

Poverty Alleviation Projects of Zakat Distribution: The Role of Organizational Learning in Ensuring Project Success

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Organizational learning is increasingly being recognized as a critical factor in an organization's ability to create ongoing economic value for its stakeholders. Organizational learning is the process of changing the organization to fit the changed environment. Islam encourages learning amongst its followers either via formal or informal means. Learning should always be the bases for Muslims to always be ahead in exploring God's creation.

As an Islamic institution, zakat organization should portray the image of emphasizing the importance of learning in their organizational system so that they will be able to respond to any environmental change. For zakat organization, learning should not be confined to zakat managers only but to the whole organizational system including zakat beneficiaries and payers. By embedding learning as a package for zakat assistance it is hoped that it will reduce the dependency of zakat beneficiaries on zakat assistance. Hence this study investigates whether the organizational learning culture has help zakat organization in reducing zakat beneficiaries' dependency on zakat assistance via their zakat assistance package.

The finding discovered that the learning culture elements of commitment to learning, knowledge sharing, and open mindedness were embedded among staff of Lembaga Zakat Selangor (LZS). Some poverty alleviation projects undertaken have been successful. However, the lack of learning and knowledge in managing and monitoring projects awarded to aptitude deficiency beneficiaries, have led to many programmes' failure. The finding also reveals that the lack of knowledge and attitude of zakat beneficiaries too contributes significantly to the success and failure of zakat assistance package. Some zakat beneficiaries are now zakat payers but most are still zakat dependence despite they have been receiving the assistance for more than a decade.

Keywords: Lembaga Zakat Selangor, Learning Organization, Project Performance

1.0 Introduction

Organization must be able to find means of survival in order to sustain its competitiveness. Organizational learning is the process of changing the organization to fit the changed environment. Learning organization is an organization that should facilitate learning among its members lead to individual learning. Learning is a process by which individual gain new knowledge and insight to change their behaviour and action (Baker and Sinkula, 1999; Sinkula 1997). Islam encourages learning amongst its followers either via formal or informal means. Learning should always be the bases for Muslims to always be ahead in exploring God's creation, creative and innovative in all aspect.

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Like any other non profit organization, zakat organizations face various kinds of challenges due to environmental changes in modern societies (Abdul Rahim, 2005). Creativity and innovation are important elements to ensure the relevance of zakat organizations in modern Muslim societies (Mujaini, 2005b). According to Abdul Rahim (2005), zakat practitioners need to change their mindset and be open to new techniques in administering zakat. Al-Qardhawi (1999) and Abdul Rahim (2005) indirectly recommended that zakat practitioners be creative and innovative in facing new challenges such as changing needs and modern demands. Zakat administrators must ensure that the concept of *ijtihad* should be incorporated in their management of zakat funds (Mujaini, 2005b). *Ijtihad* is a critical legal thinking in search of new answers for new problems (Abd-allah, 2006). Innovations on worldly affairs and *ijtihad* in the context of zakat must be part of their management practice (Abdul Hamid, 2003; Mujaini, 2005b). Innovations on worldly affairs are that not related to religious affairs like inventions (Sheik Abdurrahman, 2011).

In the modern management of zakat, practitioners must be knowledgeable for them to look at creativity and innovation as something that can assist them to achieve the objectives of zakat. According to Abdul Hamid (2003), various modern Muslim dilemmas can be solved through the implementation of *ijtihad*. With *ijtihad* in practice, various technologies and techniques for management of zakat can be implemented to suit modern demands without sacrificing the initial objectives of zakat (Abdul Rahim, 2005; Mujaini, 2005). However according to some scholars (Al-Qardawi, 1999; Mujaini, 2005a, 2005b; Nik Mustapha, 1991) *ijtihad* has not been fully practiced by some zakat organizations and that explains why some of them take less initiative to make improvements in their management of zakat funds.

As an Islamic institution, zakat organization should portray the image of emphasizing the importance of knowledge in their organizational system so that they will be able to respond to any environmental change. For zakat organization, learning should not be confined to zakat managers only but to the whole organizational system including zakat beneficiaries and payers. By embedding learning as a package for zakat assistance it is hoped that it will reduce the dependency of zakat beneficiaries on zakat assistance. Hence this study investigates whether the organizational learning culture has help zakat organization in reducing zakat beneficiaries' dependency on zakat assistance via their zakat assistance package. The following sections explain details of the research which starts from literature review, methodology, the case study site, distribution activities, analysis and discussion and finally the conclusion.

2.0 Literature Review

The role of zakat organization is to promote social justice and to ensure sustenance of economically unfortunate sections of the society. To achieve the objective, it is very important for zakat organization to improve organizational members' learning capabilities in order to better understand and manage the organization and its environment. Baker and Sinkular (1999) and Calantone et al.(2002) have suggested four components of learning orientations: commitment to learning, shared vision, open mindedness and inter-organizational knowledge sharing. These authors argued that an organization that place emphasized on the elements of learning among its members have better ability to cope with increasing expectation of its customers. DeGeus (1988) has quoted that the only truly sustainable competitive advantage of a firm has been its ability to learn. In a learning

environment, people continuously improve their capacity to obtain results, in which new and challenge styles of thought have been created. Mckiernan, (2002) has stressed that dysfunction in organizational learning or failing to learn about the environment was the basic cause of organizational not being able to achieve its objective. An organization which has placed high emphasis on learning is always associated with better ability to adapt to changes and survive. According to Syed Muhammad Naquib (1993) the most essential element that all Muslims must have is knowledge of the religion. Knowledge is generated through learning. With such knowledge, Muslims will know their responsibilities and be able to differentiate between “right and wrong” and “justice and injustice”. That is the reason why Prophet Muhammad (pbuh) left Muslims with the Holy Quran and the Sunnah. Muslims who acquire knowledge based on the Holy Quran and Sunnah will not go astray. Islam outlines two types of knowledge: prerequisites knowledge which is obligatory on all Muslims: the *Fard’Ain*; and knowledge obligatory to some Muslims only: *Fard kifayah*. Examples of *Fard’Ain* are knowledge relating to testimony of faith (*Kalimah Shadah*) prayers, zakat, fasting in the month of *Ramadhan* (Muslim calendar) and performing pilgrimage to Makkah. Examples of *Fard Kifayah* are knowledge relating to worldly affairs such as medicine, accounting, business etc.

Islam is a complete way of life and the whole ethical life of Muslims is a continuous act of worship (Syed Muhammad Naquib, 1993). The following is how Syed Muhammad Naquib explained Islam:

Islam is belief and faith (iman) as well as submission in service (Islam); it is both assent of the heart (qalb) and mind ('aql) confirmed by the tongue (lisan) as well as deed and work ('amal); it is the harmonious relationship established between both the soul and the body; it is obedience and loyalty (ta'ah) both to God as well as to the Holy Prophet (pbuh); it is accepting wholeheartedly the truth of the Testimony (kalimah shahadah) that there is no God but Allah, and that Muhammad is the Messenger of Allah. Islam is the unity of all these, together with that they entail, in belief and in practice, in the person of the Muslim as well as in the community (ummah) as a whole. There is no separation, nor division, nor dichotomy between the harmoniously intergrated parts of the unity which is justice (p. 72).

The acquisition of *Fard’Ain* must be given priority compared to *Fard Kifayah* (Al-Qardhawi, 1996). According to Syed Muhammad Naquib (1993) the division of knowledge into two categories is to do justice to knowledge. He explained that the prerequisite knowledge is good for all Muslims whilst the second type of knowledge may or may not necessarily be good for all Muslims. However, Muslims who are well equipped with knowledge of *Fard’Ain* are advised to seek knowledge of *Fard Kifayah* for self improvement (Syed Muhammad Naquib, 1993) and the betterment of society (Al-Qardhawi, 1996). Al-Qardhawi (1996) highlighted Iman al-Hasan al-Basri’s (one of the renowned Muslim jurists and scholars) reminder of the importance of acquiring religious knowledge before acquisition of other knowledge. Iman al-Hasan al-Basri’s stressed that Muslims who are not well equipped with religious knowledge may do more harm than good (Al-Qardhawi, 1996). Only those who are well equipped with strong religious knowledge will do good and justice to themselves and societies (Al-Qardhawi, 1996). So, the second type of knowledge, *Fard Kifayah*, may influence Muslims in determining their secular position and status as citizens (Syed Muhammad Naquib, 1993). Muslims having both types of knowledge; the *Fard’Ain* and *Fard Kifayah* and practising it for good and justice to themselves and society are those loved by Allah SWT. Allah SWT in the Holy Quran said:

And so amongst men and crawling creatures and cattle, are they of various colours. Those truly fear God, among His Servants, who have knowledge: for God is exalted in Might, Oft-forgiving (35:28)

3.0 Methodology

A single case study technique is considered to be sufficient to meet the objectives of the study (Yin, 2003) and when the study has no intentions to make any generalizations (Burns and Scapens, 2000). This study used four sources of evidence in data collection techniques i.e interviews, non-participatory observations, documentary analysis and archival analysis. According to Yin (2003), all sources of evidence have both strengths and weaknesses, so it is essential to have more than one source of evidence. Using more than one source of evidence (triangulation) ensures a higher quality case study and provides complementary evidence.

The study does not involve any hypothesis testing. Qualitative research techniques are believed to be more appropriate. According to Merriam (1998) qualitative studies can be regarded as the arrangement of phenomena into categories and types with the intention to describe, interpret, and evaluate them or establish theory. This is in line with the suggestions made by Scapens (2006) for using a qualitative case study for understanding organizational practices.

A single case study technique is undertaken as a means to understand the emergence of certain practices and signification of the practices, not in order to make any generalization of the findings. The nature of the study is to understand how things are done and being practiced and why they are done. It is about explaining the rationale practices in an organization. This is in line with suggestions made by Burns and Scapens (2000) and Scapens (2006).

3.1 Case Study Site: Lembaga Zakat Selangor

The case study site for this research is a zakat organization situated in the State of Selangor, Malaysia known as Lembaga Zakat Selangor (LZS)³. LZS too is the only zakat institution in Malaysia that has been in operation with both collection and distribution functions under one roof for more than ten years. LZS played an important role in executing the function of collecting and distributing zakat. Now, LZS is the most developed model of a zakat organization so far in Malaysia from which to get insights into the management of zakat funds. Though LZS collects and distribute zakat funds, this study focuses only on the distribution of zakat fund.

³ The Malaysian Constitution provides for Zakat to be under the jurisdiction of the respective states. There are 14 Islamic Religious Councils, one for each states. The state councils are mainly policy-making and supervisory bodies. Over and above the State Religious Councils is the Federal Government Department of Islamic Development Malaysia (JAKIM) which co-ordinates Islamic affairs nationally and is involved in drafting and streamlining Islamic laws and regulations and coordinating their implementation at the state level. JAKIM, in consultation with the State Religious

The distribution department of LZS is divided into two main departments: Beneficiaries Development, and Distribution and Community Development. Each department has subunits. The Distribution and Community Development Department has three units: distribution and management, education and welfare and community development. The Beneficiaries Development Department has two units: economic development and project management. The Distribution and Community Development Department manages the whole distribution process, starting with processing applications, investigation, maintaining a database of beneficiaries, performing a census study, locating the rightful beneficiaries, categorizing beneficiaries into those receiving permanent or temporary benefit, and identifying types of assistance to be given to beneficiaries (in kind and cash). The distribution activities in LZS are divided into five main categories, which are:

- social development programmes
- economic development programmes
- educational development programmes
- religious institution development programmes
- human development programmes.

For the social development programmes, LZS is responsible for ensuring rightful beneficiaries are able to meet their basic needs, be self sustaining and enjoy balanced living. LZS must ensure that rightful beneficiaries do not face problems with respect to shelter, food and clothing, healthcare or education. Among the examples of assistance given under this category are temporary or permanent homes, house repairs, monthly food and cash, a needy and poor takaful (Islamic insurance) protection scheme, funeral services, festive season, retail emergencies, health, natural disasters emergencies, wayfarers, enhancing the spiritual understanding of religious beliefs, correction and building of beneficiaries character and debt settlement due to borrowing for self sustainability.

The Beneficiaries' Development Department focuses on the category of beneficiaries who have the ability to generate or earn income to support their family. The economic development department, for instance, manages beneficiaries who receive economic assistance to elevate their living standards through business activities. This assistance includes initial and additional capital for businesses such as small scale agriculture and aquaculture business activities. This department monitors the beneficiaries' business progress and also assists beneficiaries in marketing, selling their products and developing them to be successful entrepreneurs.

At the same time, the Beneficiaries' Development Department, under the project management unit, operates and manages recipient clusters in residential areas, community centres and welfare homes for beneficiaries. For beneficiaries to be economically self sufficient, this unit also plans, teaches and encourages beneficiaries in various kinds of skills through sewing workshops, handicraft work, food preparation, cooking and baking classes, plumbing, electrical and wiring workshops. With these skills the beneficiaries should be able to generate income for their families.

As many beneficiaries have situational barriers, personal issues, learning, experience and educational barriers (Alfred & Martin, 2007), beneficiaries receiving any form of assistance must attend necessary courses as stipulated by the department. The human development programmes are training programmes and activities developed by LZS to boost the zakat beneficiaries' self-esteem so that they are motivated, competitive, emotionally and spiritually stable and strong. For example, the beneficiaries might need to attend basic Islamic

knowledge or *Fard'Ain* knowledge acquisition courses and *Fard Kifayah* knowledge acquisition courses such as motivation, education training, parenting course, entrepreneurial and simple business and financial management courses. The Fard 'Ain courses are compulsory for all beneficiaries. The Fard Kifayah courses are subject to the type of assistance the beneficiaries get. The Zakat Academy of LZS is responsible for the training and courses for beneficiaries.

The educational development programmes are the means whereby LZS assists beneficiaries so that their children are not deprived of basic education. The beneficiaries are given assistance in the form of school fees, uniforms, shoes, school bags and stationery for school-going children (pre-school, primary and secondary schools). Children of beneficiaries studying at tertiary level are fully supported by LZS.

The religious institution development programmes are where LZS provides large sums of assistance for the establishment and maintenance of religious buildings such as mosques, *musalla* (prayer rooms) and religious schools. This is to ensure that buildings are well maintained and able to provide users with good amenities and infrastructure and ensure the building structures are safe for occupation. The nature of assistance provided by LZS is a contribution to build or repair cost and cost of fixtures and fittings.

3.0 Analysis and Discussion

A change in the way of thinking via the process of learning makes it possible to think of better ways of performing things. According to Burns and Scapens (2000), failure to implement change may occur if no change in mindset occurs. Changes in the way of thinking among the staff in the distribution department of LZS can be seen. The results of these have led to a major revamp in the nature of services given to beneficiaries. Both the Beneficiaries Development Division and Community Development Division have created arrays of assistance that can be given to beneficiaries.

Traditionally LZS only gave cash assistance on a monthly basis and collaborated with non government organizations such as the association for new Muslim converts. The task was seen to end once the beneficiaries had received their assistance. No emphasis was given to follow ups. The change in mindset and openness amongst some of the LZS managers caused them to realise beneficiaries' dependency on zakat assistance. LZS started to change the nature of assistance given to beneficiaries. This is supported by the following:

Encik Aidi explained [referring to Head of Finance] as to why we have to support them. The asnafs may be farmers, who only receive and consume what we gave them.. There is nothing wrong if we turn them into farmers having agriculture businesses. That is to be an entrepreneur. That's why we came up with an idea of establishing a "Beneficiaries Market" (Staff, Distribution Department)

With the revamp, LZS now categorizes beneficiaries into temporary and permanent beneficiaries. Each recipient is treated differently: the nature of assistance and amount received differs. Permanent beneficiaries will continue to get assistance from LZS until they die. Usually they are the elderly with no family members or are sickly with no ability to work. Temporary beneficiaries are those with the ability to work and earn a decent living if given the chance. These beneficiaries are taught to live and survive and not to be too dependent on the assistance. LZS also provides beneficiaries with shelter in the form of temporary or permanent homes depending on their level of need. At the same time, LZS has initiated

programmes that can provide beneficiaries with necessary skills. With those skills the beneficiaries should be able to earn a living and support their families. They are given assistance in the form of capital to set up in business. However, the self sufficient skills and business assistance given to them may still take the beneficiaries nowhere. Most of them still remain beneficiaries.

Coping with the consequences of change made in the nature of services to beneficiaries made LZS realized that they needed to do more than just give assistance. Beneficiaries are physically poor but they are also attitudinally poor. Most beneficiaries lack effort and have a low level of endurance. According to the Assistant Head of Distribution, lack of basic religious education may be the main reason for this. As he said:

...it is a simple concept in religion being emphasise is the attitude. They must put in their effort. If they are not practicing the religion, the attitude of not wanting to put in effort will make them poor. Only God knows. That is our opinion.

Another statement made about the beneficiaries is as follows:

Beneficiaries are like that. Their main weakness is their mentality due to lack of education. The beneficiaries' level of understanding is rather different. Their appearance does not reflect who they really are. Others may be fooled but they can't fool us (Staff, Distribution Department)

The LZS staff in the Beneficiaries Development Department also supports the notion that beneficiaries may be mentally and spiritually poor:

When you look at beneficiaries, they are not fiscally poor. They are poor here (pointing at the head) and here (pointing at the heart indicating spiritually poor as well). Their mentalities are poor....

Realising the beneficiaries' discrepancies, LZS has started to initiate training programmes that may help in changing the attitude of beneficiaries from being too dependent on the assistance into being independent, self sufficient and able to support their families. LZS also collaborates with various organizations in order to provide right services for right beneficiaries. For instance, whatever business beneficiaries embark on, there are experts that can guide them:

I will give my arguments. I can't be overseeing everything. And I'm not an expert in all the business ventures of the beneficiaries. We have many beneficiaries into business now and they are experts in their own field like rearing chickens. I'm not an expert in rearing chickens. So I will find an expert and match them.

Furthermore:

We want the management to understand. My argument is that I will manage and coordinate because that is our expertise. I don't know if the chicken is sick or not. So I will find someone who knows (Head of Economic Unit, Beneficiaries Development)

Beneficiaries with ability to sew must join sewing workshop in addition to other assistance they receive. Beneficiaries who used to be doing agriculture and aquaculture activities are trained to be involved in those activity on a larger scale. Those who have ability to run small scale businesses as hawkers are given small business capital assistance. At the same time beneficiaries must attend training programmes such as on basic Islamic knowledge for spiritual understanding, motivational courses, basic financial management and basic entrepreneurial skills. LZS also monitors their activities closely until they can be independent. Previously, monitoring the performance of beneficiaries receiving business assistance was not emphasized. This was admitted by the Head of Economic Unit from the Beneficiaries Development Department.

They did give business assistance previously. Unfortunately problems arose because of no monitoring. No data were kept and they were not bothered with the type of business beneficiaries ventured into.

Some beneficiaries have been found to misuse business assistance given by LZS. For instance, where beneficiaries received sewing machines given by LZS for business purpose, they sold them when faced hard times. To curb this, beneficiaries receiving business assistance are now monitored. If they were not, the assistance might not be effective in elevating the beneficiaries' living standards. Due to being shorthanded, LZS hired consultants for monitoring purposes who must report the progress of beneficiaries to LZS.

...Sometimes there are some whom we gave business capital assistance who didn't do it properly or misused what we have given them...” (Head of Corporate Development)

As another example:

...For example previously let's say we gave them sewing machines together with cash as capital. If their will power is not strong they will sell it. Now is different because they will have to do it under our supervision. We have appointed a consultant to supervise them.. (Head of Beneficiaries Development Department).

In agricultural activities for example, beneficiaries are not only taught how to plant and maintain their crops, but also taught to sell their produce. Some beneficiaries seem unable to perform activities individually. LZS initiated team or group economic activities among these. The Head of Economic Unit of Beneficiaries Development indicated the following:

From my experience with them for the past one year, not many can do business individually. They are better off working in groups like this”

And he adds:

For bigger agricultural projects we have already established a market. They will venture into the project in groups. It is more profitable for them. Just like the concept done by FELDA and FELCRA

Learning from the projects undertaken by FELDA and FELCRA (Malaysia Government owned companies operating new group settlement for the rural poor to embark on agricultural activities that can elevate their living standards), LZS has initiated cluster settlements called “Desa Kasih” and “Desa Ehsan” in remote areas within the state of Selangor. Beneficiaries residing there participate in economic activities such as cluster farming, aquaculture or other group community activities that generate income. All the produce is sold and profits shared among them. Beneficiaries are found to be more productive when they are in a group. For LZS, group activities are also much easier to monitor compared to individual activities. The following is what the Head of Economic Unit of Beneficiaries Development said about the beneficiaries and programmes:

It is easier to monitor them in a group rather than individually. When one person creates problems, it is a headache. We are dealing with problematic people here.

Moreover:

Though it is difficult, it can be done. Their level of endurance is rather low.

LZS also trains the beneficiaries on how to sell their harvest. A “Beneficiaries Market” was set up for training. All harvests are brought to the market and sold there. At the market, participating beneficiaries from Selangor state are taught practical business skills. The market now operates every Saturday. All the beneficiaries need to do is prepare their harvest and sell it. LZS provides transportation to take them there. At the market, all necessary equipment such as canopies and tables are provided by LZS. After every session the beneficiaries must

declare their sales. Then they are taught some basic money management: how much to save and how much should be their working capital.

However the “Beneficiaries Market” programme does not always run smoothly. From observations made, out of 23 participants at the beginning, hardly half are still maintaining the market. When the researcher asked other participants where the sellers were, various answers were given. Some said they have other obligations, they do not know or are not interested. The LZS officer in charge clarified that only few participants have joined ordinary markets adjacent to their living areas. Most beneficiaries felt they did not benefit from the programme. Their expectations were for the market to give them large sales. LZS argued that the programme is a training exercise where beneficiaries could acquire business skills. From the experience earned at the “Beneficiaries Market”, beneficiaries should be able to find other opportunities to market their harvests. The distribution officer said:

The problem is the inconsistency of initial participants now. They want everything to be fast. According to them the whole morning they spent at the market they only get fifty to sixty ringgit and could hardly cover their capital. It is not worth it. It is their mentality and they are not strong.

Furthermore:

There are some who would find it not fruitful being at the market only four times a month. We want to train them there and make sure they learn so that they can market their products at other places. But they don't think of it that way. Well we can't be giving them everything. That is our weakness as we don't take that into account.

Another distribution officer supported this:

... We want to see their effort and commitment and see whether they have their own initiative and are able to be independent. Those are the factors explaining the decrease in the participating beneficiaries. Those who feel it is not profitable will stop and would no longer join the market.

LZS also assists beneficiaries who are able and willing to commit to individual business activities. Based on the beneficiaries' skills, LZS assists them in setting up in business. Depending on the nature of the business, LZS will assist them in business registration, finding premises or locations, purchasing business vehicles, and purchase of equipment or machines, until their premises are open for business. LZS continues to assist and monitor their progress until beneficiaries can be fully independent. While under the supervision of LZS, the beneficiaries are treated as business operators with monthly salaries. As business supervisors, beneficiaries must show their discipline in managing the business. They must know how to keep simple records to monitor their sales and expenditures. They are not allowed to make withdrawals. All cash received must be banked. The supervision period is between three and five years, after which if they are able to operate the business independently, the businesses are released to them. These beneficiaries are not obligated to make repayments. Otherwise, LZS will find new beneficiaries as operators to run the business.

The Beneficiaries Development Department has appointed a member of staff to monitor the operators' business accounts. Staff make frequent visits to the operators' business premises or locations to check on them. Usually the visits are spot checks. LZS has business operators for laundries, catering and food services, beverages and bakeries. LZS also has mobile business operators where beneficiaries operating hawker businesses are given small pick-up trucks so that they can be mobile. Based on this statement:

I can see that not all beneficiaries can do business. So those who can work we will employ them to work. That's why we set up the sewing workshops (Head of Economic Unit, Beneficiaries Development Department)

LZS realizes that not all beneficiaries have business abilities. The non-business-savvy beneficiaries are trained for skills such as sewing, electrical and wiring and plumbing. Workshops are established for this purpose. The workshops are training centres for these beneficiaries to acquire the necessary skills. These innovative practices have turned LZS into an exemplar organization. Other zakat organizations have turned to LZS as a role model. The Penang zakat institution for example has initiated programs similar to LZS. The Accountant gave the following reason why other zakat organizations come to LZS for assistance:

We have been an example for other zakat institution in so many things. Here we have both the distribution and collection function (Accountant)

In addition the Unit Head of Distribution Department made the following remark:

A zakat institution like PUZ Pinang is more like Selangor now. Initially they came to visit our project. We often get visitors. We started from scratch and improved from there. They come and look at something that is already there.

Several innovation activities appear successful but were found to be not. For instance the “beneficiaries market” was launched to show the public that efforts had been made to help beneficiaries. However the signs of it possibly dying are obvious. According to the Assistant Head of Distribution, those having experience and expertise in handling economic activities should be heading that sort of programme in LZS. Having people without relevant qualifications and experience to handle such activities may not result in effective service. It is not that they do not want to do their work properly, but due to inexperience they do not know how they can successfully do it. However putting blames solely on LZS may not seem fair as beneficiaries attitudes contribute to the success of any programmes too.

Learning orientation is a platform for creative thinking and creative team improvement. Despite limited, there was a study on the effect of LO on performance of public sector in Malaysia. This indicates that the concept of LO was getting important within the public sector organization. Che Rose, Kumar and Pak (2009) have examined the relationship between the LO and organizational commitment, job satisfaction and work performance among the public service managers in Malaysia. They have argued that the LO enhances employees capacity to match with the continuous changes in the environment. The results of their study has demonstrated that the LO contribute positively to organizational commitment, job satisfaction and work performance of Malaysian public managers.

No matter how successful LO maybe in other organizations it may not be so in LZS. In long run this may put LZS at risk of an ineffective services provided to beneficiaries. It may be successful on the part of LZS as an Amil by providing such innovative and creative programmes but not for the beneficiaries. At the same time most of zakat beneficiaries despite being given trainings are found to be dependent on zakat assistance. This may not be cost effective. This may jeopardize LZS as a zakat organization as public would not find them credible in helping beneficiaries especially the poor. By selling sewing machines given to beneficiaries showed that the beneficiaries cannot apprehend why they are given the assistance. On most occasions, distribution innovations have caused LZS to be dependent on other parties for monitoring projects and coaching beneficiaries. In the case of LZS the zakat managers may need to play an advisory role for beneficiaries. This can be burdensome but important for their programmes to be successful due beneficiaries' poor aptitude level.

4.0 Conclusion

Distribution innovation success depends on changes made to the beneficiaries' living standards such as with respect to income, health and education. According to Cheng (2002) it is important to understand the effects of welfare reform on beneficiaries and their financial status. This needs to be embedded in planning the programmes. However, although some distribution activities in LZS may presently not turning out to be that successful but this does not mean they cannot be successful in later years, as is asserted by Burns and Scapens (2000). The finding revealed that LZS have been very proactive in implementing many poverty alleviation projects. However, some of the projects failed. The evidence from this case study analysis is that zakat organization needs to continuously be acquiring knowledge on various monitoring aspect of any projects aims at reducing poverty. Lack of knowledge and skills in managing and monitoring poor aptitude level beneficiaries have led to many projects failure. As such zakat managers should placed emphasis by training zakat managers on how to manage and monitor projects awarded to poor aptitude level beneficiaries to ensure project success. LZS need to have knowledgeable and experience staff for their distribution innovation to be successful.

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