

## The Influence of Benevolence Funds and Zakat Funds on the Reputation of Islamic Commercial Banks for the 2016-2020 Period

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### ABSTRACT

*The birth of The Law of the Republic of Indonesia No. 21 of 2008 concerning Sharia Banking as the legal basis for the operation of Islamic banks has increasingly linked Islamic banks to pay attention to aspects of their sharia. The regulation requires Islamic banks to avoid some non-halal sources of income. However, it is undeniable that Islamic banks are currently in a relationship with conventional banks, so there is still non-halal income in them, which is one of the components of the benevolence fund. On the other hand, Islamic banks are also intermediation institutions that carry out social functions in the form of Baitul Maal, namely receiving funds in the form of infaq, alms, hibah, and other social funds and distributing them to zakat management organizations. Benevolence funds and zakat funds must be included in the financial statements based on accountability so that stakeholders can trust and maintain the reputation of the Islamic bank itself. The author will discuss the existence of this phenomenon and the influence of benevolence funds and zakat funds on the reputation of Islamic banks for the 2016-2020 period. The research method used is quantitative research by taking secondary data from the report on the benevolence fund and semester zakat fund of the Islamic bank concerned. The study's results revealed that simultaneously benevolent funds and zakat funds have a positive and significant effect on the reputation of Islamic banks.*

*Keywords: Sharia Banking, Benevolence Fund, Zakat Funds, Reputation.*

### INTRODUCTION

The Islamic banking system in Indonesia has experienced many developments and progress in the last two decades, both in institutional aspects, supporting infrastructure, regulatory tools, and supervision systems, including public literacy of Islamic financial services. The *Islamic financial system* is one of the best and most complete systems recognized internationally (Syafri, 2020). The development of Islamic banking in this country is seen as a manifestation of the community's needs, where the community wants a banking system that can provide sound financial services and meets sharia principles (Nainggolan, 2016).

The birth of Law of the Republic of Indonesia Number 21 of 2008 concerning *sharia* banking as the legal basis for the operation of Islamic banks further strengthens that Islamic banks must really apply *sharia* principles in every financial transaction both in terms of financing distribution to the public and in terms of honesty in auditing or disclosure in their financial statements. The Islamic banking regulation requires that activities carried out by Islamic banks are under sharia principles by avoiding some non-halal sources of income. Also, remember that an important issue for stakeholders or customers in Indonesia related to the compliance of Islamic banks in Indonesia is

the lack of applying the principles of "Shariah."

Table 1. Disclosure of Benevolence Fund on BUS 2016-2020

No.	Sharia Commercial Banks	Benevolence Fund				
		2016	2017	2018	2019	2020
1.	PT. Bank Central Asia Syariah	585.960.786	618.941.812	410.214.705	329.201.475	239.777.151
2.	PT. Bank Mega Syariah	374.718	176.807	353.047	303.911	391.818
3.	PT. Bank Muamalat Indonesia	1.303.379	881.896	649.155	590.117	360.556
4.	PT. Bank Syariah Bukopin	689.569.516	584.317.375	761.288.253	923.977.647	439.423.986
5.	PT. Bank Panin Dubai Syariah	448.094	563.074	552.147	842.101	671.336
	Sum	1.277.656.493	1.204.880.964	1.173.057.307	1.254.915.251	680.624.847
	Percentage	-	-6,04%	-2,71 %	6,52 %	-84,3%

Source: Annual Report of each BUS (*data processed*)

Table 1 above shows that, following a previous decline of 6.52% in 2019, the benevolence fund experienced a severe decline in 2020 of -84.3%. This is different from the development of BUS's total assets, which have increased every year since 2019 by IDR 350.364 billion to 2020, amounted to IDR 397.073 billion (OJK, 2022). So theoretically, along with the development and increase of BUS assets, the Benevolence Fund also increases. But it turned out that in the data, it experienced a significant decrease. Because of these discrepancies, the Benevolence Fund is used as a variable selection.

From the point of view of Islamic banks, the function of *zakat* is not only limited to fulfilling religious obligations, more than that as a way for Islamic banks to maintain their corporate image, which will create a good reputation among stakeholders. This is the basis for the difference between Islamic and conventional banks, where Islamic banks collect social funds from Islamic bank *zakat* institutions, which the Islamic bank then distributes to people in need.

Table 2. Disclosure of Zakat Funds on BUS 2016-2020

No.	Sharia Commercial Banks	Zakat Fund					Description
		2016	2017	2018	2019	2020	
1.	PT. Bank Central Asia Syariah	√	√	√	√	√	Orderly
2.	PT. Bank Mega Syariah	√	√	√	√	√	Orderly
3.	PT. Bank Muamalat Indonesia	√	√	√	√	√	Orderly
4.	PT. Bank Syariah Bukopin	-	-	-	-	-	Not Orderly
5.	PT. Bank Panin Dubai Syariah	√	-	-	-	-	Not Orderly

Source: Secondary data processed

From Table 2 above, it is clear that the disclosure of zakat funds in financial statements at several Islamic commercial banks has yet to be entirely orderly. It can

be seen that five of them have completed reporting every year, while the remaining two have not reported Zakat funds in an orderly manner. Disorganization means

that the company has yet to carry out corporate zakat. This means that zakat is considered necessary and becomes a mandatory aspect of doing Islamic banking as part of social responsibility. Therefore, based on the inconsistency of Islamic banks, the zakat variable needs further investigation for its effect on reputation.

Reputation is one of the hidden assets that represent the image and credibility of a company from the perspective of cooperation partners. The elements that shape the image and reputation of a company include financial capabilities, quality of products and services, customer focus, HR excellence, innovation, environmental responsibility, emphasis on good governance, and social

responsibility. The factor of reputation consists of four aspects, namely, the image of credibility, trustworthiness, reliability, and social responsibility.

From this explanation, it is clear that a good reputation can be achieved by carrying out social responsibility. The implementation of social responsibility comes from Islamic banks that report benevolence funds and zakat funds they manage. So, reputation becomes the chosen variable.

From the gap phenomenon and gap research above, the author is interested in conducting a study titled "*The Influence of Benevolence Funds and Zakat Funds on the Reputation of Islamic Commercial Banks for the 2016-2020 Period.*"

## LITERATURE REVIEW

### *Benevolence Fund*

Benevolence funds are funds sourced from bank funds (internal) and from outside the bank (external) in the form of taking funds from alms, fines, and non-halal income, which are then used for social interests or more productive interests (Akhmad, 2020). Benevolence funds can be distributed in the form of *qard* and *qard al hasan*, where these two contracts are distributed for social purposes, such as aiding in the building or renovation of school infrastructure and facilities, providing aid to those affected by natural disasters, promoting health, distributing books and computers to schools, and other such things (Muchlish, 2010).

Thus, the legal basis for this benevolent fund includes the following:

#### 1. Al-Quran

##### a) QS. Al-Maidah verse 2

وَلَا تَعَاوَنُوا عَلَى الْإِثْمِ وَالْعُدْوَانَ وَاتَّقُوا اللَّهَ إِنَّ  
اللَّهَ شَدِيدُ الْعِقَابِ

*Cooperate with one another in goodness and righteousness, and*

*do not cooperate in sin and transgression. And be mindful of Allah. Surely Allah is severe in punishment. (QS. Al-Maidah verse 2)*

##### b) QS. Al-Baqarah verse 245

مَنْ ذَا الَّذِي يُفْرِضُ اللَّهُ قَرْضًا حَسَنًا فَيُضَعِّفَهُ لَهُ  
أَضْعَافًا كَثِيرَةً وَاللَّهُ يَقْبِضُ وَيَبْسُطُ وَإِلَيْهِ تُرْجَعُونَ

*Whoever will lend Allah a generous loan so that He may multiply it to him many times over, And Allah straitens and enlarges (the man's sustenance according to the Divine Law), and to Him, you shall be returned. (QS. Al-Baqarah verse 245)*

#### 2. Hadith

*Anas bin Malik reported that the Prophet Muhammad said, "I saw during the night of Isra' (night journey), at the door of the heavens, it was written: Charity is rewarded tenfold and Qardh 18 times." I asked, "O Jibreel, why is Qardh more superior than charity?" He replied, "Because the one who requests something and has it, while the one who borrows does not borrow unless*

*they are in need.*" (HR. Ibn Majah no. 2421, Kitab al-Ahkam).

The presentation and use of benevolent funds are regulated in PSAK 101, 2016, paragraphs 123 to 127. Article 123 provides that *sharia* entities present reports on the source and use of benevolent funds as the main component of financial statements by showing:

1. The source of the benevolence fund comes from the receipt of:
  - a. Infaq,
  - b. Alms giving,
  - c. The results of waqf management in accordance with applicable laws and regulations,
  - d. Refund of productive virtues,
  - e. Fines,
  - f. Non-halal acceptance.
2. The use of benevolence funds is for:
  - a. Productive benevolence fund,
  - b. Donations,
  - c. Other uses for the public benefit.
3. Increase or decrease in the source of benevolence fund,
4. The initial balance of the benevolence fund, and
5. The final balance of the benevolence fund.

Further, in paragraph 125 it is provided that the receipt of benevolent funds is recognized as the most liquid liability and is recognized as a deduction of liabilities when it is disbursed.

In the notes to the financial statements, Islamic entities disclose but are not limited to:

- a) Sources of benevolent funds,

- b) The policy of distributing benevolence funds to each recipient,
- c) In accordance with the rules in PSAK 7 on Disclosure of Related Parties, and Third Parties, it is stated that the proportion of funds disbursed to each beneficiary of benevolent funds is grouped into related parties, and
- d) The reason for the occurrence and use of non-halal acceptance.

The fundamental elements in the report on the source and use of benevolence funds consist of the source and use of funds over a certain period of time, as well as the balance of the benevolence fund, which indicates that the benevolent fund has not been disbursed on a specific date (IKIT, 2020).

#### *Zakat Fund*

Zakat, in the language, denotes holiness, growth, blessings, and praiseworthiness. *Zakat*, as the term is used, is described as mandatory worship performed by giving a particular amount of a certain level of one's property to those eligible to receive it in accordance with Islamic law (Sari, 2006).

Many verses in the Quran explain *zakat*, including the groups of people who are entitled to receive it, as Allah Almighty said in QS. At-Taubah verse 60:

﴿ إِنَّمَا الصَّدَقَتُ لِلْفُقَرَاءِ وَالْمَسْكِينِ وَالْعَمِلِينَ عَلَيْهَا وَالْمَوْلَاةِ قُلُوبُهُمْ وَفِي الرِّقَابِ وَالْغُرْمِينَ وَفِي سَبِيلِ اللَّهِ وَابْنِ السَّبِيلِ قَرِيضَةً مِّنَ اللَّهِ وَاللَّهُ عَلِيمٌ حَكِيمٌ ﴾

*Indeed, zakat is only for the fakir, the poor, amil zakat, who are softened in the heart (converts), to (set free) the servant of sahaya, to (deliver) the debtor, for the way of Allah and for the one who is on the way, as an obligation from Allah. Allah is All-Knowing, All-wise. (QS. At-Taubah verse 60)*

The implementation of *zakat* has two sides: worship and the economy. In terms of worship, there is a value that is a measure of obedience to the commands of Allah SWT for a Muslim who performs *zakat*. Meanwhile, in the economy, *zakat* can significantly help meet the needs of the poor and other *zakat* recipients and overcome the social inequalities that exist in society. *Zakat* is intended not only to meet the needs of its recipients but to provide welfare and sufficiency by eliminating or minimizing the causes of their lives. In addition, in the broader scope, *zakat* can maintain economic sustainability due to new economic actors who enter the market and carry out economic activities (Hafidhuddin, 2002).

In *Zakat*, there is a high social value on the community's welfare. With the blessing of the wealthy (*muzakki*), they can channel some of their property to the poor (*mustahiq*), creating a harmonious relationship between the rich and the poor. Ultimately, this will help the poor and improve their economy (Ridlo, 2014).

*Zakat* is divided into *Zakat Fitrah* and *Zakat Harta* or *Maal*. *Zakat Fitrah* is a *zakat* that must be paid by Muslims during *Ramadan*, more specifically at the end of *Ramadan* before entering *Eid al-Fitr* and, more importantly, paid before *Eid al-Fitr* prayers. This is so that the poor can have the same food as the rich. *Zakat Fitrah* is legally mandatory for those who can comply with the conditions set, namely for those who have an excess of essential food for themselves and their dependents during the holidays. This means that both men and women must carry out *Zakat Fitrah*. *Zakat Fitrah* is paid in the amount of one *Sha'* or the equivalent of 3.5 liters or 2.5 kg.

Meanwhile, *Zakat Harta* or *Maal* is paid based on one's wealth and can be paid at any time, provided that the object of *zakat* has been qualified. *Zakat Maal* is legally mandatory for every Muslim in

*sharia* law, with provisions including being Muslim, independent, fulfilling *nishab* criteria, and having enough time (haul). The pillars of this *Zakat Harta* or *Maal* are:

- Intentions,
- The existence of muzakki or people who are in need,
- The existence of mustahiq or people who receive zakat, and
- Treasures that are eligible for zakat.

Regarding the timing of this *zakat* expenditure, it is carried out once a year based on the provisions of the *hisab*. The scope of this type of *zakat* is the results of trade, agriculture, mining, animal husbandry, and found property, as well as the results of work (professions) that have their calculations. Of course, this type of *zakat* continues to develop along with the times. Judging from the potential objects of *zakat*, they include those related to fast-moving sectors and modern sectors, such as income obtained from professions, chicken farming, plantations, commercial businesses, or property and securities such as stocks and others (Abdullah, 2014).

The presentation of the Report on the Source and Use of *Zakat* Funds by Islamic entities as the main component of financial statements shows:

1. *Zakat* funds come from mandatory *zakat* (*muzakki*):
  - a. *Zakat* originating from within a *sharia* entity,
  - b. *Zakat* originating from outside *sharia* entities.
2. Use of *zakat* funds through *amil zakat* institutions for *fakir*, poor, *riqab*, people in debt (*gharim*), converts, *fi sabilillah*, travelers, and *amil*. According to what is in one of the *Surahs* in the *Quran*.

3. Increase or decrease in zakat funds,
4. The initial balance of zakat funds, and
5. The final balance of zakat funds.

*Sharia* entities must disclose in the notes to the Report on the Source and Use of *Zakat* Funds, but not limited to:

- a) Sources of *zakat* funds originating from internal *sharia* entities,
- b) Sources of *zakat* funds originating from external *sharia* entities, and
- c) *Zakat* distribution policy towards each *asnaf*.

The proportion of funds distributed to each *zakat* recipient is grouped into related parties regulated in PSAK 7 concerning Disclosure of Parties with Special Relationships and third parties (IKIT).

### Reputation

Reputation is an overall picture of a company's past actions and prospects, as formed by various policies implemented compared to competing companies (Rosidah, 2011).

Companies with a good reputation will undoubtedly impact the company's profitability, for example, by increasing customer trust in the bank, and increasing sales, among other factors. On the other hand, if a company has a bad reputation, it will negatively impact the company directly. This can lead to a loss of customers, as there will be a decrease in trust in the company, causing consumers to switch to products from other companies (Iswandi, 2015).

Reputational impacts for the company include (Yuniar, 2021):

1. The decision of the shareholders to invest their shares,

2. Media reporting or will review coverage in the media,
3. Influencing consumers' desire to use the products or services offered,
4. Improving partnerships or stakeholders to work together, and
5. Control and authority over-regulation.

### RESEARCH METHODOLOGY

This research uses quantitative research methods because it uses data related to the financial statements of Islamic commercial banks, which are then adjusted to the research sample. This study will examine the effect of benevolence funds and *zakat* funds as free variables (X) on reputation as bound variables (Y).

The type of data in this study is secondary data, namely data obtained from BUS's financial statements for the 2016-2020 period from Islamic Banking Statistics (SPS), which have been published by the Financial Services Authority (OJK). The data used is the semester report data of Islamic commercial banks. The sample was taken from a semester report published by the Financial Services Authority (OJK) for the 2016-2020 period with a total of 30 data.

In this study, the reputation that acts as a variable is bound. Reputation can be measured using the market share of Third-Party Funds (DPK) managed by Sharia Commercial Banks (BUS) and Sharia Business Units (UUS). The formula corresponding to previous research for reputation is:

$$\text{Reputation} = \frac{\text{Bank Third Party Funds}}{\text{total Third Party Funds in the Market}}$$

This study used two free variables, namely benevolence funds and *zakat* funds. Benevolence and *zakat* funds can be found through source reports and benevolence

funds issued by each bank through the OJK website.

The data analysis techniques used are:

- 1) Classical Assumption Test, consisting of:
  - a) Normality test
  - b) Multicollinearity Test
  - c) Heteroskedasticity Test
  - d) Autocorrelation Test
- 2) Multiple Linear Regression Analysis
- 3) Hypothesis Test, consisting of:
  - a) Partial Test (*T*-Test)
  - b) Simultaneous Test (*F*-Test)
  - c) Coefficient of Determination ( $R^2$ )

## RESULTS AND DISCUSSION

### *Overview of Research Objects*

The following is a brief overview related to three Sharia Commercial Banks in Indonesia:

#### 1. PT. Bank BRI Syariah

Bank BRI Syariah is the result of an acquisition from PT. Bank Rakyat Indonesia against Bank Jasa Arta on December 19, 2007. Then, Bank BRI Syariah officially operated on November 17, 2008, through Decree No. 10/67/KEP. GBI/DpG/2008. It then changed its business activities from conventional to banking activities based on Islamic sharia principles, recognizing the great potential in the Islamic banking segment.

The activities of PT. Bank BRI Syariah became stronger when, on December 19, 2008, a deed of separation of PT. BRI Syariah Business Unit was signed, merging Bank Rakyat Indonesia (Persero) Tbk into PT. Bank BRI

Syariah (*spin-off process*) effective January 1, 2009. The signing was carried out by Mr. Sofyan Basir as the President and Director of PT. Bank BRI (Persero) Tbk and Mr. Ventje Rahardjo as President Director of PT. Bank BRI Syariah.

#### 2. PT. Bank BNI Syariah

Bank BNI Syariah was established on May 21, 2010, in accordance with the Decree of the Governor of Bank Indonesia No.12/41/KEP. GBI/2010. BNI Syariah is the result of the spin-off process of PT Bank Negara Indonesia and the Sharia Business Unit (UUS) which was then referred to as the parent BNI and operated since April 29, 2000. BNI Syariah is committed to providing the best for customers.

#### 3. PT. Bank Syariah Mandiri

Bank Syariah Mandiri officially operated on Monday, 25 Rajab 1420 H or November 1, 1999. Bank Syariah Mandiri comes with the idea of building a better country. Guided by corporate values that uphold humanity and integrity has been deeply ingrained since its inception. One of the advantages of Bank Syariah Mandiri in its work in Islamic banking is the harmonization between business idealism and spiritual values. The establishment of BSM is both a wisdom and a blessing after the economic and monetary crisis of 1997-1998.

### *Test Classical Assumptions*

#### 1. Normality Test

The *Normality Test* determines whether the data in the studied variables have a normal distribution. The *Kolmogorov-Smirnov approach* can be used to test the normality of the data. Guidelines or measures for determining whether data is normally distributed can be seen by comparing the probability or *Asymp. Sig. (2-tailed)* to the level of

*Significance* ( $\alpha$ ). If the probability or *Asymp. Sig. (2-tailed)* is greater than the level of *Significance* ( $\alpha$ ), then the data is considered to be normally distributed.

- If the significant value  $< 0.05$ , then the data is not normally distributed.
- If the significant value  $> 0.05$ , then the data is normally distributed.

#### a) Histogram Graph

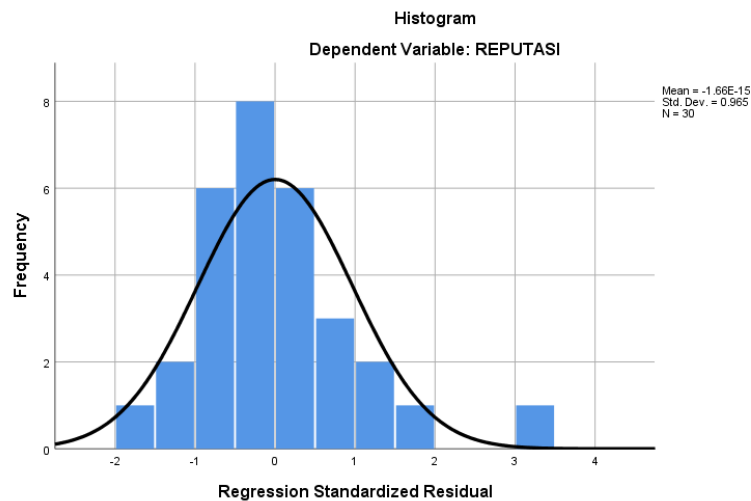


Figure 1. Histogram Graph

Source: SPSS output, 2022 (data processed)

Based on Figure 1, it can be seen that the histogram graph shows a normal distribution pattern.

#### b) Normal Probability Plot Chart

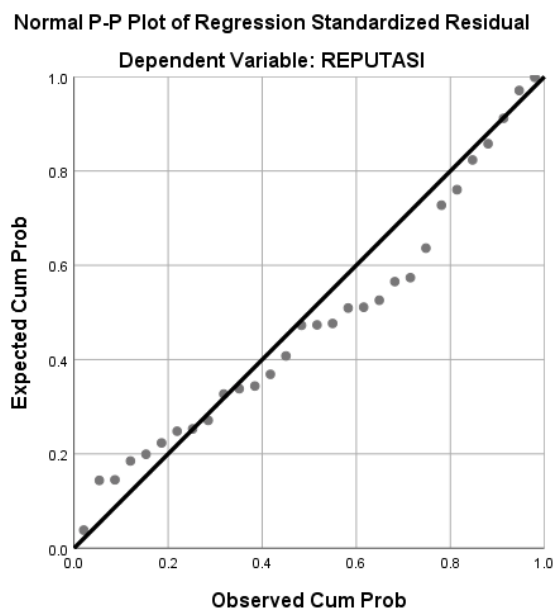


Figure 2. Normal Probability Plot Chart

Source: SPSS output, 2022 (data processed)

Based on Figure 2, the data knows that the data scatters around the diagonal line and follows the diagonal line. This proves that the residual data is normally distributed.

c) Statistical Test *One-Kolmogorov-Smirnov Test*

Table 1. Statistical test One-Kolmogorov-Smirnov Test

**One-Sample Kolmogorov-Smirnov Test**

		Unstandardized Residual
N		30
Normal Parameters <sup>a,b</sup>	Mean	.0000000
	Std. Deviation	.02422867
Most Extreme Differences	Absolute	.157
	Positive	.157
	Negative	-.102
Test Statistic		.157
Asymp. Sig. (2-tailed)		.057 <sup>c</sup>

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

Source: SPSS output, 2022 (data processed)

Based on the output results listed in Table 1, it is known that the value of *Asymp. Sig. (2-Tailed)*, alternatively, the resulting significance is 0.057, which means that the value is greater than the significance level of 0.05 or 5% ( $0.057 > 0.05$ ). Therefore, the research data, with 30 samples, has been distributed normally. Thus, the regression model of this study has met the assumption of normality.

## 2. Multicollinearity Test

To find out the presence or absence of multicollinearity problems, you can use tolerance values and Variance Inflation Factory (VIF) values. By the following indicators:

- Based on Tolerance Value

Tolerance  $> 0.10 =$  No Multicollinearity occurs

Tolerance  $< 0.10 =$  Multicollinearity Occurs

- Based on VIF Value

VIF  $< 10.00$  No Multicollinearity occurs

VIF  $> 10.00$  Multicollinearity occurs

The results of the multicollinearity test with 30 samples will be presented in the table below:

Table 2. Multicollinearity Test Results

**Coefficients<sup>a</sup>**

Model		Collinearity Statistics	
		Tolerance	VIF
1	DANA KEBAJIKAN	.940	1.063
	DANA ZAKAT	.940	1.063

a. Dependent Variable: REPUTASI

Source: SPSS output, 2022 (data processed)

Based on Table 2, it is known that the tolerance value in the variable X1 and X2, namely benevolence funds and *zakat* funds, is 0.940, while the VIF value in the variable X1 and X2, namely benevolence funds and *zakat* funds is 1,063. The tolerance value generated by both the free variable  $> 0.1$  and the VIF value  $< 10$ . So that there is no multicollinearity in the regression model of this study.

### 3. Heteroskedasticity Test

The *Heteroskedasticity Test* is a test to find out whether in a regression

model in research, there is an observed inequality of variants and residuals. This test is used to determine the presence of deviations from the prerequisites of classical assumptions in regression models.

If the significant value (*p*-value) of all independent variables  $> 0.05$  then the residual variant is homogeneous (no case of heteroskedasticity occurs).

#### 1. Scatterplots Method

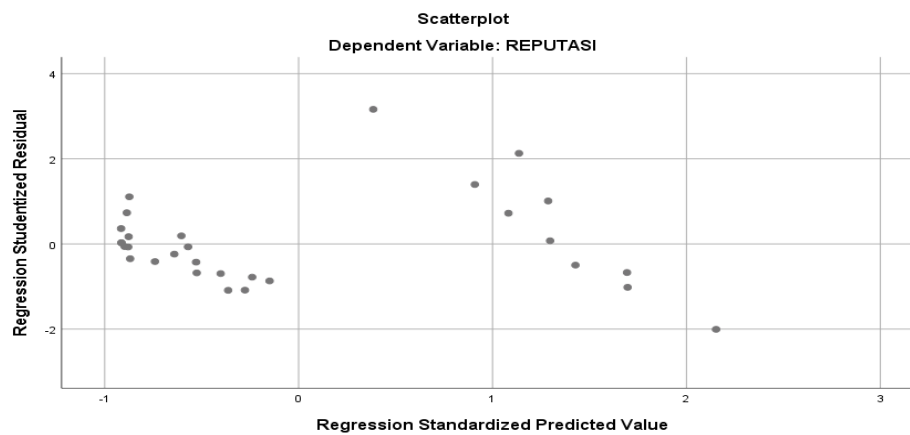


Figure 3. Scatterplots Test Results

Source: SPSS output, 2022 (data processed)

In Figure 3, it can be seen that the points spread randomly

and thoroughly, both above and below the number 0 on the Y axis.

## 2. Glejser Test

Table 3. Glejser Test Results

Model		Coefficients <sup>a</sup>		t	Sig.	
		Unstandardized Coefficients	Standardized Coefficients			
		B	Std. Error	Beta		
1	(Constant)	.011	.004		2.639	.014
	DANA KEBAJIKAN	1.041E-7	.000	.360	2.030	.052
	DANA ZAKAT	2.351E-7	.000	.197	1.113	.275

a. Dependent Variable: ABRESID

Source: SPSS output, 2022 (data processed)

Based on the results of the *Glejser Test* contained in Table 3, it is known that the significance values of the variables X1 (Benevolence Fund) and X2 (Zakat fund) are 0.052 and 0.275, respectively, which means that these values are greater than the significance level of 0.05 or 5%. So, it is proven that there is no heteroskedasticity in the regression model of this study and it is suitable for use.

The *Autocorrelation Test* is used to determine if there are deviations in the classical autocorrelation assumptions, which means that there is a correlation between residuals in a regression model. The condition must be met is the absence of autocorrelation in the regression model.

The results of the *Autocorrelation Test* using the *Durbin-Watson method* are as follows:

## 4. Autocorrelation Test

Table 4. Autocorrelation Test Results

Model Summary <sup>b</sup>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.942 <sup>a</sup>	.887	.879	.02511	1.802

a. Predictors: (Constant), DANA ZAKAT, DANA KEBAJIKAN

b. Dependent Variable: REPUTASI

Source: SPSS output, 2022 (data processed)

Based on the test results using the *Durbin-Watson method* in Table 4, it can be seen that the value of D is 1.802. With a sample of 30 and 2 free variables (K = 2). Based on this value,

the lower limit value of dL is 1.2837, and the upper limit value of dU is 1.5666 were obtained. Thus, when  $dL < D < dU$  ( $1.2837 < 1.802 < dU - 1.5666$ ) was obtained, it indicates that

the D value is greater than 1.2837 ( $1.802 > 1.2837$ ) and less than 2.4334 ( $1.802 < 2.4334$ ). Therefore, there is no autocorrelation, and the results of this study are valid for use.

### Multiple Linear Regression Analysis

In this study, a multiple linear regression model was used to test the influence of independent variables (Benevolence Fund and *Zakat* Fund) on the dependent variable (Reputation). The following is the form of the multiple linear regression equation in the study:

$$Y = a + b_1 X_1 + b_2 X_2 + e$$

Information:

Y = Reputation

a = Constant

$b_1$  = Benevolence Fund

$b_2$  = *Zakat* Fund

e = Residual/Error

The results of multiple linear regression tests are presented in the table below:

Table 5. Multiple Linear Regression Test Results

Model		Coefficients <sup>a</sup>		Standardized Coefficients Beta	t	Sig.
		Unstandardized Coefficients B	Std. Error			
1	(Constant)	.076	.007		11.294	.000
	DANA KEBAJIKAN	8.539E-7	.000	.679	10.173	.000
	DANA ZAKAT	2.633E-6	.000	.508	7.611	.000

a. Dependent Variable: REPUTASI

Source: SPSS output, 2022 (data processed)

Here is the regression equation:

$$Y = 0.076 + 8.539E - 7 X_1 + 2.633E - 6 X_2 + e$$

Based on the regression equation, the following conclusions can be obtained:

- The value of the above constant of 0.076 states that the reputation variable will be worth 0.076 units if the variable value of the benevolence fund and *zakat* fund is zero.
- Benevolence fund variable regression coefficient ( $X_1$ ) of 8.539E-7, meaning that every 1% increase in the benevolent fund variable, it will have an impact on a reputational increase of 8.539E-7 units.

- The regression coefficient of the *zakat* fund variable ( $X_2$ ) is 2.633E-6, meaning that every 1% increase in the *zakat* fund variable, will have an impact on the reputation increase of 2.633E-6 units.

### Hypothesis Test

#### 1. Partial Test (T-Test)

The *t*-test is performed to determine how far the independent variable is partially (individually) in describing the dependent variable. Here are the test criteria:

- If  $t_{\text{count}} > t_{\text{table}}$  then  $H_0$  is rejected and  $H_1$  is accepted

- 2) If  $t_{\text{count}} < t_{\text{table}}$  then  $H_0$  is accepted and  $H_1$  is rejected

The test also compares the probability value or *sig-t* with a significant degree of 0,05.

- 1) If  $sig. > 0.05$  then  $H_0$  is accepted and  $H_1$  is rejected

- 2) If  $sig. < 0.05$  then  $H_0$  is rejected and  $H_1$  is accepted

Table 6. Partial Test Results

Model		Coefficients <sup>a</sup>			t	Sig.
		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta		
1	(Constant)	.076	.007		11.294	.000
	DANA KEBAJIKAN	8.539E-7	.000	.679	10.173	.000
	DANA ZAKAT	2.633E-6	.000	.508	7.611	.000

a. Dependent Variable: REPUTASI

Source: SPSS output, 2022 (data processed)

Based on the test results in the table 6, it can be concluded as follows:

- a. Judging from the variable significance value of the benevolent fund (X1) of 0.000, it means that the significance value is less than 0.05 ( $0.000 < 0.05$ ). From the table, it is known that the variable benevolent fund has a *t*-value result of 10.173, while the  $t_{\text{table}}$  value obtained from the statistical table is obtained by 2.048 which means the  $t_{\text{calculated}}$  value is greater than  $t_{\text{table}}$  ( $10.173 > 2.048$ ). From the table, it is also known that the *Unstandardized Coefficients B* variable benevolent fund showed a positive result of 8,539E-7. Thus, that benevolent fund had a positive and significant effect on the reputation of Islamic commercial banks, so  $H_0$  was rejected and  $H_1$  was accepted.
- b. Judging from the variable significance value of *zakat* funds (X2) of 0.000, it means that the

significance value is less than 0.05 ( $0.000 < 0.05$ ). From the table, it is known that the variable *dana zakat* has a calculated *t*-value of 7.611, while the  $t_{\text{table}}$  value obtained from the statistical table is obtained by 2.048 which means that the  $t_{\text{calculated}}$  value is greater than  $t_{\text{table}}$  ( $7.611 > 2.048$ ). From the table, it is also known that the *Unstandardized Coefficients B* variable *dana zakat* showed a positive result of 2,633E-6. Thus, *zakat* funds have a positive and significant effect on the reputation of Islamic commercial banks, so  $H_0$  is rejected and  $H_1$  is accepted.

## 2. Simultaneous Test (F-Test)

The *F-test* is required to test the influence of independent variables simultaneously or together on dependent variables. Below are the *F-test* criteria:

- 1) If the value of  $F_{\text{count}} > F_{\text{table}}$ , then  $H_0$  is rejected. This means that

these variables affect the dependent variables.

2) If the value of  $F_{\text{count}} < F_{\text{table}}$ , then  $H_0$  is accepted. This means that the variable has no effect on the dependent variable.

Table 7. Simultaneous Test Results

ANOVA <sup>a</sup>						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.134	2	.067	105.939	.000 <sup>b</sup>
	Residual	.017	27	.001		
	Total	.151	29			

a. Dependent Variable: REPUTASI

b. Predictors: (Constant), DANA ZAKAT, DANA KEBAJIKAN

Source: SPSS output, 2022 (data processed)

Based on Table 7, a  $F_{\text{calculated}}$  of 105.939 with a significance value of 0.00 was obtained. Furthermore, the  $F$ -value of the table can be searched using the distribution table at a significance level of 0.05 (5%),  $df_1 = (k-1) = 2-1 = 1$ ,  $df_2 = (n-(k-1)) = 30-1 = 29$  (1; 29). This results in a table  $F$ -value of 4.18, which is smaller than the  $F_{\text{calculated}}$  value of 105.939 ( $F_{\text{count}} > F_{\text{table}}$ ). Therefore, it can be concluded that  $H_0$  is rejected,

indicating that the variables of the benevolence fund and the *zakat* fund simultaneously or together have a significant effect on the reputation of Islamic banks.

#### Coefficient of Determination ( $R^2$ )

The *Coefficient of Determination* determines how much an independent variable has contributed to the dependent variable. Here are the SPSS output results:

Table 8. Coefficient of Determination Test Results

Model Summary <sup>b</sup>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.942 <sup>a</sup>	.887	.879	.02511

a. Predictors: (Constant), DANA ZAKAT, DANA KEBAJIKAN

b. Dependent Variable: REPUTASI

Source: SPSS output, 2022 (data processed)

Based on Table 8, it is known that the *Adjusted R-Square* value is 0.879 or 87.9%. The results showed that the variables of the benevolent fund and the *zakat* fund explained 87.9% of reputation variables. Meanwhile, 12.1% was explained by other variables not included in the

study. This indicates that benevolence funds and *zakat* funds have a dominant influence on the reputation of Islamic commercial banks.

## RESEARCH DISCUSSION

Research on the Influence of Benevolence Funds and *Zakat* Funds on the Reputation of Sharia Commercial Banks for the 2016-2020 Period, obtained the following results:

### 1. Effect of Benevolence Fund on Reputation

The H1 hypothesis states that the disclosure of benevolence funds has an influence on the reputation of Islamic commercial banks for the period 2016-2020.

From the results of the regression analysis, it is known that the benevolent fund variable has a positive regression coefficient of  $8,539E-7$  with a signification of 0.000 (smaller than the significance level of 0.05). In addition, a  $t_{\text{calculated}}$  value of 10.173 was obtained (greater than the  $t_{\text{table}}$  of 2.048). This shows that the benevolence fund has a positive and significant effect on the reputation of Islamic commercial banks. Thus, H1 which states that the Benevolence Fund affects the reputation of Islamic commercial banks for the 2016-2020 period is accepted.

This supports research from Moh. Sigit Awwaludin and Noven Surayogi in 2020 which states that the disclosure of benevolence funds in the annual report of Islamic banking will be able to increase the trust of customers, stakeholders and other parties and directly affect the reputation of the Islamic bank. And support the results of research from Saiful Muchlis and Husain Soleh Utomo in 2018 which stated that there was a decrease in customer trust after knowing that there was non-halal income in benevolent funds, thus affecting the level of reputation of muamalat banks. What this means is that the disclosure of benevolence funds and their components will

affect the reputation of Islamic commercial banks.

These results show that the clearer the disclosure and distribution of benevolent funds of Islamic commercial banks in financial statements every semester or year, the more it will add reputation to the Islamic commercial bank. This means that more and more people will be interested in using the products and services of the Islamic bank.

### 2. Effect of Zakat Funds on Reputation

The H2 hypothesis states that *zakat* funds affect the reputation of Islamic commercial banks for the 2016-2020 period.

From the results of the regression analysis, the regression coefficient of the Dana *zakat* variable is  $2.633E-6$ , with a significance of 0.000 (less than 0.05). In addition, a  $t_{\text{calculated}}$  value of 7.611 was obtained (greater than the  $t_{\text{table}}$  of 2.048). This shows that *zakat* funds have a positive and significant effect on the reputation of Islamic commercial banks. Thus, H2 which states that *zakat* funds affect the reputation of Islamic commercial banks for the 2016-2020 period is accepted.

The results of this study are in line with the results of research by Indria Puspitasari Lenap who stated that *zakat* affects the reputation of Islamic banks. Other research from Ichwan Sidik and Reskino also stated the same thing that *zakat* has a positive and significant effect on the company's reputation.

This shows that the existence of *zakat* funds which are then disclosed in the financial statements will have an impact and affect the reputation of Islamic banks, where Islamic banks as sharia-principled banks must disclose *zakat* funds

honestly and transparently. It is also a form that Islamic banks fulfill their obligations as intermediation institutions that carry out their social functions.

However, in fact, researchers see that there are still several Islamic commercial banks that have not disclosed and described *zakat* funds in their company's financial statements. That is if. In addition, researchers observed that there are still some Islamic banks that have not carried out corporate *zakat*, even though Islamic banks are considered necessary to do this as part of social responsibility.

Therefore, Islamic banks must evaluate their company's financial statements. Because, if this inconsistency continues, it will affect the existing reputation of the Islamic bank and cause the use of products and services by customers, stakeholders and other parties of the Islamic bank concerned will decrease.

### 3. Effect of Benevolence Fund and Zakat Fund on Reputation

The H3 hypothesis states that benevolence funds and *zakat* funds affect the reputation of Islamic commercial banks for the 2016-2020 period.

From the results of simultaneous signification (F-test), a calculation of 105.939 with a significance value of 0.00 was obtained. Furthermore, the  $F_{\text{tabel}}$  value is 4.18 which means it is smaller than the calculated F value of 105.939 ( $F_{\text{count}} > F_{\text{tabel}}$ ). Thus, it can be understood that the variables of benevolence funds and *zakat* funds simultaneously or together have a significant effect on the reputation of Islamic banks. It can be concluded that H3 which states that benevolent

funds and *zakat* funds affect the reputation of Islamic commercial banks for the 2016-2020 period are accepted.

## CONCLUSION

Based on the results of data analysis, the following conclusions were obtained:

1. Benevolence funds partially have a positive and significant effect on the reputation of Islamic commercial banks. This is evidenced by a multiple regression coefficient of  $8,539E-7$  with a signification of 0.000 (less than the significance level of 0.05). In addition, a  $t_{\text{calculated}}$  value of 10.173 was obtained (greater than the  $t_{\text{table}}$  of 2.048). Thus, H1 which states that the Benevolence Fund affects the reputation of Islamic commercial banks for the 2016-2020 period is accepted.
2. *Zakat* funds partially have a positive and significant effect on the reputation of Islamic commercial banks. This is evidenced by a multiple regression coefficient of  $2,633E-6$ , with a significance of 0.000 (less than 0.05). In addition, a  $t_{\text{calculated}}$  value of 7.611 was obtained (greater than the  $t_{\text{table}}$  of 2.048). Thus, H2 which states that *zakat* funds affect the reputation of Islamic commercial banks for the 2016-2020 period is accepted.
3. Benevolence funds and *zakat* funds simultaneously have a significant effect on the reputation of Islamic commercial banks. It is known from  $F_{\text{count}}$  of 105.939 with a significance value of 0.00. The table F value is 4.18 which means it is smaller than the  $F_{\text{calculated}}$  value of 105.939 ( $F_{\text{count}} > F_{\text{tabel}}$ ). Therefore, H3 which states that the variables of benevolence funds and *zakat* funds simultaneously or together have a significant effect on

the reputation of Islamic banks for the 2016-2020 period are proven.

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