

THE EFFECT OF COMPANY'S ROA AND SIZE ON ZAKAT IN SHARIA COMMERCIAL BANKS

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ABSTRACT

The economy in Indonesia is growing rapidly, including the increasing banking sector. Sharia banking must fulfill all economic orders that have been set out in the Qur'an and Hadith including obeying the pillars of faith and the pillars of Islam. One of the five pillars of Islam that must be implemented is Zakat. According to Islamic law, zakat is an asset that is issued when it has reached the conditions stipulated in religious rules. So that with Zakat it will foster noble character for both muzzaki and mustahiq to uphold the Islamic economy with the grace of Allah Subhanallahu wata'ala. The purpose of this study is to provide empirical evidence that ROA and firm size have an effect on Zakat. This research is quantitative, secondary data using annual financial report data at www.idx.co.id and the company's official website. The sample of Islamic Commercial Bank Companies is 13 Islamic Commercial Banks in 2014-2020 using profitability Return on Assets (ROA) and company size as measured by Ln total assets. This study uses the data testing method used is descriptive statistical analysis, hypothesis testing with SPSS 25 with multiple linear regression data analysis techniques and t test. The results showed that ROA and firm size had a significant effect on corporate zakat.

Keywords: ROA, Company Size, Zakat

1) INTRODUCTION

Since the time of the Prophet, Indonesia is one of the countries with a majority Muslim population. With this, the development of the Sharia-based sector in Indonesia has shown a positive direction, one of which is Sharia Banking. Sharia Banking is a financial institution that develops by carrying out business activities in accordance with the basic principles of Islamic economics. Sharia banking in Indonesia complies with rules that must be obeyed both from an Islamic religious perspective and from a juridical perspective.

حُدِّ مِنْ أَمْوَالِهِمْ صَدَقَةً تُطَهِّرُهُمْ وَتُزَكِّيهِمْ بِهَا وَصَلَّ عَلَيْهِمْ إِنَّ صَلَاتَكَ سَكَنٌ لَهُمْ وَاللَّهُ سَمِيعٌ عَلِيمٌ

Meaning:

“Take zakat from their wealth, to clean and purify them, and pray for them. Verily, your prayer (grows) peace of mind for them. Allah is All-Hearing, All-Knowing”.

In Indonesia, joint research by the National Amil Zakat Agency with various institutions states that the potential for zakat in 2020 reaches IDR 327.6 trillion. However, the realization has only reached IDR 71.4 trillion or around 21.7 percent (idxchannel.com, 2021). The biggest zakat potential in 2020 is corporate zakat of IDR 144.5 trillion, income and services zakat of IDR 139.07 trillion, money zakat of IDR 58.76 trillion, agricultural zakat of IDR 19.79 trillion and livestock

zakat of IDR 9.52 trillion. Zakat during the Covid-19 pandemic gave a very large Domino Effect on human life from the social, economic and cultural health crisis.

According to (Sari et al., 2020) muzakki National Amil Zakat Agency decreased by 48.4 percent. The vice president, Ma'aruf Amin, said that the 2020 National Coordination Meeting recommendation still needs to be implemented in 2021, such as zakat distribution, replication of practices in zakat collection, development of innovation and digitization of zakat, as well as finance in the company's business activities. One of the things that must be improved in managing zakat, including transparency and targeting accuracy in the distribution of zakat to mustahiq. That is, the quality of resources must be improved in managing zakat which contributes to reducing the level of poverty in Indonesia so that research on factors that increase zakat and increase muzakki is important to do because zakat can increase economic growth. Another positive impact is to give charity, zakat can also affect real GDP (Gross Domestic Income) growth, which means that if every zakat collection fund increases, it will encourage economic growth (Napitupulu et al., 2021).

One of the factors that trigger the increase in zakat is profitability. According to (Wardani et al., 2020) profitability can have a positive effect on the company's zakat, because the greater the profitability generated by the company, the greater the zakat that will be deposited, besides the zakat paid is calculated from the rate multiplied by the amount of profit or profit generated by the company. The profitability ratio used is Return on Assets (ROA), because ROA focuses on the company's ability to obtain company operating earnings (Laela & Hasmarita, 2016). In contrast to research conducted by (Afandi, 2019) that ROA does not have a positive effect on corporate zakat.

The increase in zakat is also influenced by the size of the company because according to (Umiyati & Baiquni, 2019) the size of the company has a scale that can be classified by the size of the company in various ways, such as log size, stock market value, and others. Company size can be used for company operations if the company has large total assets. The management will be more flexible in using the assets in the company. The company's implication on zakat as a whole causes the orientation towards zakat also affects the company's performance. According to (Firmansyah et al., 2013) company size has a significant effect on company zakat.

The researcher reveals that the purpose of this research is to find out whether profitability has a positive effect on corporate zakat. Second, to find out whether the size of the company has a significant effect on the company's zakat. With this, it creates new information related to the problems of corporate zakat experienced and can empirically find out the existence of factors that can affect corporate zakat.

The limitation of this research is that it only uses Islamic Commercial Banks (BUS), so the results of this research cannot be generalized to all banks in Indonesia. Further research is expected to use a different research period by adding research samples or adding variables that can affect zakat so that it can generalize the research.

2) METHODS

Research Place and Time

This research was conducted at Islamic Commercial Bank companies in 2014-2020 using the company's annual financial statements. The time of the research was carried out in stages starting from October to November 2021. Financial report data were obtained from the www.idx.co.id website and the official website of each company.

Population, Sample, and Sampling Technique

The population is a generalization area consisting of objects or subjects that have certain qualities and characteristics determined by researchers to be studied and then drawn conclusions (Sugiyono,

2014). The population used in this study is Islamic Commercial Banks in Indonesia which are listed on the Indonesia Stock Exchange. The sample is part of the number and characteristics possessed by the population (Sugiyono, 2014). The sample used in this study amounted to 13 Islamic Commercial Bank companies. The sample criteria used are by publishing financial statements and issuing company zakat during 2014-2020 every year.

Research Variables and Operational Definition

a. Dependent Variable (Bound)

The dependent variable in this study is Zakat. Corporate zakat is a mandatory Islamic regulation aimed at organizations or entities to purify their assets and wealth (Sawmar & Mohammad, 2019). According to (Harianto, 2014) company zakat can be calculated using the net asset model, as follows:

$$\text{Zakat} = \text{Company Profit Before Tax and Zakat} \times 2.5\%$$

b. Variabel Independen (Bebas) Independent Variable (Free)

The independent variables in this study consisted of Return on Assets (ROA) and Company Size.

1. Return on Assets (ROA)

Return on Assets (ROA) can show the level of investment efficiency that appears in the level of asset turnover. Based on SE. BI No. 3/30/DPNP/2001 ROA can be calculated as follows:

$$\text{ROA} = \frac{\text{Profit before tax}}{\text{average total assets}}$$

2. Company Size

The size of the company is viewed from the total assets owned by the company and can be used for the company's operational activities. If the company has large total assets, then the management will be more knowledgeable in knowing the assets in the company. According to (Umiyati & Baiquni, 2019) the size of the company can be calculated as follows:

$$\text{Size} = \text{Ln (Total Asset)}$$

3) RESULTS

Descriptive Statistical Analysis

This study uses descriptive statistical analysis obtained sum, minimum value, maximum value, mean, standard deviation. The descriptive statistical test in this study resulted in the following table:

Table 1. Statistical Descriptive

	N	Minimum	Maximum	Mean	Std. Deviation
ROA	69	-.02	.05	.0117	.01495
UK_PERSHN	69	28	32	29.97	1.175
ZAKAT	69	-798723744	14362025000	2.80E9	3.707E9
Valid N (listwise)	69				

Source: Data processed by SPSS 2021

Table 1 explains that the ROA variable has a minimum value of -0.02, a maximum value of 0.05, a mean value of 0.0117, a standard deviation value of 0.01495. The firm size variable has a minimum value of 28, a maximum value of 32, a mean value of 29.97, a standard deviation of 1.175. The zakat variable has a minimum value of -798723744, a maximum value of 14362025000, a mean value of 2.80E9, a standard deviation of 3.707E9.

Hypothesis Test

a. Multiple Linear Regression Analysis

Multiple linear regression analysis aims to analyze the relationship between the dependent variable on an independent variable. With that, multiple linear regression also shows the relationship between the dependent variable and the independent variable.

Table 2. Multiple Linear Regression Analysis

Model	Unstandardized		Standardized	
	Coefficients		Coefficients	
	B	Std. Error	Beta	
(Constant)	-4.865E10	8.552E9		
1	ROA	1.232E11	2.234E10	.497
	UK_PERSHN	1.668E9	2.841E8	.529

Source: Data processed by SPSS 2021

Table 2 shows the results of the multiple linear regression equations are:

$$Y = + 1 X_1 + 2 X_2 + \epsilon$$

$$\text{Zakat} = -4.865E10 + 1.232E11 \text{ ROA} + 1.668E9 \text{ COMPANY SIZE}$$

The results of the multiple linear regression equation are as follows:

- The constant in the zakat test shows a value of -4.865E10, so when the independent variable is zero, a value of -4.865E10 will be obtained.
- The regression coefficient on the ROA variable is 1.232E11, which means the direction of the zakat relationship is 1.232E11, so if ROA increases by 1 unit and changes in stock prices increase by 1.232E11.
- The regression coefficient on the Company Size variable is 1.668E9 which means it is in the same direction as zakat is 1.668E9, so if the Company Size increases by 1 and zakat increases by 1.668E9.

b. t Statistic Test

The t-test aims to determine the independent variable partially on the dependent variable and has a significant effect or not. The test results of the t statistic test are:

Table 3. t test

Model	t	Sig.	
(Constant)	-5.689	.000	
1	ROA	5.514	.000
	UK_PERSHN	5.874	.000

Source: Data processed by SPSS 2021

Based on table 3 above, it can be interpreted as follows:

- The ROA variable shows a t count of 5.514 and with a significance value of 0.000 less than 0.05, meaning that ROA has a significant effect on zakat.
- Company Size variable shows t count 5.874 and with a significance value of 0.000 less than 0.05, meaning that firm size has a significant effect on zakat.

4) DISCUSSION

The Effect of ROA on Zakat

Based on the results of the SPSS data processing above, ROA has a significant effect on zakat. The test results show that the ROA variable has a t count $<$ t table, namely $5.514 > 2.03224$ with a significance positive value of $0.000 < 0.05$ and the coefficient value is $1.232E11$. The result shows that ROA has a positive effect on zakat. The results of this study are in line with research conducted by (Wardani et al, 2020) which states that ROA has a significant effect on zakat.

The Effect of Company Size on Zakat

Based on the results of the SPSS data processing above, it can be concluded that company size has a significant effect on zakat. The test results show that the firm size variable has t arithmetic $>$ t table, namely $5.874 > 2.03224$ with a significance value of $0.00 < 0.05$ and the coefficient value is $1.668E9$. The result shows that company size has a positive effect on zakat. The results of this study are in line with research conducted by (Firmansyah et al., 2013) which states that company size has a significant effect on zakat.

5) CONCLUSION

Based on secondary data from the annual financial statements of Islamic Commercial Banks (BUS) in Indonesia during 2014-2020 by testing using descriptive statistical analysis and hypothesis testing using multiple linear regression analysis and t -test. This study was conducted to determine the effect of profitability by using the ROA ratio and company size on company zakat. Based on the results of the tests that have been carried out, two conclusions were obtained. First, ROA has a positive effect on corporate zakat. Second, company size has a positive effect on company zakat.

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