency in the existing literature, as the majority of research has concentrated on Islamic Financial Institutions, which exhibit notable distinctions from other forms of organisations. SPSS was utilised to conduct an analysis that examined the influence of profitability, size, leverage, and net assets on corporate zakat payment. The results suggest that the magnitude of a company, as determined by its total assets, has a substantial impact on zakat payment, with larger enterprises making higher zakat payments. Nevertheless, there was no substantial correlation observed between leverage, net assets, and zakat payment. This implies that enterprises with debt still fulfil their zakat obligations, and having surplus assets after deducting expenses does not necessarily result in higher zakat payments. These insights are essential for stakeholders, like as financial analysts and shareholders, to comprehend the elements that impact corporate zakat payment.

Furthermore, Abdullah et al. (2021) conducted a more extensive examination of the problems and challenges encountered by businesses that pay zakat, shedding insight on the wider context of concerns related to zakat payment. This study centres on the yearly report of the Federal Territory Zakat Collection Centre and aims to pinpoint the particular challenges encountered by Muslim entrepreneurs when it comes to meeting their zakat responsibilities. By conducting focused group interviews, researchers were able to identify several significant challenges. These challenges include the limited understanding of business owners, their self-confidence, and their relationships with zakat officials (amil). The study highlights the significance of zakat institutions in enhancing efficiency and effectiveness, notwithstanding past challenges related to the distribution of funds and reputation.

Expanding on this discussion, Hashim et al. (2020) analyses the challenges and prospects encountered by micro-size business entrepreneurs who have been aided by the Kedah Zakat Authority under the Jayadiri Assistance initiative. The study revealed that although these entrepreneurs witnessed a rise in their income, they also encountered substantial challenges, including a deficiency in business management abilities, financial expertise, and marketing know-how. These obstacles impede their economic expansion and their capacity to become future contributors of zakat. The researcher highlights the importance of a comprehensive support system, which include financial management training, production management, marketing strategies, and continuous guidance from mentors and coaches. This comprehensive approach can assist these entrepreneurs in overcoming their obstacles and improving their capacity to make zakat payments.

Zuhairah et al. (2023) further explores the Zakat Capital Assistance Programme (ZCAP), which seeks to improve the well-being of zakat recipients by offering financial assistance to encourage entrepreneurial activities. The study highlights various important factors that impact the success or failure of the programme, including attitudes, financial record knowledge, and the structure of the ZCAP. Although the programme has significant benefits, its success is hindered by challenges such as a lack in business skills, limited financial management knowledge, and a dependency on help without proactive effort. This study highlights the significance of well-organized entrepreneurship programmes, ongoing supervision, and assistance from zakat institutions in promoting the success of Muslim entrepreneurs and improving compliance with zakat payments.

In addition to this discussion, Shiyuti, Zainol and Ishak (2021) explores the *asnaf* entrepreneurship programme and presents a conceptual framework for addressing its challenges and develop an Islamic entrepreneurship ecosystem. By including entrepreneurial components and acknowledging the program's dependability, the economic status of *asnaf* can be greatly improved. This approach highlights the need of zakat institutions in offering ongoing assistance, monitoring advancement, and providing customised training to facilitate the transition of *asnaf* from being zakat recipients to being zakat payers.

The literature reviewed offers an in-depth understanding of the challenges that affect zakat payment among entrepreneurs. The primary challenges cited encompass problems in business management, financial skills, and marketing knowledge, a poor understanding of zakat requirements, lack of confidence, and insufficient support from zakat institutions. Furthermore, the transparency and accountability of zakat institutions have a substantial influence on trust and compliance behaviours. To tackle these issues, the research recommends the implementation of all-encompassing support networks, ongoing training initiatives, accountable and transparent zakat institutions, and the promotion of a nurturing community culture. Implementing these measures can bolster the understanding and confidence of business entrepreneurs in zakat payment, thus fostering socioeconomic stability within the Muslim community.

RESEARCH METHODOLOGY

Overview and Design

This study adopted a qualitative case study approach. This approach is appropriate for investigating and understanding specific challenges encountered by women entrepreneurs in fulfilling their zakat obligations. The case study method enables an in-depth examination of these challenges in the specific context of Pasar Siti Khadijah Kelantan. The study aimed to obtain comprehensive insights into the operational and systemic barriers to zakat compliance by conducting in-depth interviews with 12 women entrepreneurs.

Data Collection

The study aims to investigate the challenges faced by women entrepreneurs in making zakat payments, with a specific focus on those operating in the Pasar Siti Khadijah Kelantan market. The data were gathered solely from this market in order to highlight the distinct challenges encountered by these entrepreneurs. An interview is a qualitative data source that centres on the informant's experience (Yin, 1994). Within the scope of this study, the term "experience" refers to the challenges encountered by women entrepreneurs in fulfilling their zakat responsibilities. The researchers employed semi-structured and open-ended questionnaires, which prompted informants to articulate their perspectives, viewpoints, and personal experiences. Prior to completing the questionnaire, the researcher obtained the input of academic experts and made revisions based on their recommendations.

Interview and Observation

The researchers conducted in-person interviews with twelve women entrepreneurs who are involved in various businesses in Pasar Siti Khadijah. The researchers employed a purposive sampling strategy to select informants who possessed the ability to provide detailed and relevant information regarding the challenges they faced in zakat payment. The informants that were chosen encompassed a wide spectrum of ages, education levels, and business backgrounds in order to obtain a thorough comprehension of the difficulties.

The researchers employed the grounded theory approach to encourage the respondents to provide free responses. This philosophy does not predict or expect any specific pattern of response, which allows the informants to openly and unrestrictedly voice their opinions. The researchers thoroughly provided them with precise explanations and then investigated any uncertainties, resulting in a comprehensive analysis. The majority of the interviews had a duration ranging from 30 minutes to 45 minutes. Consent was obtained from informants before conducting the interviews, which were then tape-recorded.

Aside from conducting interviews, the researchers also observed the informants' workplaces and lifestyles to acquire more understanding of how these female entrepreneurs handle their enterprises and fulfil their zakat responsibilities. The researchers' comprehension of the practical difficulties encountered by the entrepreneurs was enhanced through direct observation. Erlandson et al. (1993) state that interviews and

observations have a mutually beneficial relationship. Therefore, the combination of several kinds of information yielded a more persuasive and precise method for obtaining explanations to address the study issues.

Data analysis

The data analysis process was important in understanding the zakat payment challenges encountered by women entrepreneurs in Pasar Siti Khadijah Kelantan. To achieve an accurate and precise analysis of the qualitative data obtained from interviews and observations, the following processes were taken:

Transcription and coding

Every interview was transcribed word for word to guarantee that no information was missed. The transcriptions were subsequently transferred into NVivo 14, a software designed for qualitative data analysis, in order to streamline the process of coding and analysis.

Thematic analysis

The data was analysed using a thematic analysis approach to discover recurring patterns and themes. This process consisted of multiple stages:

Familiarization with the Data: Reading and re-reading the transcriptions to become deeply familiar with the content.

1. Initial Coding: Generating initial codes from the data, focusing on significant phrases or sentences that relate to the research questions.
2. Searching for Themes: Collating codes into potential themes, and gathering all relevant data extracts within identified themes.
3. Reviewing Themes: Refining the themes to ensure they accurately reflect the data and the research objectives.
4. Defining and Naming Themes: Defining each theme clearly and naming them to capture the essence of the themes identified.

Reliability and Validity

Reliability in qualitative research refers to the degree of consistency or reproducibility of the research strategies (Colley & Gaye, 2020). The objective of dependability is to guarantee that the findings are trustworthy, applicable to a wider population, and may be used to different contexts. This suggests that if other researchers were to conduct the study in different places or under comparable conditions, they should be able to reach similar results. Examining the reliability of qualitative research, particularly in interviews, guarantees that the research methodologies are characterised by consistency, replicability, and dependability (Rose & Johnson, 2020).

In addition, data validity was improved by meticulously documenting and consistently validating all data throughout the study. Validity in qualitative research include characteristics such as credibility, trustworthiness, authenticity, and rigour (Creswell & Miller, 2000). Lincoln and Guba (1985) assert that validity can only be confirmed through reliability. Establishing reliability can be achieved by demonstrating validity. According to Patton (2002), reliability is dependent on validity, which means that data validity is established when data saturation is reached. Data saturation occurs when no new information or themes emerge from additional interviews.

The study rigorously adhered to the method of assuring reliability and validity. The data collection process consisted of conducting semi-structured interviews with women entrepreneurs in Pasar Siti Khadijah Kelantan. The main objective of these interviews was to explore and understand the specific challenges these women face when it comes to meeting their zakat requirements. The use of a standardised interview guide-

maintained uniformity across the interviews, while meticulous scrutiny and authentication were applied to the notes and recordings.

Demographic Profile of Informants

An in-depth analysis was conducted on the demographic characteristics of the twelve informants in order to have an in-depth understanding of the background of the women entrepreneurs in Pasar Siti Khadijah Kelantan. The findings indicated a diverse range of ages, educational backgrounds, businesses experience, monthly income, and types of businesses among the participants. More precisely, there were five informants aged 31 to 40, three informants aged 41 to 50, and four informants aged 51 to 60. In terms of education, five individuals possessed a diploma certificate and seven possessed a bachelor's degree. Results additionally revealed that four participants had less than five years of experience in business, five had between 6 to 10 years of business experience, and three had 11 to 15 years of experience. Regarding monthly income, six participants reported earning between RM10,000 and RM15,000, while another six participants reported earning between RM15,001 and RM20,000. The businesses encompassed several sectors such as retail and food and beverage. Table 1 displays the comprehensive demographic characteristics of the individual's providing information.

Table 1: Demographic Profile of the Informants

Personal Information	Category	Frequency
Age	31 – 40 years	5
	41 – 50 years	3
	51 – 60 years	4
Level of education	Diploma	5
	Bachelor Degree	7
Years in Busines	1 – 5 years	4
	6 – 10 years	5
	11 – 15 years	3
Monthly Income (RM)	10,000 – 15,000	6
	15,001 – 20,000	6
Type of Business	Retail	7
	Food and Beverage	5

FINDINGS

Following completing the initial study using Microsoft Excel, the researchers proceeded to transfer the data to Nvivo 14 for additional analysis. The programme will be used to generate matrix coding and frequency of important terms from the informant's response, as well as a thematic hierarchy chart.

Matrix Coding

The process of matrix coding allowed for the identification of specific codes, as well as the determination of the frequency at which these issues were discussed. This added a quantitative aspect to the qualitative data. Figure 1 illustrates a visual representation of the matrix coding created from the responses of the informants.

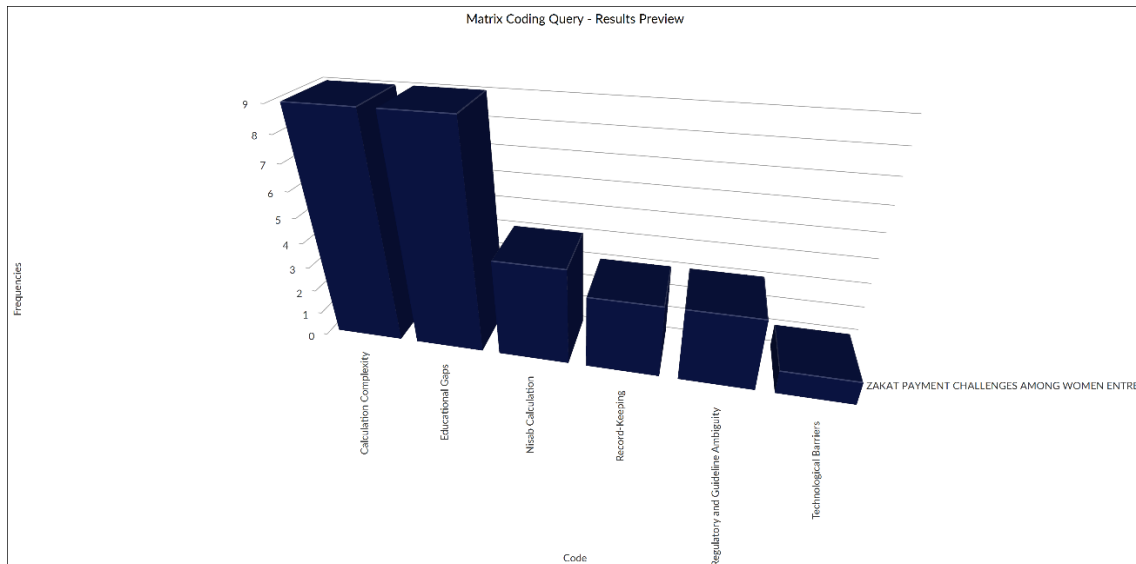


Figure 1: Frequency of codes reflecting the challenges encountered by women entrepreneurs

Findings from the Matrix Coding

The findings obtained from the matrix coding technique are presented in Table 2. This table provides a comprehensive overview of the identified codes, their frequencies, and the meanings of each code. The analysis identified notable challenges, including complex computations, gaps in education, nisab calculations, challenges in maintaining records, ambiguities in regulations, and technological barriers.

Table 2: Codes, Frequency, and Meanings of Challenges Faced by Women Entrepreneurs

Code	Frequency	Meaning
Calculation Complexities	9	Issues related to the complex nature of calculating zakat due to various business types and asset categorizations
Educational Gaps	9	Challenges due to lack of knowledge or misunderstanding of zakat calculation principles among business owners
Nisab Calculation	4	Challenges related to determining the nisab threshold which dictates zakat eligibility
Record Keeping	3	Difficulties associated with maintaining detailed and accurate financial records necessary for zakat calculation
Regulation And Guideline Ambiguity	3	Difficulties caused by unclear or complex zakat laws and guidelines
Technological Barriers	1	Issues faced due to inadequate or failing technology that impacts zakat calculation and payment processes

The transition from matrix coding to hierarchical chart analysis facilitated a deeper analysis of the connections among the highlighted challenges. NVivo's ability to create a thematic hierarchy chart clearly showed the relationships and underlying themes among the codes. This process yielded deep understanding into the way specific challenges are embedded within larger categories, facilitating the identification of areas that necessitate intervention.

A hierarchical chart is a graphical representation that arranges data in a structured manner, to illustrate the connections between multiple layers of information. In this study, the hierarchical chart, named "Figure 2: Thematic Hierarchy of Zakat Payment Challenges Among Women Entrepreneurs," which visually represents the main challenges and their corresponding subcategories.

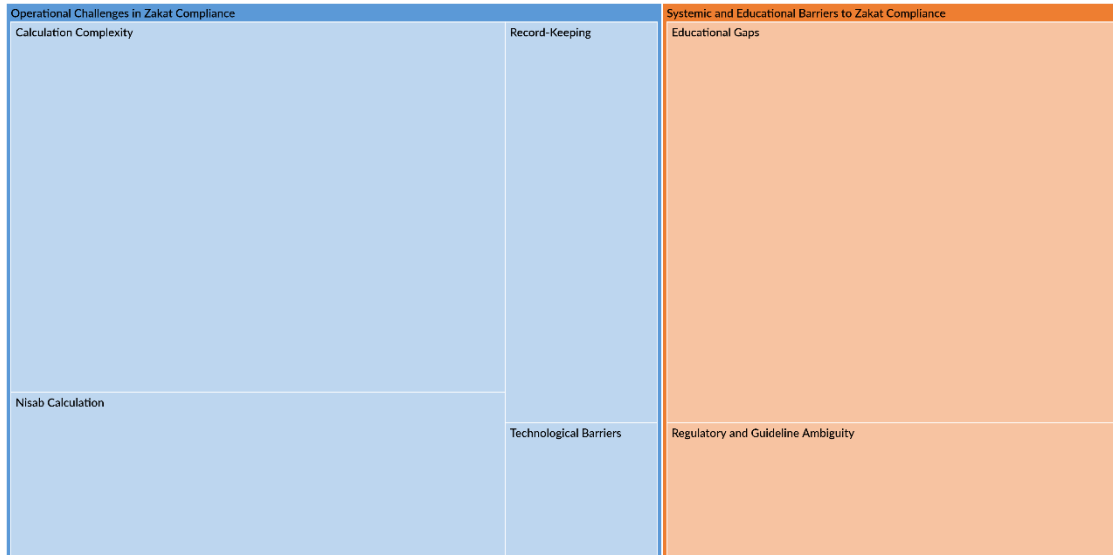


Figure 2: Thematic Hierarchy of Zakat Payment Challenges Among Women Entrepreneurs

The hierarchical chart analysis identified several overarching themes and subcategories of challenges. The results are summarised in Table 3, which displays the main themes, the codes that generated the themes, and the actual responses from women entrepreneurs.

Table 3: Codes, Frequency, and Meanings of Challenges Faced by Women Entrepreneurs

Theme	Emerging Code	Actual Response
Operational Challenges In Zakat Compliance	Calculation Complexities	<i>"Calculating zakat can be challenging due to the need for accuracy in assessing what is owed based on profits and the types of goods in inventory."</i> (Women entrepreneur 3)
		<i>"Determining what's owed based on varying profits and diverse types of goods requires a precise yet flexible approach"</i> (Women entrepreneur 4)
		<i>"Calculating zakat can sometimes be challenging, especially for those of us with various types of assets or mixed income sources."</i> (Women entrepreneur 10)
Nisab Calculation		<i>"Determining the nisab (the minimum amount of wealth one must have before they are liable to pay zakat) and keeping accurate records of business transactions throughout the year can be cumbersome."</i> (Women entrepreneur 7)
		<i>"Sometimes it's not clear how much we need to have before we're eligible to pay zakat, which makes planning difficult"</i> (Women entrepreneur 12)

Record Keeping	<p><i>"One of the biggest challenges in calculating zakat is keeping accurate records of all transactions, which is crucial for determining the correct amount of zakat to pay."</i> (Women entrepreneur 2)</p> <p><i>"Moreover, keeping thorough records of all transactions throughout the year is daunting but necessary for accurate calculations."</i> (Women entrepreneur 11)</p>
Technological Barriers	<p><i>"Technological issues like a poor internet connection can also hinder the process, especially for those of us who rely on online platforms to calculate and pay zakat."</i> (Women entrepreneur 9)</p> <p><i>"Our internet issues here make it hard to use the online zakat calculators reliably"</i> (Women entrepreneur 6)</p>
Systemic And Educational barriers To Zakat Compliance	<p>Educational Gaps <i>"For some of us who are not as literate in financial matters, it can pose a challenge."</i> (Women entrepreneur 1)</p> <p><i>"We often rely on community workshops or consult clerics to help us with accurate calculations."</i> (Women entrepreneur 5)</p>
Regulation And Guideline Ambiguity	<p><i>"Sometimes, the guidelines can be confusing, and not everyone is well-versed in these calculations."</i> (Women entrepreneur 4)</p>

DISCUSSIONS

Operational Challenges in Zakat Compliance: A Critical Discussions

The effective management of zakat remains a cornerstone of financial compliance for Muslim entrepreneurs, yet the operational challenges highlighted by this study emphasize the intricacies faced by women entrepreneurs in Pasar Siti Khadijah. These challenges not only impact their ability to fulfill religious obligations but also influence broader economic and social dynamics within the Muslim community.

Calculation Complexities

The research reveals that women entrepreneurs frequently struggle with the complexities of calculating zakat, which requires an accurate assessment of diverse income sources and inventory types. This complexity is not just a mathematical challenge but also a significant stressor that affects their business operations and financial planning. For instance, the need to determine the zakat liable on fluctuating business revenues complicates their financial management practices, requiring adaptive strategies that may not always be readily available or understood.

Nisab Calculations

Another critical operational hurdle is the calculation of nisab—the minimum amount of wealth required to qualify for zakat. The findings suggest that misunderstandings or lack of knowledge about nisab can lead to non-compliance, either unintentionally or through conservative estimations to avoid religious transgressions. This aspect underscores a need

for clearer guidance and perhaps localized educational efforts to demystify nisab calculations specific to different business models and economic environments.

Record-Keeping

Accurate record-keeping stands out as a fundamental requirement for zakat compliance, yet it poses a significant challenge for many respondents. Efficient record management not only ensures compliance with zakat obligations but also enhances overall business administration. Therefore, the difficulties associated with maintaining comprehensive financial records reflect broader challenges within financial literacy and managerial capabilities.

Technological Barriers

Lastly, technological challenges, particularly poor internet connectivity, impact the ability of these entrepreneurs to utilize online platforms for zakat calculations and payments effectively. In a digital age where financial transactions increasingly rely on online systems, such interruptions can lead to delays or failures in meeting zakat obligations timely.

Systemic and Educational Barriers to Zakat Compliance: A Critical Discussions

This theme addresses the broader structural and knowledge-based obstacles that affect women entrepreneurs' ability to comply with zakat payments. It covers the underlying issues within the regulatory frameworks and educational aspects of zakat compliance, emphasizing the need for improved clarity and learning opportunities.

Educational Gaps

This sub-code highlights the lack of zakat-specific financial literacy among women entrepreneurs. It points to the need for targeted educational initiatives to enhance understanding of zakat regulations and the practical aspects of zakat calculation, fostering better compliance through informed decision-making.

Regulatory and Guideline Ambiguity

This focuses on the complexities and confusion surrounding zakat laws and guidelines. The ambiguity in regulations can lead to misunderstandings and misinterpretations, complicating compliance efforts. This sub-code underscores the necessity for clearer guidelines and possibly reform in the way zakat laws are communicated to ensure they are accessible and understandable to all zakat payers.

CONCLUSION

This study provides a comprehensive analysis of the challenges encountered by women entrepreneurs in Pasar Siti Khadijah Kelantan with regards to the payment of zakat. The study employed qualitative approaches and conducted thematic analysis using NVivo software to identify key operational and systemic challenges to zakat compliance.

The research question aimed at understanding the specific challenges faced by these women businesses when addressing their zakat responsibilities. The results indicated that these entrepreneurs encounter significant challenges when it comes to determining zakat, especially with regards to the nisab threshold and maintaining precise financial documentation. The various categories of enterprises and sources of revenue add complexity to the task, making it difficult to ascertain the accurate zakat obligations. Moreover, technological challenges, like as inconsistent internet connectivity, impede the accurate computation and payment of zakat.

The respondents displayed a significant lack of understanding and knowledge regarding zakat standards and financial literacy. The lack of information is worsened by unclear guidelines and inadequate support from zakat institutions. The dependence on external assistance, such as community workshops and religious clerics, emphasises the necessity for more effective and readily available educational initiatives.

The study utilised institutional theory to examine the impact of social structures, norms, and legitimacy on zakat compliance. Traditional legitimacy, based on long-standing customs, charismatic legitimacy, derived from influential community leaders, and legal-rational legitimacy, established by clear regulations, all have significant roles to play. Nevertheless, ambiguous and poorly explained regulations pose substantial challenges.

This study emphasises the importance of creating specialised educational programmes and digital resources to aid women entrepreneurs in accurately computing and fulfilling their zakat obligations. It is crucial to strengthen the transparency and accountability of zakat organisations in order to establish trust and enhance compliance. Consistent assistance, such as providing training in financial management and implementing mentorship programmes, is essential for aiding small entrepreneurs in overcoming their difficulties.

Theoretical and Practical Implications

The findings of this study have important implications, both in theory and practice, for understanding and dealing with the challenges of zakat payment among women entrepreneurs in Pasar Siti Khadijah Kelantan.

Theoretical Implications

This study enhances the theoretical understanding of zakat compliance by employing institutional theory within the setting of women entrepreneurs. The institutional theory, which centres around legitimacy, social norms, and organisational behaviour, offers a comprehensive framework for studying the impact of several types of legitimacy (traditional, charismatic, and legal-rational) on zakat payment behaviours. The findings demonstrate the impact of traditional legitimacy, charismatic legitimacy, and legal-rational legitimacy on the compliance of women entrepreneurs with zakat requirements. These factors include established customs, influence from community leaders, and clear regulatory frameworks. The study also emphasises the difficulties caused by unclear and insufficiently conveyed regulations, which can weaken the legitimacy based on legal justification and present significant challenges to compliance. This study enhances the current body of knowledge by combining institutional theory with empirical data on zakat compliance. It provides a detailed understanding of the social, cultural, and regulatory aspects that impact zakat payment among businesses.

Practical Implications

The practical significance of this study is comprehensive, especially for zakat authorities, policymakers, and educational institutions. The study highlights particular fields in which targeted efforts can enhance zakat compliance among women entrepreneurs:

Specialised educational programmes

Specialised educational programmes are necessary to improve financial literacy as well as understanding of zakat requirements. The programmes should be customised to tackle specific challenges revealed in this study, such as the intricacies of nisab computations and record-keeping. Education programmes should prioritise the clarification of zakat calculations and offer practical instructions for adhering to zakat requirements.

Digital technologies

Utilising digital technologies for zakat computation and payment can greatly simplify the process of ensuring compliance. These tools should be created to be easily usable and available, adapted to the technological abilities and constraints of women entrepreneurs. It is essential to guarantee dependable internet connectivity and assistance for digital platforms.

Continuous monitoring and guidance

Continuous monitoring and guidance are crucial for maintaining compliance efforts. Zakat authorities should establish systematic monitoring programmes that offer regular assessments and guidance. Mentorship programmes provide ongoing assistance, enabling businesses to tackle developing difficulties and maintain adherence to regulations.

Limitations and Suggestions for Future Research

It is important to recognise that this study has many limitations. Initially, the study focused exclusively on women entrepreneurs in Pasar Siti Khadijah Kelantan, hence potentially restricting the relevance of the results to different areas or circumstances. The distinct socio-economic and cultural context of this particular market can impact the difficulties and encounters associated with zakat payment, rendering it challenging to generally apply the findings.

Furthermore, the study's sample size was somewhat limited, with only twelve informants. Although the current approach facilitated a thorough examination of qualitative aspects, a bigger sample size would yield a more comprehensive insight into the challenges encountered by a wider range of women entrepreneurs. Future study would be improved by include a larger and more diverse sample in order to strengthen the reliability and applicability of the results.

The study found specific areas where focused interventions could enhance zakat compliance among women entrepreneurs, leading to real improvements. Nevertheless, the effectiveness of these suggestions was not empirically evaluated within the confines of this research. Subsequent studies should assess the effects of suggested measures, including as educational initiatives and digital resources, on the rates of zakat compliance. This would offer empirical support for the implementation of these measures.

Moreover, the study emphasised the significance of institutional support and clear regulatory instructions. Further investigation ought to look into the role of zakat institutions in a more comprehensive manner, analysing the impact of various institutional frameworks and practices on compliance behaviours. An analysis of different regions or nations with different zakat administration systems could offer important insights into optimal methods and possible areas for enhancement.

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