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Managing Zakat Institutions: The Relevance of TQM

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Abstract:
This paper intends to analyse how zakat (tithes) institutions are managed; more so on how it achieves its objective of transforming the distribution of zakat from a subsistence to a productive form of zakat. The intention to transform is seen as an effective mechanism for distributing zakat to overcome poverty, especially among the hard-core poor, those eligible for zakat (asnaf) and the muallaf (people who have embraced Islam) who have the potential and are skilful. Whether the transformation succeeds or not closely depends on how the zakat institutions are managed. In order to make the zakat institutions play a more effective and dynamic role in efforts towards transformation, it needs a form of institutional management that is practical and effective.
The aim of analysing how zakat institutions are managed in this article is based on two problems that were identified. Firstly, there is not one form of institutional management method capable of withstanding the measure of time that could be used by current zakat institutions to achieve the objectives of transformation in the long term. The second problem is the phenomenon of widely using the conventional management method by Islamic development institutions, generally and the zakat institutions, specifically. Hence, the question is, can the characteristics of conventional zakat institution management adopted today be applied in its actual form, especially in these transformation efforts. What are the characteristics that are compatible with the philosophy of zakat institutions, especially compatible with the function to achieve the objectives of transforming subsistence zakat to a productive zakat distribution? What are the management characteristics that should be adopted by zakat institutions so that it would contribute towards the transformation objectives? This paper intends to elaborate on these three questions.

Keywords: Zakat institutions, Total Quality Management, Productive zakat, Management of Islamic institutions

1. Introduction

The emergence of zakat institutions, especially in Malaysia after the 1990s, was vigorous and proactive. Among them was the Federal Territory's Centre for Zakat Collection (CZC-FTIAC), established in 1991; the Selangor Centre for Zakat Collection (CZC-SIAC)[1], established in 1994; the Pulau Pinang Centre for Zakat Administration (PPCZA), established in 1994; Pahang Zakat Collection Centre (PZCC), established in 1996; Negeri Sembilan Zakat Collection Centre (NSZCC), established in 1998 and the latest was the Sabah Zakat Centre (SZC), established in 2007. In general, the establishment of zakat institutions were intended to enhance the effectiveness of zakat management in Malaysia at the respective state levels. At the national level, the Department of Wakaf, Zakat and Hajj (JAWHAR) plays the role of a secretariat for coordinating matters pertaining to collection and distribution of zakat in the various states (Helmi Mohd Foad, 2004 and JAWHAR, 2010)[2].

Even though the zakat institutions were very actively developed in order to enhance the effectiveness of zakat management; however, the establishment of these institutions did not include the formation or development of a form of specific management to be adopted by these institutions. Considering the latest developments, zakat institutions are initiating transformations on zakat distribution from subsistence to a productive zakat system. The transformation from subsistence to productive zakat is presumed to be a mechanism for effective zakat distribution, especially for managing poverty among the group that qualifies for zakat (asnaf fakir), the poor and those who have embraced Islam (muallaf), provided they have the potential and skills. However, these transformation efforts are not followed through by committed transformation initiatives such as the management of zakat institutions. Moreover, the success of the transformation objectives or any mission and vision of an institution, including a zakat institution, is closely related to the institution's management aspect. More specifically, the management of zakat institutions that is proper and according to the true Islamic-based management concept would be able to make these institutions play an effective role in integrating the need to fulfil obligations and obtaining rights by Muslims.

Hence, arises the question, what is the basis of the zakat institution's management currently. Is it formed in accordance with the Islamic paradigm, which is the backbone for forming the zakat institution as an Islamic-based development institution[3]? Alternatively, is this institution only adopting the fundamentals of management currently available to be assimilated into the management of zakat institutions? Hence, if it is, what then are the features of this management? Are these features of institutional management suitable for

adoption by zakat institutions, which are also Islamic-based development institutions, and in line with the intention of implementing the function of transforming subsistence zakat to productive zakat?

This paper intends to answer these questions by critically analysing and focusing on the characteristics of the management style currently adopted. The results of the analysis would help formulate a form of management whereby its characteristics are in accordance with the functions and objectives of the zakat institutions in regards to the effective distribution of zakat and to achieve the mission of transforming the distribution of zakat.

The discussion in this paper is divided into three sections. The first section presents basic information related to the management of current zakat institutions by relating the discussion with the management of Islamic development institutions in Malaysia, in general. This was done because zakat institutions are a part of Islamic development institutions. The second section reviews the currently adopted basic management characteristics, including that by zakat institutions. Lastly, the third section adduces the analysis from an Islamic perspective on the management characteristics reviewed in the second section earlier. From the discussions in all three sections, this paper will make a conclusion regarding the management characteristics that should be adopted by a zakat institution, especially in efforts to transform the distribution of zakat.

2. The Management of Current Zakat Institutions in Malaysia

The zakat institution is one of the dynamic Islamic development institutions in this country. This is proven by the implementation of zakat management from a corporate perspective such as that implemented by CZC-FTIAC, PUZ and SZB. The vigorous expansion of zakat institutions in this country is in line with the active expansion of establishing Islamic development institutions that started at the end of the 1960s and early 1970s in this country. The history of establishing Islamic-development institutions in Malaysia is synonymous with the history of creating awareness among Muslims in this country about Islamic-based development in a wider context. This awareness campaign was mooted during preaching by Islamic movements in Malaysia at that time (Muhammad Syukri Salleh, 1999:40, and Ahmad Fauzi Abdul Hamid, 2003:129).

At the beginning, the awareness came about due to the intense preaching of Islamic movements among the people compared to the ruling regime at that time. Only after the time of Tun Mahathir Mohamad (1981-2003)[4] were the efforts of implementing Islamic-based development taken seriously by the government (Ahmad Fauzi Abdul Hamid, 2003:128). His predecessor, Abdullah Ahmad Badawi (2003-2009), continued these noble efforts[5]. The outcome was the rise of Islamic development institutions from every aspect of development in a more formal, structured and integrated manner. Specifically, the development of Islamic-based development institutions in Malaysia is based on basic development aspects such as the aspects of religious obligation (ibadah) by Muslims to more general aspects of development such as education, administration, banking, finance, socio-economy etc. (Ahmad Fauzi Abdul Hamid, 2003:129). In the socio-economic aspect as well as the management of implementing the religious obligation (ibadah) aspect of zakat, especially the collection and distribution of zakat, numerous zakat management institutions were established in most of the states in Malaysia.

However, the vigorous development of zakat institutions was not complemented by the formation or development of a form of management specifically for the use of managing these institutions even though management is a critical aspect that determines the direction of zakat institutions. The Malaysian government, for example, which is aware of the management aspect's importance on the performance and achievement of an institution, has suggested that government institutions, including zakat institutions, adopt conventional management methods originating from the West or Japan. This suggestion, among others, was conveyed through the Public Services Performance Circular (PKPA)[6]. Among the conventional management methods suggested in the PKPA are Quality Enhancement Group (KMK), Total Quality Control (TQM), ISO 9000 Certificate Series, Business Process Reengineering (BPR) and Kaizen (Malaysia Government, 2003). Besides that, the suggestion to use the conventional management method was supported by the government with the creation of the Prime Minister's Quality Award, National Quality Exposition and Awards, KMK Conventions, Quality Day and the Quality Appreciation System (Ahmad Sarji Abdul Hamid, 1994:9).

The suggestions outlined by the government were welcomed by government agencies and also Islamic development institutions, including zakat institutions. Fadzila Azni Ahmad (2008), in her study on management in top 20 Islamic-based development institutions in Malaysia that comprised government institutions, statutory bodies, and non-governmental organizations (NGOs), including two chosen zakat institutions, found that these institutions preferred to adopt conventional management methods. The frequency of using conventional management methods in these institutions was high (88.64%) compared to the frequency of using Islamic management methods (11.36%).

Among the conventional management methods, TQM is most widely adopted by Islamic development institutions compared to other forms of management. Empirical findings by Fadzila Azni Ahmad (2008) had adduced 12 (60.0%) institutions including both the zakat institutions that had adopted TQM. The findings also showed that only 8 institutions (40%) did not adopt TQM and out of that 5 (25%) still adopted some of the management elements contained in TQM, such as ISO 9000 Standards Certification, QCC and the 5-S (Seiri, Seiton, Seiso, Seiketsu and Shitsuke). This means that out of the 20 Islamic development institutions studied only 3 did not adopt TQM management entirely or any form of management contained in TQM.

The study also shows that the tendency to use the TQM management method is due to the confident feeling that it is a form of competitive, systematic, efficient and effective management method (Fadzila Azni Ahmad, 2008). Besides that, it is practiced by a small number of Islamic development institutions including zakat institutions that were studied as a form of management according to the teachings of Islam. However, is it true that conventional management, in general and TQM management, in particular, is a form of management that is in accordance with the teachings of Islam? This question should be scrutinised in detail especially pertaining to efforts by zakat institutions to transform the management of zakat distribution from subsistence to a productive form. In other words,

in efforts to transform it is important to study the characteristics of management used by zakat institutions in order to ensure it is in accordance with the intended vision. The following section focuses on the current characteristics of TQM management that is dominantly adopted so that the characteristics are analysed from an Islamic perspective and also its suitability for adoption by zakat institutions, which is aimed at enhancing the effectiveness of zakat distribution, especially in efforts to transform the distribution of zakat.

3. The Characteristics of Management in Current Zakat Institutions

TQM that has been adopted by most of the Islamic development institutions including current zakat institutions comprises various related concepts starting with a comprehensive implementation of quality management at all levels in the institution. From a conceptual perspective, the objective of implementing TQM is to fulfil the wants of clients. The formation and development of the TQM management method is sourced from history and is still evolving until today. Briefly, the following sub-section adduces the basics of TQM that covers four elements, namely its definition, the history of its formation, its philosophy and its principles.

3.1. The Definition of TQM

TQM is a form of management centred on quality and involves all the members of the institution in every department and at every level (Oakland, 1993). The quality mentioned here refers to a product or service that has commercial characteristics (Shewhart, 1980), fulfils the wants of the client (Crosby, 1979; Ishikawa, 1985; Deming, 1986 and Feigenbaum, 1991), suitable for use (Juran, 1988), competitive (Ishikawa, 1985), void of defects (Crosby, 1979) and is almost perfect (Taguchi 1986). Its main objective in implementing quality management is to satisfy the wants of the last client in the chain (Garvin, 1988 and Mohamed Zairi, 1996).

In the context of zakat institutions, the last client is usually referred to the one who pays zakat (PPZ, 2004). Hence, by adopting TQM, the party that wishes to be satisfied in the one who pays the zakat.

3.2. TQM - The History of its Formation and the Background of its Development

The history of TQM's formation started after 1924 (Sarkar, 1998). It was introduced by experts in field of quality from America such as Shewhart, Deming, Juran and Feigenbaum (Sarkar, 1998). However, the concepts that were introduced were not received well in America but instead was accepted and expanded well in Japan (Wilkinson et.al, 1998).

Besides the concepts about quality introduced by Shewhart, Deming, Juran and Feigenbaum, concepts about quality introduced by Japanese experts were widely known in that country (Wilkinson et.al, 1998). The Japanese experts on quality were Ishikawa, Taguchi and Shingo (Ho, 1995). Hence, by practising an intensive form of quality management, Japan had eventually become a producing country foremost in the arena of international trade (Khoo & Tan, 2003). This had motivated American companies that were facing a decline in performance to re-examine the concepts about quality that were practiced in Japan in order to adopt these practices into their companies. This development had become the turning point in developing quality management in the West besides the emergence of new concepts on quality introduced by American quality experts at that time such as Crosby and Peters (Pascale and Athos, 1981).

Although developed by numerous quality experts from different continents, the basic factor that impels the formation and development of quality concepts by these experts is the same. Based on the elaboration adduced earlier, three main objectives were identified as being the turning point in the formation and wide adoption of quality concepts contained in TQM. The first aim was to ensure the maximum production of military hardware to fulfil the demand of American and allied wars (Wilkinson et.al, 1998). The second aim was to develop the economy of Japan, which had been destroyed due to the war (Cole, 2004). And the third aim was to compete with Japanese companies that were vigorously expanding and controlling the international market and having a negative effect on the American economy (Gryna, 1981).

All these three aims were actually motivated by one basic factor, which was also the core principle held by both American and Japanese companies. This basic factor was the intention to enhance the ability to compete or at least maintain the competitiveness of companies. This intention became the focus because it was believed to be the key for achieving an outstanding institution (Deming, 1986 and Oakland, 1993).

Besides sharing a similar impelling factor, the method of forming quality concepts in TQM is also similar. The elaboration in the previous section has shown that all the quality concepts in TQM were developed through deliberation, research, empirical testing and analysis in the field of quality initiated by experts from the West and Japan (Ho, 1995). Summarily, the formation of quality concepts in TQM is entirely based on the consideration and evaluation of human cognitive faculties.

3.3. The TQM Philosophy

Even though there are various quality concepts in TQM that were developed and expanded by quality experts, the basic philosophy is the same. There were at least four basic TQM philosophies that were mutually agreed upon. The first basic philosophy is to make quality the final aim achieved by the institution (Crosby, 1979; Ishikawa, 1985; Deming, 1986 and Juran, 1988). The second basic philosophy is to enhance the satisfaction of the institution's clients, which involves considering views, fulfilling wishes and achieving the client's expectations (Oakland, 1993). The third basic philosophy is to consider the aspect of relationships amongst humans in the institution. However, this relationship is limited to realising the TQM (Ishikawa, 1985 and Feigenbaum, 1991). Meanwhile, the fourth basic philosophy is to focus on enhancing the competitiveness and resilience of the company in a competitive economic environment (Oakland, 1993).

3.4. The TQM Principles

The implementation of all four basic philosophies is outlined in the eight principles of TQM. The eight principles are: focusing on the client, focusing on the process, continuous improvement, commitment from senior management, involvement of members of the institution as a team, decision- making based on facts and a scientific approach, learning and training for members of the institution and lastly, a win-win relationship with the suppliers (Crosby, 1979, Feigenbaum, 1991; Ishikawa, 1985; Deming, 1986; Garvin, 1988; Juran, 1989 and Oakland, 1993).

Based on the basics of TQM mentioned earlier, the following section will adduce an analysis of the characteristics of TQM from an Islamic perspective.

4. An Analysis of the Characteristics of Current Management of Zakat Institutions from an Islamic Perspective

Due to the convenient position of zakat institutions as Islamic-based development institutions; hence, to examine its suitability as a management method it should be examined from an Islamic perspective.

From an Islamic perspective, researching and analysing features and characteristics of something, including that of TQM, not only takes into consideration physical and materialistic elements (alam al-syahadat) but also the spiritual and supernatural elements (alam ghaib) that cannot be perceived in real terms. From the methodological perspective, this involves two methods, namely the 'aql and divine revelation (naql) methods as well as prevailing (daruri) and acquired (nazari) knowledge, with the divine revelation (naql) method and acquired (nazari) knowledge taking precedence compared to the 'aql and prevailing (daruri) knowledge.

For convenience sake, the study and analysis of the characteristics according to Islam were divided into three stages. The first stage is based on cognitive evaluations or the "knowledge of certainty" ('ilm al-yaqin); the second stage is based on observations using sensory faculties or the "eye of certainty" ('ayn al-yaqin) and the last stage is based on the "truth of certainty" (haqq al-yaqin) (Muhammad Syukri Salleh, 2002:73 and 2003a:21&24). In the 'ilm al-yaqin and 'ayn al-yaqin stages, which were based on prevailing knowledge ('ilm daruri), the study and analysis of characteristics was relative, meaning that it constantly experienced change and had a limited perspective. At the haqq al-yaqin stage, which was based on divine revelation ('ilm nazari), the study and analysis on the characteristics were absolute and exact although it had yet to be proved empirically[7].

Based on the review in the previous section, TQM is described as a form of management that comprises various quality management concepts. These concepts were developed based on the ideas of numerous experts. Although there are various concepts, the premise behind these concepts does not vary. The basis of the premise is the focus on client satisfaction while ensuring that the output or services produced is of the highest quality. This arises from the basic intention of enhancing the institution's competitiveness and maximising the institution's profits as well as indirectly enhancing the consumer's level of consumption. Therefore, is such an intention compatible with managing zakat institutions that are oriented towards fulfilling social responsibilities, as it is a socio-economic institution? Moreover, a more important issue is whether the aim of enhancing competitiveness and maximising profit is in line with the basic philosophy of establishing the zakat institution as an Islamic development institution.

This matter would be studied by examining the characteristics of TQM. In order to examine the characteristics of TQM, four elements that form the basis of the premise would be of focus in this study. The elements are characteristics of quality in TQM, the characteristics of the key movers of TQM who are namely the members of the institution who become the implementers of this method, the characteristics of the resources that make TQM a success and the characteristics of the intention to adopt TQM.

4.1. The Characteristics of Quality in TQM

The characteristics of quality in TQM generally emphasise solely on the physical aspects. This is observed in the meaning of the word 'quality' adduced by experts in TQM. Discussions in the previous section had mentioned that quality in TQM means a product or service that has commercial characteristics (Shewhart, 1980), fulfils the wants of clients (Crosby, 1979; Ishikawa, 1985; Deming, 1986 and Feigenbaum, 1991), suitable for use (Juran, 1988), competitive (Ishikawa, 1985), void of defects (Crosby, 1979) and is almost perfect (Taguchi 1986).

The meaning adduced by TQM experts above shows that what is more preferred when perceiving quality are the materialistic and physical values. The definition is found to focus on materialistic and physical values according to what has been determined or is the focus of interested parties in the institution (stakeholders) (Schonberger, 1986). In the case of zakat institutions, the most important interested party is the contributor of zakat (zakat payee). The materialistic values that are the focus of the interested party is surely the amount of zakat collected and distributed. Hence, materialistic values that are not of interest to the interested party or of no need to be divulged to the interested party such as the efficiency and consumption of resources including the efficiency of the institution's employees or the effectiveness of the zakat fund that would distributed, is not much considered. Meanwhile, these materialistic values are also important in determining a perfect product.

Focusing on the materialistic and physical values allows TQM to only consider aspects that are quantitative in nature. Therefore, even though it tries to outline the overall characteristics of quality that is expected to satisfy the interested parties; however, it is still not perfect because it neglects the aspects that cannot be quantified.

In the study on the characteristics of managing zakat institutions from an Islamic perspective, emphasis is not only given to aspects that can be quantified such as numbers that portray the amount of zakat that is distributed, the number of zakat contributors or the total increase in income of zakat recipients after they receive zakat. It should consider and lend priority to qualitative aspects that cannot be measured quantitatively. Among the aspects referred to and relevant to zakat institutions are matters in metaphysical form, which offer harmony to spiritual elements of zakat recipients so that the subservient feature in them such as being appreciative is increased besides

making them work harder to transform their status from a zakat recipient to a zakat contributor. Besides that, the spiritual elements belonging to the zakat institution's employees and zakat contributor should be given priority.

4.2. Characteristics of Zakat Initiators
Just as the characteristics of quality in TQM, the characteristics of the initiator or implementer is focused on materialistic and physical elements such as being productive and efficient in producing products and providing services. These characteristics are among the important factors that impel the achievement of objectives in a materialistic form such as how zakat payments should be collected and distributed via zakat institutions.

Although non-physical aspects such as supervisory and leadership styles, involvement of members of the institution at all levels and teamwork are given priority and deemed important but these aspects not given due emphasis compared to the physical aspects (Wilkinson et.al., 1998:3).

This is similar to the mental aspects as seen in the learning and training orientations of TQM. It is only seen from the aspect of the importance and achievement of materialistic gains solely for the institution. Explicitly though, the elements of learning and training involved in implementing TQM only revolves around determining parties that have the potential to enhance the institution's achievements, understanding their wants, researching and learning techniques that offer services which exceed the expectations of interested parties, understand the advantage held by other institutions that are competitors to the institution and to obtain information about techniques used to explore opportunities and new technologies for generating space to attract interested parties (Sitkin et.al., 1994). In other words, the role of the implementer and initiator in TQM only considers external aspects, which is the physical element or at the very least, the mental aspect, which is the thoughts of the implementer[8]. Whereas, according to the Islamic perspective, human characteristics need to be considered in terms of the external and internal components, which comprise the physical body, mental and spiritual elements.

In TQM, the implementer's spiritual elements comprise the qalb, 'aql and nafs, in which the last element manifests itself through the implementer's morals and is completely not taken into consideration. This phenomenon is one obvious weakness because in reality the internal components of humans actually determine the physical response and has an effect in achieving the intended objectives (Muhammad Syukri Salleh, 2002: 64). When these qalb, 'aql and nafs elements are not taken into consideration then there would be insufficient tools to encounter and perceive the problems faced by the TQM implementer, which could result in various other flaws.

One of these flaws is the flaw from the accountability aspect or the implementer's feeling of responsibility. In TQM, the accountability of a member of an institution, among others, is to serve with quality and produce services that are perfect besides the responsibility to superiors and fellow colleagues (Mustafa Haji Daud, 1994: 137). However, when the elements of qalb, 'aql and nafs are neglected, accountability would only exist when there is some vested interest or in order to achieve the sole objective of materialistic gain (M. Z. Azmie, 1999: 119). Conversely, the measure of quality service that emphasises elements of qalb, 'aql and nafs would impel humans to have a sense of accountability towards Allah SWT in whatever situation, without considering factors such as time and place. Hence, an implementer would carry out his responsibility even when he is with his superiors or interested parties, including contributors and recipients of zakat or others whether inside the institution or otherwise.

In greater detail, accountability is not only for individuals who are apparent such as senior officers but more than that. As subjects and khalifah of Allah SWT, they are responsible to Allah SWT (Khaliq Ahmad, 2006). In the context of zakat institutions, an implementer is responsible to Allah SWT when managing zakat property and managing recipients of zakat property. Besides that, from the senior management perspective, when appreciating Allah SWT as the Creator of all employees under his leadership and all the resources administered by him, accountability to Allah SWT is manifested at all times including when he in leading, implementing his leadership and making decisions. The feeling of being responsible to Allah SWT, who is also the Creator and Owner, encourages one to practice noble morals, perform basic religious obligations, practice what is permitted and abstain from what is forbidden, to consider what is halal and good while leaving behind what is haram and make the blessings of Allah SWT the final objective in life. These elements are viewed as being more important than the aim of satisfying other human needs or interested parties, especially if the needs are not compulsory (fardh) and halal (Khaliq Ahmad, 2006). In the context of transforming subsistence zakat to productive zakat, accountability should be increased because the zakat fund should optimise its benefits for the good and harmony of the asnaf (those entitled to receive zakat) compared to figures that show the amount that has been distributed.

The appreciation and practice of accountability towards Allah SWT without considering the time and place is the manifestation of the focus and developmental elements within the person who implements the management or is a member of the institution, which comprises the qalb, 'aql and nafs elements. As discussed earlier, from an Islamic perspective, the human resources and productivity elements are not solely physical in nature but is attributed to three aspects, namely physical, mental and spiritual. Hence, for the implementation of quality management, a balance of all these three elements is needed. This is also referred to as the vertical relationship dimension (hablumminalLah) between the implementer or TQM initiator and his Creator.

In TQM, the main relationship dimension is only the vertical relationship dimension (hablumminannas). This comprises various levels of relationships such as between members of the institution and their superiors, amongst the members of the institution, between members of the institution and their clients (those who contribute zakat) and between members of the institution and interested parties. Nevertheless, these relationships would not reach fruition if the relationship with the Creator were neglected. This is because, only by safeguarding the relationship with Allah SWT would a person get to build characteristics such as trust, honesty, justice, discipline, humility, patience and being accommodating in a consistent fashion. These characteristics are deciding factors in the relationship amongst humans (Khaliq Ahmad, 2006)[9].

The realization of the vertical relationship would make the activity of providing services by members of the institution as a manifestation of the role as a khalifah and subject on this earth. As a khalifah of Allah SWT, he is responsible for creating harmony and wasting the resources obtained for providing services. This is in line with the intention to transform subsistence zakat to a productive zakat. This role is mentioned in the exhortations of Allah SWT in the following verses.

- "And to Thamūd [We sent] Ṣāliḥ, their brother. He said, 'O my people! Worship Allah. You have no other god besides Him. He brought you forth from the earth and made it your habitation. So plead with Him for forgiveness, then turn to Him penitently. My Lord is indeed nearmost [and] responsive" (Hud 11: 61).
- "It is He who disposed the sea [for your benefit] that you may eat from it fresh meat, and obtain from it ornaments, which you wear —and you see the ships plowing through it— and that you may seek of His grace, and that you may give thanks"

(al-Nahl 16: 14).

Moreover, as subjects of Allah SWT, humans have a role to make the activities that harmonise or produce something as a tool for fulfilling the responsibility of a subject. To nurture the status of a subject from a production aspect is like impelling humans to ensure that the production processes are used as a tool to seek the blessings of Allah SWT. Besides that, the production process is also a tool for showing the appreciation for the energy and natural resources bestowed by Allah SWT. Hence, the production of goods and services would be in line with the ethics of being a responsible subject and khalifah found in every implementer when both the relationship dimensions are taken into consideration (Muhammad Syukri Salleh, 1999)[10]. This could become the basic guideline in efforts to transform the subsistence zakat to a productive zakat, especially when involving the group entitled to receive zakat (asnaf fakir) and the poor who have the potential to become producers and providers of services.

Briefly, human characteristics, as found in an implementer and initiator as well as emphasised by Islam, are not limited to one who produces or is a slave to the economy, as required by TQM, which seems to be in line with conventional development philosophy[11]. This is because when this happens, the status of a human as a subject and khalifah of Allah SWT is reduced to a status of being slaves to the production process. Inadvertently, the involvement of humans as implementers is in the form of subjects and khalifah who uphold the trust of Allah SWT. This is reflected in the exhortations of Allah SWT in the verses of the Al-Quran:

- "I did not create the jinn and the humans except that they may worship Me" (Surah al-Dhariyat, 51: 56).
- "When your Lord said to the angels, 'Indeed I am going to set a viceroy on the earth, 'they said, 'Will You set in it someone who will cause corruption in it, and shed blood, while we celebrate Your praise and proclaim Your sanctity? He said, 'Indeed I know what you do not know" (al-Baqarah, 2: 30).

Hence, to defend the status of a subject and khalifah of Allah SWT, the heart of an implementer and initiator of good management practice among the members of the zakat institution, zakat contributors and productive recipients of zakat should be educated on impiety (iman) and piousness (taqwa). Nafs that are at first undesired should be educated until it is enhanced to a higher level. The 'aql component, which has a duty to collect knowledge, should vigorously grab knowledge that would benefit to enhance the feelings of being a subject and carry out the duties of a khalifah in any situation a human is in (Muhammad Syukri Salleh, 2003b: 28-30).

4.3. Characteristics of the Resources in the Implementation of TQM

The characteristics of resources in the implementation of TQM differ with the characteristics according to the Islamic perspective. Specifically, TQM considers the objective of production as an effort to fulfil the consumer's wants so that the income and profit of the institution is enhanced. In order to achieve these objectives, TQM considers resources as an entity of equal importance with humans from the aspect of its role in the process of production. Both resources and humans act as the main agents of production or better known as factors of production. Hence, indirectly the main agenda of TQM is to consider a method for exploiting the limited factors of production in order to fulfil the unlimited wants of consumers.

From an Islamic perspective, these factors of production are certified to be important sources for implementing institutional management. Hence, these resources are seen as being more holistic and comprehensive factors or production tools when implementing the TQM management method.

For example, the good management of natural and institutional resources are seen as a trust to be upheld by every human. Humans, as the khalifah of Allah SWT, are given the right and responsibility by the Sole Owner, who is Allah SWT, to obtain the benefits as wisely as possible in order to fulfil the needs of life. This is stated in verses of the Al-Quran:

- "He who made the earth a place of repose for you, and the sky a canopy, and He sends down water from the sky, and with it He brings forth crops for your sustenance. So do not set up equals to Allah, while you know." (Surah al-Baqarah 2: 22).
- "Certainly We have established you on the earth, and made in it [various] means of livelihood for you. Little do you thank" (Surah al-Aᶜraf 7: 10).

Based on the fact that natural and institutional resources are entities entrusted by Allah SWT to humankind; hence, from an Islamic perspective, at least three guidelines were concluded regarding its use[12]. Firstly, natural resources are an endowment by Allah SWT to humankind in order to benefit life according to its needs. Secondly, natural resources are a kind of test to determine how far humankind is able to maintain their status as subjects and khalifah of Allah SWT in using it for management and production activities. In other words, natural and institutional resources are tools to achieve the objectives blessed by Allah SWT. Thirdly, natural and institutional resources are the unlimited exclusive property of Allah SWT and are bestowed on HIS chosen subjects. In relation to this Allah SWT exhorted:

- "To [comply with] this is advised whoever believes in Allah and the Last Day. And whoever is wary of Allah, He shall make a way out for him, and provide for him from whence he does not reckon. And whoever puts his trust in Allah, He will suffice him. Indeed, Allah carries through His command" (al-Talaq 65: 2-3)

Therefore, the source pertaining to the implementation of any one form of management according to Islam and for the distribution of zakat funds should not be looked upon from solely a quantitative aspect, as emphasised in TQM. It should also be looked upon from an abstract and qualitative aspect and also administered as soon as possible according to what has been outlined by syariat Islam.

4.4. Characteristics related to the Objective of Using TQM

Next, the characteristics of the objective of using TQM do have problems if seen from an Islamic perspective. The ultimate objective of TQM is to enhance the competitive ability or at least maintain the competitiveness of the institution. This objective has become the focus because it is believed to be the main key for achieving an excellent institution. The excellence of an institution in the context of conventional management is from the perspective of profit and the ability to withstand global competition (Deming, 1986 and Oakland, 1993). Indirectly, the objective is realised through the objective of each member of the institution who intends to achieve a certain level of achievement or productivity. Therefore, members of the institution who are able to achieve the prescribed level are considered to have succeeded whereas members who do not achieve the prescribed levels are deemed to have failed. The emphasis on this feature further substantiates the limitations of TQM, which only considers matters materialistic in nature.

In Islam, success is not only measured through materialistic achievements such as institutional success and excellent quality management practices in this world but what is more important and of greater priority is the success that is blessed by Allah SWT in the after-world (heaven) through what has been achieved by the institution[13] (Khaliq Ahmad, 2006). This is only manifested through the level of impiety (iman) and piousness (taqwa) of members of the institution.

With a high level of impiety (iman), the involvement of all the members of the institution in achieving the objectives of quality management could be a religious obligation (ibadah) or a form of noble deed (amal salih)[14]. This indirectly forms an attitude of being steadfast and sincere in carrying out their obligations to the institution without feeling burdened of not having achieved the target or the possibility of negative consequences because they have tried their best and surrendered themselves to Allah SWT. The absolute fear of failure and absence of accountability towards Allah SWT is the reason for most of the management problems because employees or other interested parties, for example contributors and recipients of zakat in the context of zakat institutions, are not able to work and play their roles sincerely and vehemently. Therefore, for members of the institution, contributors and recipients of zakat who have a high level of impiety (iman) and piousness (taqwa), either whatever that is achieved in the form of success or failure would defend the status of a subject and khalifah of Allah SWT. Consequently, the success would be considered a trust, whereby all its inherent rights should be made good. Meanwhile, failure is the basis for them to cultivate values such as perseverance, reliance on Allah SWT (tawakal) and feeling resigned (redha) (Khaliq Ahmad, 2006). All these have very influential factors that determine the more relevant objective such as the achievement of al-falah, which comprises hasanat fid dunya and hasanat fil akhirat as well as achieving mardhatillah (Khaliq Ahmad, 2006 and Muhammad Syukri Salleh, 2003b).

5. Conclusion

Based on the examination of TQM's characteristics, it could be concluded that this method is less suitable for the management of zakat institutions, especially when these institutions that are in the midst of transforming from subsistence to productive zakat. The unsuitability of this method is due to the incompatibility of TQM's features from an Islamic perspective. An evaluation of TQM's features shows that the concepts held by this method are akin to saying that human and quality concepts are different to the concepts adduced by Islam. The implications are that TQM cannot comprehensively interpret the elements of its implementation. For example, quality is interpreted as excellence from a physical or natural aspect without considering the non-physical or abstract such as the blessings for obtaining a fund or source from the syariah perspective and the benefit of the product on the individual, institution as well as the general public.

As one of the Islamic-based development institutions, all aspects related with it including the management of zakat institutions need to be rooted in monotheism (tauhid) towards Allah SWT the Creator. This method of management needs to hold on to both the vertical dimensions, namely the relationship between humankind and Allah SWT (hablumminalLah) and the horizontal dimension, which is the relationship amongst humans as well as humans and nature (hablumminannas). The framework of the management method must consider a long time-scale, which encompasses human life in the before-life, in the present world and the after-life. The final objective of the Islamic-based development institution's management method should be aligned towards achieving the blessings of Allah SWT (mardhatillah) (Muhammad Syukri Salleh, 2002: 49). In order to fulfil all these features, the management must first be aligned towards tasawur and Islamic epistemology and should be differentiated from the conventional social science tasawur and philosophical epistemology. Hence, it can be concluded that the characteristics of all these features are not fulfilled by TQM.

7. Note
1. CZC-SIAC is now known as the Selangor Zakat Board (SZB).
2. Previously, there was a suggestion to consolidate zakat management by forming the Malaysian Zakat Management Board. However, the suggestion did not materialise because it touched on the political standing and jurisdiction of the states as enshrined in the Federal Constitution. Refer to Helmi Mohd. Foad (2004).
3. Islamic development institutions mentioned here refers to any form of organization, association, agency, body or academy that has a basic administrative structure and regulation to fulfil the objectives of Islamic-based development in development activities (Abdulaziz Othman Altwaijri, 2003). Islamic-based development here refers to a comprehensive and integrated development process. It involves all aspects of a good person's life at the individual or community level at the institution. It comprises aspects of spiritual development as well as physical development. It is also created by implementing an individual's function (in an institution) as a subject of Allah SWT from a vertical relationship perspective (hablumminalLah) and as a khalifah of Allah SWT in a horizontal relationship perspective (hablumminannas) (Muhammad Syukri Salleh, 2002:49 and 2003a:5 and Aidit Ghazali, 1990:21).
4. Mahathir Mohamad was the fourth Prime Minister of Malaysia.
5. Abdullah Ahmad Badawi was the fifth Prime Minister of Malaysia
6. PKPA is a directive and guideline for implementing reformation programs by the government that includes management methods for each department in the public service. The PKPA should be adhered by all government agencies (Ahmad Sarji Abdul Hamid, 1994:9).
7. This differs from the Islamic perspective. According to the conventional perspective, studies and analysis of characteristics are limited to the physical aspects that could be perceived as empirical and elaborated solely in a scientific manner (Neuman, 1997:63). Besides that, the conventional perspective only uses the 'aql method based on the lowest level of knowledge, namely the prevailing knowledge (ilm daruri) (Neuman, 1997:82).
8. In relation to this, although the founders of TQM, such as Juran (1964), Crosby (1979), Ishikawa (1985) and Deming (1986) agree on the importance of human development in ensuring the success of implementing TQM (Dale & Cooper, 1992), hence, not much discussion was held about the method to develop humans. The only available discussions were on views on the need for elements such as the intention to work as a team, training and developing employees as well as involvement and participation of employees (Wilkinson et.al., 1998). In addition, the human development aspect in implementing TQM is not emphasised much. This was agreed by some researchers through their research (Wilkinson et.al., 1993). The available discussions on human development does not touch on theories (Wilkinson et.al., 1998) and is not enough to deal with problems about implementers of TQM (Khaliq Ahmad, 2006).
9. The two forms of relationship dimensions are elaborated in detail by Muhammad Syukri Salleh (1990, 2002, 2003a and 2003b). According to him, the roles of humans as subjects and khalifah of Allah SWT in the production and services aspects as well as matters pertaining to life involve two relationship dimensions. Firstly, is the vertical relationship (the relationship between humans and Allah SWT the Creator) or hablumminalLah. Secondly, is the horizontal relationship (the relationship amongst humans as well as humans and the natural environment) or hablumminannas. Muhammad Syukri Salleh had explained in detail the approach of these two dimensions when introducing the concept and implementation of Islamic-based Development, which is the core concept for Islamic-based development institutions. The two-dimension relationship concept clearly differs with the conventional development philosophy that only focuses on a horizontal relationship. Based on this and according to him, the discussion related to humans in conventional development centres on the materialistic and external aspects of humans. It does not touch on vertical relationship dimension between humans and Allah SWT the Creator.
10. There must a balance between the two dimensions of relations as outlined in the verse of the al-Quran meaning: "And when the prayer is finished disperse through the land and seek Allah's grace, and remember Allah greatly so that you may be felicitous" (al-Jumu'at, 62: 10). Refering to the verse, allegiance to the command to perform obligatory prayers is one the responsibilities of humans as subjects of Allah SWT from the perspective of a vertical relationship. In addition, humans need to carry out the task of discovering the creations of Allah SWT on this earth through interactions with other humans and natural resources from a horizontal relationship perpective.
11. In a conventional development system, humans are deemed as a factor of production coming under the category of labour. Labour, just as the other factors of production such as land, modal and natural resources, is responsible for positively contributing from a physical or mental aspect solely for production purposes or an output and to achieve the objective of maximising profits (Muhammad Syukri Salleh, 2003a).
12. Refer to Muhammad Syukri Salleh (2003a) pertaining to roles and guidelines on the use of natural resources according to Islam, in general and Islamis-based development, specifically.
13. In greater detail, the yardstick for measuring success according to Islam is mentioned in Surah al-Mu'minun Verse 1 to 11, as follows: "Certainly, the faithful have attained salvation; those who are humble in their prayers; who avoid vain talk; who carry out their [duty of] zakāt; who guard their private parts; except from their spouses or their slave women, for then they are not blameworthy; but whoever seeks [anything] beyond that —it is they who are transgressors; and those who keep their trusts and covenants; and who are watchful of their prayers; It is they who will be the inheritors; who shall inherit paradise, and will remain in it [forever]"

14. Efforts to implement quality management could become a religious obligation (ibadah) when it is accompanied by true intentions, its implementation is almost perfect, its execution is not contrary to syariat Islam, the acquisitions from its implementation do not offer libalibities or any form of negative effect and the total submission to Allah SWT regarding the outcome. These values must be present among each employee when quality management is implemented and continue to the next period. (Muhammad Syukri Salleh, 2003b: 51).

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