



The Relationship between Intellectual Capital and the Performance of Zakat Management Organizations

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Abstract: This study analyzes the relationship between intellectual capital and the performance of Zakat Management Organizations (ZMO/OPZ), comparing BAZNAS, which is managed by the government, and LAZ, which is managed by private institutions. The results of this study indicate that there is a positive and significant relationship between intellectual capital and the performance of Zakat Management Organizations (OPZ) in Indonesia during the period 2018 to 2022. Furthermore, the findings reveal differences in the relationship between intellectual capital and OPZ performance based on institutional ownership, namely between government-managed and privately managed OPZs. Private OPZs tend to demonstrate higher efficiency levels, particularly in managing human capital and capital employed, compared to government OPZs.

Keywords: Capital; Organizations; Ownership; Performance

Introduction

According to Law No. 23 of 2011, Zakat Management Organizations (in Indonesia; Organsiasi Pengelola Zakat/OPZ) in Indonesia consist of the Badan Amil Zakat Nasional (BAZNAS) and Lembaga Amil Zakat (LAZ). BAZNAS is a non-structural government body managed by both the central and regional governments, while LAZ is managed by private institutions or communities, with branches operating at the national, provincial, and district/city levels. Several scholars, including Boyne (2002) and Rainey, Backoff, and Levine (1976), have analyzed the differences in the management of public institutions administered by government and private sectors.

Although there is still debate over which type of institution (public or private) is more effective in delivering services to society, this issue remains an interesting subject of study. Privately managed institutions tend to be more flexible and autonomous, as they are owned or operated by diverse groups of people with various backgrounds, while government institutions are typically more transparent and publicly accountable because they are funded by taxes, though they may lack flexibility (Boyne, 2002).

The operational activities of zakat and waqf management fall under the domain of social services, where Zakat Management Organizations (OPZ), both BAZNAS and LAZ, are responsible for providing optimal service and performance to both muzakki (zakat payers) and mustahik (zakat recipients). One important measure of service quality and organizational performance is intellectual capital/IC (Zakiy & Falikhatun, 2024). Furthermore, Zakiy and Falikhatun explain that intellectual capital within zakat

management organizations is an intangible asset, in which human resources serve as the primary driving force, playing a significant role in enhancing service delivery and organizational performance.

In contemporary management literature, intellectual capital (IC) is widely recognized as a strategic intangible resource that determines long-term value creation and organizational sustainability. While IC frameworks have been extensively explored within corporate and commercial ecosystems, their application to the non-profit sector specifically Islamic socio-religious financial institutions like Zakat Management Organizations (OPZ) which remains remarkably underdeveloped. Zakiy and Falikhatun (2024) introduced empirical approaches to measure IC efficiency within Indonesian OPZs, proxying human capital through amil compensation and evaluating its direct nexus with fund performance. Concurrently, the broader landscape of empirical zakat research has heavily gravitated toward external dynamics, such as public trust, institutional credibility, muzakki compliance behavior, and the adoption of fintech or mobile digital channels (e.g., Sadallah & Abdul-Jabbar, 2022; Saeed et al., 2021; Oktavendi & Muammal, 2022; Muflih, 2022; Herianingrum et al., 2023; Mutmainnah & Yufiarto, 2023; Cokrohadismarto et al., 2019).

Parallely, within public administration and economic literatures, scholarly debates have long centered on governance differences between public and private institutions, emphasizing that private entities exhibit greater operational flexibility and autonomy, whereas public bodies operate under strict mandates of transparency and public accountability at the cost of administrative agility (Boyne, 2002; Rainey et al., 1976). However, a critical synthesis that bridges public-private differentiation theories with the internal management of intellectual capital efficiency within non-profit, socio-religious structures remains visibly absent.

This study positions itself at the theoretical convergence of Intellectual Capital Theory (Pulic, 2004) and Public Management Theory (Boyne, 2002; Rainey et al., 1976), contextualized within the empirical domain of Islamic Social Finance. Rather than observing the zakat landscape as a uniform sector, this article introduces a comparative, ownership-based analytical framework. Utilizing data panel regression analysis across a rigorous 5-year timeline (2018–2022) consisting of national and provincial BAZNAS alongside 13 premier national LAZ institutions, this paper analyzes how institutional governance structures (government vs. private) influence an organization's capability to transform intangible assets into superior zakat performance surpluses.

It enriches Public Management Theory by providing empirical validation that organizational flexibility and autonomy as theorized by Boyne (2002) directly determine the conversion efficiency of intellectual capital within socio-religious non-profit organizations. It proves that public-sector institutional rigidities act as structural impediments to intangible value creation.

This study provides the first comprehensive comparative data mapping the intellectual capital efficiency landscapes of BAZNAS and LAZ in Indonesia. Our findings deliver a novel empirical revelation: despite government OPZs possessing substantially larger financial baselines, asset sizes, and resource scales, private OPZs significantly outperform them in Human Capital Efficiency (HCE) and Capital Employed Efficiency (CEE), highlighting superior agility in leveraging human and physical inputs.

The findings offer concrete empirical evidence for regulatory and policymaking bodies to overhaul overly restrictive legislative boundaries that hamper public institutional productivity. It outlines a strategic blueprint for internal bureaucratic and managerial reforms within government OPZs, advocating for performance-based reward systems, amil competency upskilling, and structural decentralization modeled after agile private-sector practices to dramatically scale national zakat performance.

Literature Review

Theoretical Framework

Intellectual capital is an intangible asset owned by an organization, particularly related to the quality and quantity of its human resources, aimed at achieving the organization's objectives. Within zakat management organizations, there has been limited discussion and exploration regarding intellectual capital, making this topic relatively underdeveloped in the context of zakat management.

A recent study conducted by Zakiy and Falikhatun (2024) introduced several measurement approaches to analyze the level of intellectual capital in Zakat Management Organizations (OPZ), particularly in Indonesia. In their analysis, human capital was proxied by the amount of amil salaries or compensation expenses. In addition, organizational performance indicators such as total zakat, infaq, and sadaqah (ZIS) receipts and disbursements were also considered to estimate the output generated by the human resources within the OPZ.

Furthermore, this study also compares differences in intellectual capital between government-managed institutions (BAZNAS) and privately managed institutions (LAZ). There has been an ongoing debate on whether human resources differ significantly between organizations managed by the government and those managed by the private sector.

The similarities and differences between public and private sectors have long been debated in the literature on public administration, politics, and economics. The primary distinction between public and private organizations lies in ownership. Private organizations are owned by entrepreneurs or shareholders in this context, community-based Zakat Management Organizations (OPZ) while public organizations are owned and operated by the government.

Public institutions are generally funded by government taxation, whereas private institutions are financed independently by the community or donors. Public institutions are strongly influenced by political interests, while private institutions tend to be shaped by economic interests. Meanwhile, Rainey, Backoff, and Levine (1976) identified several potential differences between public and private institutions as follows: Goals, objectives, and planning. Public organizations often have less flexibility and autonomy in defining their goals compared to private organizations. Their objectives tend to be more diverse and harder to determine. Additionally, planning processes within public organizations are often more complex, involving multiple stakeholders, which makes long-term planning more difficult.

In economics, intellectual capital (IC) represents a transition toward innovative, competitive, and sustainable development. Humans are the driving force of this transformation, as the knowledge they possess constitutes the most vital resource of

any organization. IC can be defined as a set of skills and experiences of an organization's employees, which, together with its information base, express the company's potential for long-term profitability at a certain level of reliability (Joshi et al., 2013). Therefore, IC is regarded as an intangible activity encompassing people, the art of creation and learning (human capital), organizational culture and technology (structural capital), and relationships with the external environment (relational capital) in the value creation process (Lerro et al., 2014), guiding firms toward competitiveness (Xu & Wang, 2018).

IC embodies a sphere of "intangible" resources that are not quantified in financial statements but determine long-term value creation, which is essential for sustainability (Xu & Wang, 2018). This aligns with the principles of the Sustainable Development Goals (SDGs) set by the United Nations' 2030 Agenda, supporting economic development and social welfare. Organizations are increasingly developing systems to quantify and report their IC, viewing it as a strategic asset that enhances corporate competitiveness and stakeholder trust.

Traditionally, IC has been studied as a measurable resource for value creation. However, from a dynamic perspective, the role of IC in the implementation of organizational processes for knowledge-based value creation is analyzed to understand how organizational knowledge interacts with IC to create and maximize its benefits (Lerro et al., 2014). Furthermore, through human resource involvement in corporate disclosure processes, companies can align themselves with market expectations, disseminate relevant information, and reduce information asymmetry (Caputo et al., 2016).

Based on a bibliometric analysis by Alvino et al. (2020), a conceptual map was reconstructed to explore correlations among key terms in the literature. The correspondence showed connections among terms such as "entrepreneurial orientation," "management," "capabilities," "consumer acceptance," and "culture." Other clusters included "innovation," "resources," "absorptive capacity," "business," "clusters," "drug development," and "competitive advantage," "knowledge management," "business performance," "economy," and "corporate social responsibility." These relationships highlight the closeness between knowledge, innovation, and business models, as corporate culture influences entrepreneurial orientation and strengthens competitiveness crucial in addressing sustainability challenges. The bibliometric trends (1990–2019) showed a surge of interest starting in 2015, coinciding with the United Nations' adoption of the 2030 Agenda, suggesting an increasing academic focus on the interconnections between intellectual capital, information technology, and sustainable development.

The concept of value is strongly linked to business models (Evans et al., 2017) because it reflects a balance between corporate profit, social responsibility, and environmental protection an essential triad for inclusive and sustainable growth. This explains why several scholars have moved beyond purely quantitative approaches to examine IC as a driver of competitive advantage through knowledge management processes (Lerro et al., 2014).

Pulic (2004) argued that, given the economic shift toward a knowledge-based economy, intellectual capital should be regarded as a resource equal in importance to land, physical assets, and financial capital. This perspective implies that IC should not be

treated as an expense but rather as an investment. Pulic's findings further indicate that while indicators such as income, profit, and GDP are often viewed as signs of success, IC efficiency levels can reveal the opposite that economic value might be diminishing instead of increasing.

Moreover, Vatamanescu et al. (2019) found that intellectual capital enhances sustainable competitiveness and drives internationalization processes by facilitating knowledge exchange with foreign markets. This organizational ability to exploit knowledge for innovation and external market engagement (Santoro et al., 2019) fosters open innovation solutions that integrate internal business processes with external technologies. Such capabilities are essential for achieving higher competitiveness and stimulating entrepreneurship to build innovative systems that fully exploit intangible resources to attain sustainable performance.

Review of Relevant Literature

Research on intellectual capital (IC) within Zakat Management Organizations (OPZ) remains limited and relatively underexplored. One of the most recent studies was conducted by Zakiy and Falikhatun (2024), who found empirical evidence that human capital efficiency has a positive and significant effect on zakat performance. Their findings align with the resource-based theory, which posits that human resources function as a strategic asset for achieving competitive advantage. Furthermore, OPZs with high-quality human resources demonstrate greater effectiveness and efficiency in managing Zakat, Infaq, and Sadaqah (ZIS) funds because their personnel possess the necessary knowledge and skills in both zakat management and sharia principles. Competent human resources can also improve supervision and control over ZIS funds, thereby minimizing operational risks.

Zakiy, Falikhatun, and Fauziah (2023) also emphasized that one of the main challenges faced by OPZs is the lack of both the quantity and quality of capable human resources. The limited number of skilled professionals is attributed to the relatively low interest of qualified talent in pursuing a career as professional amil (zakat officers). Moreover, the existing workforce often lacks sufficient expertise in religious knowledge, management science, commitment, integrity, and practical experience.

Competent human resources can enhance the credibility of OPZs, thereby increasing public trust. As shown by Cokrohadismarto et al. (2019), OPZ credibility significantly influences public intention to pay zakat. When credibility is moderated by the role of information, its effect remains significant and meaningful. Similarly, Sadallah and Abdul-Jabbar (2022) found that public trust in the credibility of zakat institutions encourages individuals to consistently channel their zakat through official organizations. This trust particularly from muzakki (zakat payers), who serve as the main funding source for OPZs affects behavior positively by motivating compliance with zakat obligations through formal institutions.

Herianingrum et al. (2023) also highlighted that effective human resource governance in OPZs is a key determinant of organizational progress and the achievement of their ultimate goal improving the welfare of mustahik (zakat recipients). Their study recommended strengthening amil governance to maintain public trust in zakat distribution, which would enhance the accuracy and quantity of collected data as well as the overall efficiency of zakat disbursement in Indonesia. This, in turn,

underscores the importance of human resources as part of intellectual capital in the sustainability of zakat management.

From a broader organizational perspective, Rainey, Backoff, and Levine (1976) identified key differences between public and private organizations that are crucial to understanding management, research, and training practices. They argued that comparative studies between public and private sectors should continue not to reject general theories of management but to complement them. Boyne (2002) further emphasized the similarities and differences between public and private sectors in service delivery. Public organizations, often influenced by political forces, tend to be less flexible but more inclusive, while private organizations exhibit greater flexibility and efficiency, albeit with a more exclusive approach to service delivery.

Prior studies evaluating intellectual capital within OPZs tend to treat these organizations as a singular, homogenous group. This perspective completely ignores the statutory and structural dichotomy mandated by Indonesian law (Law No. 23 of 2011), which divides zakat administration into government-managed bodies (BAZNAS) and privately-managed entities (LAZ). These two institutional types possess vastly different funding structures, political exposures, and operational constraints that significantly alter how intangible resources are managed.

Extant literature operates in silos; public administration scholars investigate institutional rigidities and service delivery macro-mechanisms (Boyne, 2002; Rainey et al., 1976), while Islamic finance scholars isolate intellectual capital measurements without accounting for the structural and political variances of institutional ownership. Consequently, there is a distinct lack of empirical evidence explaining how institutional ownership structures (government vs. private) moderate or differentiate the efficiency of specific IC components, namely Human Capital Efficiency (HCE), Structural Capital Efficiency (SCE), and Capital Employed Efficiency (CEE), in driving zakat performance. To explicitly delineate this gap, the contemporary research landscape is mapped in Table 1.

Table 1. Research Gap Mapping Matrix

Author(s) & Year	Core Focus & Main Variables	Context/Scope	Key Research Weakness/Limitation	Research Gap Addressed by This Article
Zakiy & Falikhatusun (2024)	Measurement of IC components (HCE, SCE, CEE) on zakat performance.	Zakat Management Organizations (OPZs) in Indonesia.	Fails to differentiate or statistically compare IC efficiency levels on institutional ownership (government vs. private).	Conducts a comparative empirical investigation of IC-performance nexuses explicitly segmented by BAZNAS and LAZ.
Sadallah & Abdul-Jabbar (2022); Cokrohadismarto	Public trust, institutional credibility, and muzakki	Muzakki behavior and external institutional	Overly focused on external consumer/payer variables rather than	Shifts the analytical focus to internal resource

et al. (2019); Heianingrum et al. (2023)	compliance behavior.	accountability.	the optimization of internal intangible asset configurations.	optimization, exploring how internal IC components act as primary operational drivers.
Boyne (2002); Rainey, Backoff, & Levine (1976)	Variations in goals, flexibility, and service efficiency between public and private sectors.	Macro-level General Public Administration.	Purely theoretical or generalized to public sector commercial corporations; never empirically tested within religious/Islamic social finance organizations.	Operationalizes public-private differentiation theories within the niche domain of socio-religious non-profit governance (OPZs).

Research Method

This study adopts a quantitative research approach, beginning with a literature review and followed by empirical data analysis. It is designed as a hypothesis-testing study, where Cooper and Schindler (2014) define a hypothesis as a tentative proposition whose truth is yet to be determined and must be tested empirically.

The data sources used in this study are the officially published financial reports of Zakat Management Organizations (OPZ), both from Badan Amil Zakat Nasional (BAZNAS) and private Lembaga Amil Zakat (LAZ). The dataset combines time series and cross-sectional data, forming a panel data structure.

The sample includes one national-level government-managed OPZ (BAZNAS) and 13 provincial-level BAZNAS branches. Meanwhile, the privately managed national LAZ institutions include Lazisnu, Baitul Maal Muamalat, LAZ Al-Azhar, Rumah Zakat, Dompot Dhuafa, BSI Maslahat, Dewan Dakwah, Lazismu, Rumah Yatim, LAZ Nurul Hayat, LMI Ukhuwah Islamiyah, LAZ Mizan Amanah, and LAZ Al-Fajr. The data covers the five-year period from 2018 to 2022.

Panel data regression analysis is employed as the primary analytical method. This technique combines cross-sectional and time-series data, providing broader and more comprehensive predictive insights than using either data type alone.

Tabel 2.
Research Variables

Types	Variable	Measurement
Independent	Human Capital Efficiency (HCE)	$HCE = VA/HC$ $VA = VA\ OUT + VA\ IN$, where HCE = Human Capital Efficiency, HC = Total Salary, VA = Value Added, OUT = Total Disbursement, IN = Total Collection
	Structural	$SCE = SC/VA$

Types	Variable	Measurement
	Capital Efficiency (SCE)	SC = VA – HC Where SCE = Structural Capital Efficiency, SC = Structural Capital, VA= Value Added, HC = Human Capital
	Capital Employed Efficiency (CEE)	CEE = VA/CE Where CEE = Capital Employed Efficiency, VA = Value Added, CE = Capital Employed Proxied by Total Collection Fund
	Value Added Intellectual Coefficient (VAIC)	VAIC = HCE + SCE + CEE
Dependent	Zakat Performance (ZP)	Total Surplus of ZIS Collection
Control	Size of OPZ (SIZE)	Logaritma Natural (LN) of OPZ Assets
	Current Ratio (CR)	Current Assets – Current Liabilities
	Type of OPZ (DO)	Dummy of OPZ, 1 Baznas and 0 for LAZ operated by private entities

Sumber: Zakiy & Falikhatun (2024)

The statistical data analysis used in this study applies the correlation coefficient analysis to determine the direction and strength of the relationship between two or more variables. The direction of the relationship is expressed as either positive or negative, while the strength of the relationship is represented by the magnitude of the correlation coefficient.

In this study, the Product Moment Correlation Coefficient formula is employed because the data used are measured on a ratio scale. The formula for the Product Moment Correlation is as follows:

$$r = \frac{n \sum XY - (\sum X)(\sum Y)}{\sqrt{(n \sum X^2 - (\sum X)^2)(n \sum Y^2 - (\sum Y)^2)}}$$

Where:

- n = Number of Pairs
- X = score of variable X
- Y = score of variable Y

The Product Moment correlation coefficient (r) ranges from -1 to +1. The maximum positive correlation coefficient is +1 (100%), and the maximum negative correlation coefficient is -1 (-100%), while the weakest correlation is 0, which indicates no relationship between the variables. If the correlation coefficient between two or more variables equals +1 or -1, the relationship is considered perfect.

Result & Discussion

Descriptive Analysis of the Performance of Government and Private Zakat Management Organizations (OPZ) in Indonesia

Table 3.

Descriptive Statistics of the Performance of Government and Private OPZ in Indonesia
(in Rp Million)

	Types	Current Assets	Current Liabilities	Size	Surplus of Collection	Total Collection Fund	Salary	ZIS Collection	ZIS Disbursement
N	Government	7	7	7	7	7	7	7	7
	Private	91	91	91	91	91	91	91	91
Mean	Government	137.887	17.504	163.514	34.624	144.093	37.469	436.9	402.277
	Private	43.432	5.029	69.798	-4.68	62.094	9.373	169.268	173.948
Median	Government	104.039	6.006	119.224	26.116	119.224	38.555	381.694	353.146
	Private	24.088	1.528	35.338	3.02	29.264	5.327	80.565	79.425
Standard deviation	Government	116.83	31.045	119.97	60.926	85.78	11.396	260.669	212.049
	Private	46.267	8.221	85.24	81.049	78.008	9.501	284.336	289.823
Minimum	Government	55.816	1.484	71.189	-46.004	65.785	18.589	154.129	136.143
	Private	2.68	-	5.58	-612.371	4.975	716	23.904	20.085
Maximum	Government	392.409	87.113	422.225	157.618	324.728	51.887	881.199	723.58
	Private	241.311	48.802	423.284	81.923	392.245	34.65	2.340.000	2.330.000

Source: Data Processed

Based on the results of the descriptive statistical analysis, there is a significant difference in the financial profiles between government-managed and privately managed Zakat Management Organizations (OPZ).

For the Current Assets (CA) variable, the average value of government OPZs is IDR 137,887 million, which is considerably higher than that of private OPZs, averaging only IDR 43,432 million. The variability in current assets, reflected in the standard deviation, is also greater in government OPZs (IDR 116,830 million) compared to private OPZs (IDR 46,267 million), indicating a notable increase in asset capacity within government OPZs. The minimum and maximum values further emphasize this difference, with the maximum for government OPZs reaching IDR 392,409 million, while private OPZs only reach IDR 241,311 million.

A similar pattern appears in Current Liabilities (CL), where government OPZs record an average liability of IDR 17,504 million, compared to only IDR 5,029 million for private OPZs. This suggests that government OPZs operate on a larger scale with higher short-term obligations, likely due to broader programs and larger transaction volumes. The higher standard deviation and maximum value for government OPZs (IDR 31,045 million and IDR 87,113 million, respectively) further indicate greater variation compared to private OPZs.

In terms of organizational size (SIZE) measured by total assets, government OPZs record an average of IDR 163,514 million, more than twice that of private OPZs (IDR 69,798 million). This finding aligns with their larger capacity in fundraising and distribution. The ZIS Fund Surplus variable shows that government OPZs report a positive average surplus of IDR 34,624 million, while private OPZs experience an

average deficit of IDR -4,680 million. This may reflect challenges faced by private OPZs in balancing fundraising and distribution, whereas government OPZs tend to accumulate excess funds.

The ZIS Fund Balance (FB) in government OPZs is also significantly higher (IDR 144,093 million) than in private OPZs (IDR 62,094 million), implying greater financial flexibility and program sustainability. Regarding employee salary expenses, government OPZs allocate an average of IDR 37,469 million, much higher than private OPZs at IDR 9,373 million, possibly reflecting differences in the number of amil (zakat administrators) employed.

For the main performance indicators of OPZs Zakat Fund Collection (IN) and Zakat Fund Distribution (OUT) government OPZs again record higher averages. The average collection for government OPZs is IDR 436,900 million, with distribution averaging IDR 402,277 million. In contrast, private OPZs report averages of IDR 169,268 million for collection and IDR 173,948 million for distribution. On the other hand, private OPZs exhibit notable outliers, with maximum collection and distribution values of IDR 2,340,000 million and IDR 2,230,000 million, respectively, likely attributable to a few large-scale private OPZs.

Overall, these findings indicate that government OPZs, on average, have greater financial, operational, and liquidity capacities than private OPZs. However, the data variability suggests that in both categories, some entities perform above average and may serve as best-practice models for zakat management. These differences are likely influenced by varying regulatory frameworks and infrastructure support between government and private OPZs. Further statistical testing of these differences will provide a more comprehensive understanding of the performance disparities between the two OPZ types.

The comparison results also reveal that although government OPZs have larger financial capacities, private OPZs demonstrate competitive performance in terms of distribution efficiency and liquidity ratios. Nonetheless, the negative surplus observed among private OPZs highlights the urgent need to strengthen fundraising strategies to ensure operational sustainability.

Descriptive Analysis of Intellectual Capital of Government and Private OPZs in Indonesia

Table 4.

Descriptive Analysis of Intellectual Capital of OPZs in Indonesia

	Types of OPZ	HCE	SCE	CEE	VAIC
N	Government	7	7	7	7
	Private	91	91	91	91
Mean	Government	21.1	0.949	5.95	28
	Private	57.5	0.961	8.86	67.3
Median	Government	17.8	0.944	6.38	24.9
	Private	27.5	0.964	3.92	35.4
Standard deviation	Government	6.4	0.0142	1.69	7.02
	Private	102	0.0248	11.6	108
Minimum	Government	15.4	0.935	2.65	19.2

	Types of OPZ	HCE	SCE	CEE	VAIC
	Private	7.92	0.874	1.03	11
Maximum	Government	30.9	0.968	7.65	36.8
	Private	537	0.998	63.9	602

Source: data processed

Based on Table 3, there is a significant difference in the performance of intellectual capital between government-managed and privately managed Zakat Management Organizations (OPZ) in Indonesia.

In terms of Human Capital Efficiency (HCE), private OPZs demonstrate a much higher level of performance compared to government OPZs. The average HCE value for private OPZs is 57.5, while that for government OPZs is only 21.1. This indicates that private OPZs are more capable of leveraging the competencies, knowledge, and skills of their human resources to generate greater economic value for the organization. The higher median HCE for private OPZs (27.5) also suggests that the efficiency of human resources in private zakat institutions tends to be more stable and evenly distributed than in government institutions, which still show greater variation, as reflected by their higher standard deviation.

For the Structural Capital Efficiency (SCE) variable, both government and private OPZs display relatively similar values. The average SCE for government OPZs is 0.949, while for private OPZs it is 0.961. This similarity indicates that organizational structures, work systems, and internal processes in both types of OPZs are relatively effective in supporting institutional performance. However, private OPZs show a slight advantage, possibly reflecting better adaptability and innovation in managing performance-based institutional structures and systems.

Regarding Capital Employed Efficiency (CEE), private OPZs are also more efficient in utilizing their physical and financial capital. The average CEE value for private OPZs is 8.86, compared to only 5.95 for government OPZs. This difference illustrates that private OPZs are able to manage their assets and working capital more productively, thereby creating greater economic value than government zakat institutions. The higher median CEE in private OPZs (3.92) compared to government OPZs (3.84) reinforces the indication that asset management in private institutions is more efficient and measurable.

Overall, the Value Added Intellectual Coefficient (VAIC) which serves as an aggregate indicator of intellectual capital efficiency shows that private OPZs significantly outperform government OPZs. The average VAIC of private OPZs reaches 67.3, far exceeding that of government OPZs, which is only 28. This finding confirms that, in general, private OPZs possess a superior ability to integrate human resources, organizational structure, and physical capital to create added value. Although the standard deviation of VAIC among private OPZs is relatively high (108), indicating performance variation across institutions, it still reflects a greater potential for efficiency compared to government-managed institutions.

The descriptive and empirical findings of this study unveil a compelling paradox within the Indonesian zakat ecosystem: the sharp divergence between institutional scale and intellectual efficiency. Structurally and financially, government-managed OPZs

(BAZNAS) exhibit a dominant profile, maintaining significantly higher average Current Assets (IDR 137,887 million) , a larger institutional Size (IDR 163,514 million) , and a comfortable positive ZIS Fund Surplus (IDR 34,624 million) compared to privately-managed OPZs (LAZ). Conversely, LAZ institutions operate under tight financial constraints, marked by a substantially lower asset baseline and a chronic average ZIS Fund Deficit of IDR -4,680 million.

However, when evaluated through the lens of the Value Added Intellectual Coefficient (VAIC), this relationship undergoes a dramatic inversion. Private OPZs substantially outperform government OPZs, generating a mean VAIC of 67.3 compared to BAZNAS’s score of merely 28.0. Critical argumentation suggests that this phenomenon can be theoretically explained by the concepts of "organizational slack" versus "existential catalysts." BAZNAS, backed by statutory monopoly and state infrastructure under Law No. 23 of 2011, enjoys protected institutional funding boundaries and guaranteed survival. This regulatory safety net reduces the competitive pressure to optimize internal resources, culminating in administrative slack where massive asset accumulation does not yield proportionate intellectual efficiency.

In stark contrast, the chronic deficit observed among private OPZs (LAZ) serves as an existential catalyst. Lacking government financial cushions or tax-funded support, LAZ institutions are caught in a perpetual struggle for operational survival and donor retention. This financial vulnerability compels private OPZs to adopt an aggressive entrepreneurial orientation, forcing them to extract maximum productivity from every unit of available physical and human resource. Consequently, their deficit is not necessarily an indicator of structural failure, but rather a reflection of aggressive fund distribution strategies combined with an operational mandate to run an ultra-lean, highly efficient organization.

This conclusion is consistent with Boyne (2002), who argued that private organizations tend to be more flexible, allowing them to provide better services compared to government institutions. Furthermore, Rainey, Backoff, and Levine (1976) emphasized that government organizations often face challenges in human resource management, characterized by rigidity and limited flexibility, unlike private organizations that can adapt more dynamically to achieve optimal performance.

The Relationship between Intellectual Capital and OPZ Performance

Table 5.
Relationship between Intellectual Capital and OPZ Performance

		HCE	SCE	CEE	VAIC
HCE	Pearson's r	-			
	p-value	-			
SCE	Pearson's r	0.5	-		
	p-value	<.001	-		
CEE	Pearson's r	0.556	0.275	-	
	p-value	<.001	0.006	-	
VAIC	Pearson's r	0.996	0.498	0.628	-
	p-value	<.001	<.001	<.001	-
Zakat	Pearson's r	0.455	0.209	0.452	0.474

Performance	p-value	<.001	0.039	<.001	<.001
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Source: data processed

The Pearson correlation analysis demonstrates that Human Capital Efficiency (HCE) possesses a near-perfect correlation with aggregate VAIC ($r = 0.996$, $p < 0.001$) and exerts a robust positive influence on Zakat Performance ($r = 0.455$, $p < 0.001$). This empirical reality strongly validates the Resource-Based View (RBV) within the non-profit socio-religious sphere, confirming that human capital is the foundational strategic asset driving value creation.

However, a deep-dive analysis into the institutional differences reveals that private OPZs achieve an average HCE of 57.5, which is more than double the HCE of government OPZs (21.1). This massive gap cannot be attributed to underfunding, as BAZNAS expends a substantially larger average salary budget (IDR 37,469 million) than LAZ (IDR 9,373 million). Instead, this inefficiency is a structural byproduct of Public Management Theory, specifically regarding bureaucratic rigidity and non-performance-linked compensation. As non-structural government bodies, BAZNAS branches are frequently bound by rigid administrative procedures, standardized civil-service payroll paradigms, and complex multi-stakeholder accountability structures that detach compensation from actual value-added output.

On the other hand, the superior HCE of private OPZs indicates highly agile, goal-oriented human resource configurations. Driven by the absolute necessity to maintain public credibility and donor trust, private OPZs actively foster individual innovation, flexible work cultures, and performance-driven metrics for their amils. This allows LAZ institutions to convert their relatively small amil force and salary allocations into significantly higher operational agility and superior social impact.

Research by Zakiy and Falikhatun (2024) shows that human capital efficiency has a significant effect on zakat performance. This finding is also supported by Herianingrum et al. (2023), who emphasize that human resource governance is the key success factor for zakat institutions in achieving mustahik welfare. The empirical findings show a high correlation between HCE and zakat performance ($r = 0.455$; $p < 0.001$), confirming that the higher the ability of amil zakat to manage funds while adhering to sharia principles, the better the zakat management performance achieved.

The significant relationship between HCE and zakat performance also highlights the importance of learning capability and individual innovation within socio-religious organizations. Pulic (2004) asserts that human capital is the core component in creating intellectual value added, where individual competencies play a role in transforming inputs into organizational value. In OPZ, knowledgeable and committed amil zakat not only enhance operational effectiveness but also strengthen institutional credibility in the eyes of muzakki (zakat payers). Cokrohadismarto et al. (2019) found that the credibility of zakat institutions has a significant influence on public intention to pay zakat through official institutions, and this trust strongly depends on the quality of human resources.

Apart from human capital, the correlation results also show that Capital Employed Efficiency (CEE) is positively and significantly related to zakat performance ($r = 0.452$; $p < 0.001$). This confirms that efficiency in the utilization of employed capital,

both in financial and physical assets, plays an important role in improving OPZ performance. Well-managed employed capital enables institutions to expand service capacity, enhance transparency, and optimize zakat fund distribution.

A critical finding that requires rigorous argumentation is the universally weak relationship between Structural Capital Efficiency (SCE) and Zakat Performance ($r = 0.209$, $p = 0.039$). Furthermore, the descriptive statistics show that both government and private OPZs possess almost identical, stagnant levels of SCE (0.949 for BAZNAS and 0.961 for LAZ). This weak correlation can be explained by the fact that many OPZs in Indonesia still face limitations in information systems, innovation, and organizational governance (Zakiy, Falikhatun & Fauziah, 2023). Organizational structures that are not yet fully adaptive to digitalization and managerial innovation cause structural capital to remain a secondary driver of zakat performance improvement. Nevertheless, the significance of this relationship indicates that strengthening internal governance and operational systems remains necessary as a foundation for institutional sustainability.

Conceptually, these results illustrate that intellectual capital in OPZ not only reflects human resource competence but also the synergy between human, physical, and structural assets. VAIC, as an aggregate measure of intellectual capital, shows a positive correlation with zakat performance ($r = 0.474$; $p < 0.001$), meaning that the higher the overall efficiency of intellectual capital, the better the zakat management performance. These findings are consistent with the theories of Pulic (2004) and Mention (2012), which emphasize that efficient management of intellectual capital can enhance productivity, innovation, and organizational performance even in the non-profit sector.

This systemic convergence indicates that the Indonesian zakat sector faces a "structural capital ceiling." Despite differences in ownership, neither sector has successfully institutionalized individual amil knowledge into resilient, scalable organizational systems. Zakat management in Indonesia remains heavily reliant on the idiosyncratic, relational, and ad-hoc capabilities of individual human agents (HCE) rather than automated digital infrastructures, codified workflows, or robust institutional knowledge management systems (SCE).

This lack of structural maturity explains why structural capital fails to act as a primary driver of performance. For BAZNAS, structural capital is often hampered by bureaucratic red tape ; for LAZ, it is restricted by capital limitations that prevent heavy, long-term investments in advanced technology or enterprise governance frameworks. Consequently, until OPZs transition from a human-dependent operational model to a system-dependent corporate governance model, institutional growth will remain linear and highly volatile, constrained by the boundaries of individual amil capabilities.

Conclusion

The results indicate a positive and significant relationship between Intellectual Capital and the performance of Zakat Management Organizations (OPZ) in Indonesia during the 2018–2022 period. This finding reinforces that efficient management of intellectual capital including human resource capability, organizational structure effectiveness, and the optimization of physical and financial capital plays a vital role in improving zakat performance. In this context, the professionalism and competence of

amil zakat, adaptive institutional systems, and efficient asset management serve as the main pillars for creating added value and strengthening public trust in zakat institutions.

Furthermore, the study reveals differences in the relationship between Intellectual Capital and OPZ performance based on ownership type (government vs. private). Private OPZs tend to demonstrate higher efficiency, particularly in managing human capital and capital employed, compared to government OPZs. This advantage reflects the managerial flexibility and adaptability of private institutions, which contribute to better performance. Conversely, while government OPZs may possess greater financial and operational capacity, they face challenges related to human resource efficiency and capital utilization.

The findings confirm that private organizations generally have higher flexibility in delivering services compared to government institutions, as stated by Boyne (2002). This provides a theoretical implication that organizational flexibility is an essential factor in public service effectiveness. This view also highlights the structural differences between government and private organizations, where the former tends to be more rigid in human resource management (Rainey, Backoff, & Lavince, 1976).

Theoretically, these results strengthen the understanding that organizational structure and internal flexibility influence the quality of service delivery. The limited flexibility of government institutions can become a constraint in responding to the dynamic needs of society, while private organizations' adaptability allows them to react more swiftly to change. Thus, this research contributes to public management theory emphasizing the importance of adaptability and organizational agility in improving service performance.

Practically, the findings suggest that government institutions need to enhance their flexibility in management and service delivery systems to match the effectiveness of private organizations. The rigidity of human resource management can be improved through bureaucratic reform, transparent performance appraisal systems, and training programs focused on competence and innovation enhancement.

Moreover, government agencies could adopt certain managerial practices from the private sector, such as granting greater autonomy to operational units, implementing performance-based reward systems, and developing more responsive service mechanisms aligned with community needs. These measures are expected to improve public sector service quality significantly.

The findings also provide policymakers with insights to reconsider overly restrictive regulations that hinder public institutional efficiency. More flexible and adaptive policies will enable government institutions to improve effectiveness, efficiency, and public satisfaction with their services.

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