



Individual Characteristics of the Successful Asnaf Entrepreneurs: Opportunities and Solutions for Zakat Organization in Malaysia

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Abstract

The objective of this study is to explore the characteristics of successful entrepreneurs that have received financial assistance under the scheme of “Entrepreneurial Asnaf”. Based on the 39 respondents selected randomly among successful Entrepreneurial Asnaf, the findings revealed that the successful Entrepreneurial Asnaf have a certain level of entrepreneurship orientation, willing to take some risk to expand their business and possessed unique marketing strategy. In addition, they have certain level of creativity in business area, always visualise that one day their business will be successful and they are proud of their business. The results also show that successful *Asnafs* have an above average level of product innovation. This study is important to facilitate Zakat Organization in identifying whether the *Asnaf* committed and had entrepreneur feature before allocating capital assistance to ensure the success of “Entrepreneurial Asnaf Programme”.

Key words: Successful entrepreneurs; Entrepreneurial Asnaf programme; Zakat organization

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INTRODUCTION

Zakat has been identified as an important source of financial seed to jumpstart the economy of the Muslim community and give an impact on socio-economic development of nation (Said et al, 2011). The use of *Zakat* funds is able to provide the very poor with resources to start their own businesses and to move them away from poverty (Zuhairah and Fahme, 2011). *Zakat* is regarded as a system of methodology of redistribution of wealth and resources of a society (Syed Yusuf et al, 2011). In Malaysia, *Zakat Organization* has been given mandate to collect and distribute *Zakat* fund to encourage the poor to be more self sufficient and to increase the potential of the *Asnaf* to be productive. In distributing the *Zakat* donation, *Zakat organization* have applied various methods and approaches in channelizing the donation to rightful beneficiaries known as the “*Asnaf*”. The donation and the distribution are extended in various productive aid and unproductive aid (Saad et al, 2011; Abdul Wahab and Abdul Rahim, 2011). The unproductive aids intended to help the poor to continue their life and fulfilling their principal needs such as monthly allowance, special aid, home rental, and educational aid. Productive aid enables the rightful recipient to become independent from *Zakat* assistance through business activities. The aim of productive aid is to enhance the income generation of *Asnaf* to above poverty line through initial business capital assistance either in cash or equipment.

Evidence shows that although there are successful *Asnafs* that have become successful entrepreneurs with the capital aid provided by *Zakat Organization*, high percentage of *Asnaf* that received initial business capital fail to sustain in the business and still dependence on *Zakat* monthly assistance for survival. This research aims to provide understanding on the individual characteristics of successful *Asnaf* entrepreneur in resolving the poverty problems among the *Asnafs*. Specifically, this study examines the characteristics of successful *Asnafs* that

have received assistance via the economic development programs from the Lembaga Zakat Selangor. In this study, successful *Asnaf* entrepreneur is those *Asnaf* who received initial business capital from Zakat Organization in the year 2000- 2005 and they are still in the business. The economic development department manages the portfolio of *Asnaf* who have received the initial business assistance with the objective of elevating their living standards through business activities. Such assistance includes initial and additional capital for businesses such as small scale agriculture and aquaculture business activities.

1. ZAKAT ORGANIZATION

Zakat organization plays an important role in executing the function of collecting and distributing *Zakat* and this is evident when its status changed from a mere 'center' to a 'board' to reflect its broader functions, capability and trust given towards the institution. Zakat organization since then continuously creates innovative programs in order to improve the standard living of *Zakat* recipients. It is currently considered the most developed model of a *Zakat* institution so far in Malaysia. It becomes a reference to other *Zakat* institutions to get insights into the management of *Zakat* funds.

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

2. LITERATURE REVIEW

A group of Malaysian studies have attempted to analyse the role of *Zakat* towards poverty alleviation. Saad (2011) examines whether current practice of zakat distribution in Malaysia is effective in alleviating poverty among the poor Muslim population in Malaysia. The authors discovered that *Zakat* distribution has positive contribution in reducing income inequality. Jamaludin et al. (2011) examined the effectiveness of Zakat distribution in reducing income inequalities in the Kedah state of Malaysia. Mohd Noor et al. (2011) explored the effectiveness Zakat Organization in distributing zakat fund to the rightful asnaf. Unfortunately none of these studies examined the characteristic of the successful asnaf.

Studies in the management literature have examined the link between factors that are important to the success

of entrepreneurs. Few of these studies examined the link between development and successful entrepreneurs and believed that there are development is one of the indicators of success in financial and non-financial concepts (Levander and Raccuia, 2001). Other studies emphasised on financial aspects such as Driessen and Zwarf. (2001) and on personal traits of entrepreneurs that have a large influence on their success (Levander and Raccuia, 2001). Another group of studies have identified both internal and external factors play significant influence on the success of entrepreneurs (Lesecevic and Rivza, 2002). Internal factors include existing resources, skills, motivations and attitudes whereas external factors include counselling, economic support and access to different financial resources (Papzan et al., 2008).

Successful entrepreneurs tend to have a high need for achievement (Rauch and Frese, 2000; Levander and Raccuia, 2001). That is, they have a strong desire to solve problems on their own, enjoy setting goals and achieving them through their own efforts, and like receiving lots of feedback on how they are doing (Scarborough and Zimerer, 1996). Additionally, entrepreneurs are likely to have an internal locus of control (Brockhaus, 1982; Perry et al., 1986; Hood and Young, 1993). When a person with an internal locus of control fails or makes a mistake, he or she is likely to accept responsibility for the outcome and try harder, rather than search for external reasons to explain the failure. Such characteristic makes these entrepreneurs persistent and motivated to overcome barriers that would deter others. Entrepreneurs are likely to score high on the personality trait of "openness to experience," meaning that they are predisposed to be original, open to a wide range of stimuli, be daring, and to take risks (Frese et al, 1996; Frese et al., 1997). Entrepreneurs likely have high levels of self-esteem and feel competent and capable of handling most situations.

Entrepreneurs also excel at business skills such as negotiation, networking, and leadership (Kiggundu, 2002). Negotiation consists of an exchange of goods or services between two or more parties in which the terms of the exchange are indeterminate. Entrepreneurs use networking skills in both personal and business networks to gather information and build alliances. A personal network is based on relationships between the entrepreneur and other entrepreneurs, suppliers, creditors, investors, and friends. A business network is a framework of alliances forged among businesses to achieve mutually beneficial goals. Finally, entrepreneurs use leadership skills to provide a shared vision of a common goal. They often use a transformational leadership style characterised by the ability to bring about significant change in the organization.

Kao (1991) argues that the most important success factor for small business are total commitment,

determination, and perseverance, drive to achieve and grow, opportunity and goal orientation, Taking initiative and personal responsibility, Persistent problem solving, realism and a sense of humour, seeking and using feedback, internal locus of control, calculated risk taking and risk seeking and integrity and reliability

Another group of studies have examined the link between knowledge and successful entrepreneurs. These studies noted that knowledge influences the level of success of entrepreneurs (Omerzel and Antoncic, 2008; Jusoh et al., 2010). Omerzel and Antoncic (2008) stated that knowledge as a defining factor to distinguish entrepreneurs from their competitors and those with better knowledge are often more efficient and are able to learn and grasp the changes in the market faster. The capability to build, transmit and administer knowledge serve as foundation for entrepreneurs to compete in the new market economy (Burns et al., 2010).

3. CHARACTERISTICS OF SUCCESSFUL ENTREPRENEURS

According to Geoffrey and Meredith (1982), successful entrepreneurs have high level of confidence and they are more willing to try something that others viewed as a risk. Specifically, those who have a high value of self-confidence, proud of their business and passionate with their job have the ability to be successful. Other scholars such as Scarborough and Zimerer (1996) in their studies found that characteristics of the underlying values such as pro-active, initiative, performance-oriented, efficient, quality priority, monitoring, high commitment is the key success of a business.

This study aims to determine the factors influencing entrepreneurs' success. For that reason, a conceptual framework is proposed that success of entrepreneurs among *Zakat* recipients is causally related to seven factors, namely entrepreneurs orientation, products and services innovation, marketing and finance knowledge.

3.1 Entrepreneurs' Orientation

Entrepreneurs' orientation has been identified to have impact on their success in entrepreneurship (Robinson and Sexton, 1994). Studies that have examined the link between entrepreneurs' orientation and performance found that factors related such as locus of control, high personal initiative, proactive attitude, seek and grasp opportunity and proactive in finding solutions or necessities to overcome barriers to achieve their goals often become successful entrepreneurs (Frese et al, 1996; Frese et al., 1997; Frese and Fay, 2001). These studies conclude that psychological variable is the reason whether a person has what it takes to become an entrepreneur. In support of the previous studies, *Zakat* recipient who have higher

entrepreneurs' orientation would likely become successful entrepreneurs.

3.2 Products and Services Innovation

Any successful businesses normally place great emphasis on managing quality of products and services offered to their customers which meet their customers' needs particularly at the start-up stage (Flamholtz, 1996). Ensuring the quality of the product and services would sustain the marketability of the product and services. However, a review of the literature has indicated that this factor has not yet to be examined. This study expects that the success of the *Zakat* recipient as entrepreneurs could also depends on the quality of the products and services.

3.3 Finance Knowledge

Proper financial record keeping can give the respondents a picture of how much income the business is generating and how it is being spent on goods for resale and on overheads. In addition, they can identify the strengths and weaknesses of the business and find ways on how to improve the efficiency and profitability of the business or make changes to improve weaker area. From cash flow statement for instance, future income and expenses can be projected to give direction and focus to the business. On the other hand, budget also provides a strong foundation for changes and improvements to the business and generally monitors all areas of the business.

3.4 Marketing Strategy

Carson *et al.* (1995) described marketing in terms of the experience, knowledge, communication abilities and judgement of the owner-manager, key competencies on which marketing effectiveness depends. Marketing is essential to any successful business and that if applied correctly virtually can ensure your success. Therefore, it is important that *Asnaf*s who received financial assistance in the form of initial business capital to develop a comprehensive, effective marketing plan. An effective marketing plan will certainly boost sales and increase profit margins. The *Asnaf*s must be able to convince customers that they have the best product or service for them at the best possible price.

4. SAMPLE AND DATA COLLECTION

Poor individuals in the state of Selangor whom have received initial business assistance from *Zakat* Organization are the sample selection in this study. This study attempts to identify the characteristics of successful *Zakat* recipient as entrepreneurs. The results from this study may provide a useful basis for future research in this area. Since this study focuses only on successful *Zakat* recipient in the state of Selangor, only 39 successful entrepreneurs were identified by *Zakat* Organization are chosen as the respondents in this study and are considered

a sufficient sample size. Data collection is based on primary data through distribution of a questionnaire among successful *Zakat* recipient in Selangor through cross-sectional survey.

5. FINDING

Table 1 presents the demographic profile of the respondents. The results indicate that 39 respondents are from Zakat Organization that have accepted the business *Zakat* capital grant. Panel A of Table 1 indicates that majority of the respondents are between 41 to 50 years of age (45 %, n=18), 30% (n=12) of the respondents are between 31 to 40 years of the age, 12.5% (n=5) of the respondents are between 51 to 60 years of the age, 5% (n=2) of the respondents are between 20 to 30 year of the

age, while the remaining respondents are between 61 to 70 years of the age (5%, n=2).

Panel B, Table 1 shows that out of 39 of the respondent 2.5% is single, 77.5% is married, 7.5% is single parents and also 10% is widow. The total dependent for the *Asnaf*, 1 until 5 dependents is 65%, 30% is from 6 to 10 dependents, and 2.5% are from 11 to 15 dependents. Of the total population, 42.5% is male, and 55% only is female, comparing the two of the group, the percentage are show most female gender are accepted the business *Zakat* capital grant rather than male. This is shown in panel C of Table 1. For the educational level, out of the 39 respondent 5% is no education, 20% are from the primary school, 65% are from SPM and 7.5% from diploma or higher level as shown in panel D, Table 1.

Table 1
Demographic Profile

Panel A: Age

Item	Frequency	Percent	Valid Percent	Cumulative Percent
20-30	2	5.0	5.1	5.1
31-40	12	30.0	30.8	35.9
41-50	18	45.0	46.2	82.1
51-60	5	12.5	12.8	94.9
61-70	2	5.0	5.1	100.0
Total	39	97.5	100.0	

Panel B: Marital Status

Item	Frequency	Percent	Valid Percent	Cumulative Percent
Single	1	2.5	2.6	2.6
Married	31	77.5	79.5	82.1
single parents	3	7.5	7.7	89.7
Widow	4	10.0	10.3	100.0

Panel C: Gender

Item	Frequency	Percent	Valid Percent	Cumulative Percent
Male	17	42.5	43.6	43.6
Female	22	55.0	56.4	100.0
Total	39	97.5	100.0	

Panel D: Education

Item	Frequency	Percent	Valid Percent	Cumulative Percent
No education	2	5.0	5.1	5.1
Primary school	8	20.0	20.5	25.6
SPM	26	65.0	66.7	92.3
Diploma or Highest	3	7.5	7.7	100.0
Total	39	97.5	100.0	

Table 2
Business Profile

Panel A: Business Experience

Item	Frequency	Percent	Valid Percent	Cumulative Percent
1-5	9	22.5	24.3	24.3
6-10	6	15.0	16.2	40.5
11-15	4	10.0	10.8	51.4
16-20	8	20.0	21.6	73.0
21-25	5	12.5	13.5	86.5
26-30	4	10.0	10.8	97.3
31-40	1	2.5	2.7	100.0
Total	37	92.5	100.0	

Panel B: Business Type

Item	Frequency	Percent	Valid Percent	Cumulative Percent
Food and Drinks	19	47.5	48.7	48.7
Gas	2	5.0	5.1	53.8
Clothes	3	7.5	7.7	61.5
Raw material	11	27.5	28.2	89.7
Public transport	3	7.5	7.7	97.4
Trading	1	2.5	2.6	100.0
Total	39	97.5	100.0	

Table 2 presents the descriptive statistics of the respondents in terms of years of experience and business type. Panel A of Table 2 shows that out of the 39 respondent, 22.5 % is the highest percentage which is 1 years to 5 years in the business experience, it it follow by 20% is 16 years to 20 years, 15% is 6 years to 10 years, 12.5 % is from 21 years to 25 years, 10 % is from 11 years to 15 years, also 10% is from 26 years to 30 years. Thus the percentage from the lowest is 2.5% is from 31 years to 40 years. However, the percentage of business type, the highest 47.5% of the respondent comes from the food and drinks. 27% are from the raw material, 7.5% are from clothes, also 7.5% are from public transport such as taxi, 5% are from gas and finally trading is 2.5%.

5.1 Entrepreneurs' Orientation

Descriptive statistics of entrepreneurs' orientation is shown in Table 3. To measure the level entrepreneurship orientation, respondents were asked eight items statements. Scores for these items ranged from "1"

(strongly disagree) to '5" (strongly agree). The mean scores were obtained by averaging the respective scores for the questions. The mean score for entrepreneurship orientation of successful *Asnaf* range ranges from a mean score=5.58, standard deviation= 0.937 to a mean score=6.73, standard deviation=0.554, results that are slightly higher than the midpoint.

The results indicate that it is a norm for the successful *Zakat* recipient in their business venture to have a certain level of entrepreneurship orientation. A higher mean score has demonstrated that successful *Asnaf*s are willing to take some risk to expand their business. In addition, they have certain level of creativity in business area, always visualize that one day their business will be successful and they are proud of their business. However, the mean score of using money won for business expansion was the lowest (mean score=5.93, standard deviation=0.917). One possible reason could be attributed to the *Asnaf*'s perception that money won out of a contest is not appropriate from Islamic's point of view for business expansion.

Table 3
Entrepreneurs' Orientation

	Mean	Std. Dev	Strongly disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly agree 5
If you are won RM50,000 in a contest, I will use the money to expand my business	5.93	0.917	nil	2%	12%	13%	13%
I take pride in my business and try to accomplish them	6.30	0.981	2.5%	2.5%	2.5%	30%	62.5%
I set goals for myself and work to achieve them	6.03	0.493	nil	5%	17.5%	25%	52.5%
I easily give up when I encounter problem	5.58	0.937	10	5%	17.5%	25%	52.5%
I believe/visualise one day my business will be successful	6.55	0.959	nil	2.5%	7.5%	25%	52.5%
I am doing business in the field that I enjoy and passionate	6.50	1.013	2.5	2.5%	5%	20%	70%
I am creative person in areas of business	6.37	0.868	nil	5%	5%	37%	57%
I am willing to take some risk so that my business could expand.	6.73	0.554	Nil	nil%	5%	17.5%	77.5%

5.2 Product / Services Innovation

Table 4 displays the finding on products/services produce by the respondents. Six items were asked to determine the extent of uniqueness and variety of products/services innovation. For all the six items the means score shows the value of above mid-point. This indicates that successful Asnaf entrepreneur always find mean and ways to innovate their products/services. To ensure that their

products/service is continuously relevant to customers, the *Asnafs* agree that they always introduce new products/services. Almost 100% respondents agree that their products are of good quality, more than 90% argues that they continuously improve their product, expending and introducing the number of products/services. In addition, almost 90% respondents feels that their products are different from others.

Table 4
Product/Services Innovation

	Mean	Std Dev	1	2	3	4	5
			Strongly disagree	Disagree	Neutral	Agree	Strongly agree
I believe my products/services are of a good quality	6.65	0.533	nil	nil	2.5%	30%	67.5%
I continuously find ways to improve the quality of my products/service	6.65	0.622	nil	nil	7.5%	20%	72.5%
I frequently embark in continuous quality improvements for my products/services	6.70	0.758	nil	2.5%	2.5%	15%	80%
I continuously expand my product/service lines.	6.50	1.301	2.5%	5%	2.5%	10%	80%
I always introduce new products/services	5.92	0.623	2.5%	10%	15%	17%	55%
My product/service is different from my competitors	6.05	0.632	2.5%	5%	5%	20%	67.5%

5.3 Business Knowledge

Table 5 presents the results on the respondent's awareness and practices of record keeping. The results show that the mean score for all the eight items to measure respondents awareness and practices of record keeping are well below mid-point. Almost half of the respondents agree that they do not have a record keeping system, do not prepare cash flow statement, do not prepare profit and loss statement, do not forecast sales and do not prepare annual budget. In addition, the respondents agree that they do not have saving for unexpected needs.

The results are indeed surprising because a business owner needs to know if he has enough cash to meet financial commitments like paying his creditors every month. It is important to prepare a cash flow projection to find out if his outgoings are sufficiently covered by his incomings, as that will be the difference between him being solvent or insolvent. Based on what the cash flow statement reveals, the business owner can take appropriate steps to improve his income or reduce his expenditure. Keeping good financial records facilitates the business owner to plan strategy for business expansion.

Table 5
Finance Knowledge

	Mean	Std. Dev	1	2	3	4	5
			Strongly disagree	Disagree	Neutral	Agree	Strongly agree
I have a record keeping system	3.43	0.135	32.5%	12.5%	10%	25%	30%
I prepare cash flow statement	3.33	0.188	35%	15%	7.5%	37.5%	5%
I prepared profit and loss statement.	2.63	0.904	45%	17.5%	7.5%	37.5%	5%
I prepare balance sheet	2.15	0.528	52.5%	17.5%	7.5%	20%	2.5%
I prepare annual budget.	4.10	0.251	30%	55.0%	32.5%	22%	10%
I prepare forecast sales	2.55	0.811	45%	17.5%	12.5%	17.5%	7.5%
I prepare my financial statements on periodic basis	3.87	0.221	30%	10%	7.5%	45%	7.5%
I have saving fund for unexpected need	4.00	0.562	37.5%	2.5%	5.5%	35%	20%

5.4 Business Marketing Strategy

Table 6 presents the results on the level of business marketing strategy adopted by respondents. From Table 6 it can be seen that the respondents possessed adequate level of marketing strategy. For all the seven items measure the marketing strategy, the minimum mean score is mean score=5.5, standard deviation=0.752 which is

above mid-point. More than 80% respondents agree that they have well defined marketing plan, clearly defined target market, strategic business location and have strategy to achieve target sales. The average mean score for all items are mean score=6.75, standard deviation 0.707 which provides an indication of adequate level of marketing strategy practices by the respondents.

Table 6
Business Marketing Strategy

	Mean	Std. Dev	Strongly disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly agree 5
I have plan marketing well-defined for product / my service	5.50	0.725	5%	10%	17.5%	37.5%	30%
I have a clearly defined target market	5.60	1.008	7.5%	10%	17.5%	27.5%	37.5%
I believe the location of my shop is important	6.75	0.707	Nil	2.5%	15%	Nil%	82.5%
I select the most strategic location for my business	6.73	0.640	Nil	Nil	5%	15%	80%
I know how to price my products/services	6.63	0.705	Nil	Nil	2.5%	25%	72.5%
I expect an increase in sales next year	6.37	0.774	Nil	Nil	17.5%	27.5%	55%
I have strategies to achieve the targeted sales	6.15	1.272	2.5%	2.5%	2.5%	40%	52.5%

CONCLUSION

The objective of this study is to determine the characteristics of successful entrepreneurs among *Zakat* recipients that has received initial business capital from *Zakat* Organization in various business activities. Specifically, this study aims to determine the characteristics of successful entrepreneurs in terms of entrepreneurs' orientation, products and services innovation, marketing and finance knowledge.

The results of this study shows that the successful *Zakat* recipient in their business venture do have a certain level of entrepreneurship orientation. A higher mean score has demonstrated that successful *Asnaf*s are willing to take some risk to expand their business. In addition, they have certain level of creativity in business area, always visualise that one day their business will be successful and they are proud of their business. The results also show that successful *Asnaf*s have exhibited a high level of product/service innovation

The results of this study also indicate that the *Zakat* recipients believe that their products/services of high quality. They agree that in order to ensure that their products/service is continuously relevant to their customers, they need to always introduce new products/services. However, the finding revealed that the *Asnaf* do not have a record keeping system, do not prepare cash flow statement, do not prepare profit and loss statement, do not forecast sales and do not prepare annual budget. They also agree that they do not have saving for unexpected needs.

Finally, the *Asnaf*s do plan according for their marketing strategy in order to sustain in their business. The results also show that most of the *Asnaf*s agree that

they make strong effort to embrace the knowledge of Islam. The findings in this study are consistent to several studies conducted in the non-Islamic setting such as Brockhaus, 1982; Perry et al., 1986; Hood and Young, 1993 and Scarborough and Zimerer, 1996.

The efforts undertaken by *Zakat* Organization in developing entrepreneurship among *Zakat* recipients should be applauded. *Zakat* capital assistance serves as an alternative capital injection that benefits an *Asnaf* who faces difficulties in obtaining bank loans to start a business. This capital assistance provides support not only from the economic aspect but also in terms of social aspects and morale of the individuals. In addition this effort has acts to drive the economy project along with *Asnaf* by giving up a money capital, training, and equipment for a certain area like agriculture, fishery, culinary, and tailoring. These various efforts such as training, facilities, and capital aid that have been successfully provided and taking out *Asnaf* out of poverty.

Zakat Organization, however, still need to develop an appropriate method of observation on *Asnaf* entrepreneurs to ensure that the economic development programmes are achieving targeted goals. Several aspects need to be examined by the *Zakat* institution to increase the probability of success among *Asnaf* entrepreneurs. Among others, the study should look at the attitude and commitment of the entrepreneurs in starting business. Internal and external strength of an individual are also important qualities in developing a successful Muslim for this world or the Hereafter.

The findings of this study could be used by *Zakat* institution to identify the attitude of the *Asnaf* before determining what form of aid to be given, besides

expecting the aid that might influence the success or the failure of the capital aid program to the *Asnaf*. The capital aid that is given must be initially adjusted with the capabilities of *Asnaf*. The identification of the aspect would be conducted by the Zakat Organization in planning the strategy to ensure that only *Asnaf*s who are fully qualified and possessed positive attitude to out of poverty who are eligible to get capital assistance in the form of *Zakat*. It is necessary for the *Zakat* institution to understand *Asnaf* attitude to ensure effective *Zakat* distribution programme and level of entrepreneurship among the *Asnaf*s so that they would not keep remaining as *Zakat* recipient every month. The failure of the economy and business project was also affected by the human factors which are the *Asnaf*s themselves who are less initiative and not proactive.

LIMITATIONS AND AVENUE FOR FUTURE RESEARCH

This study is not without limitations. First, this study used a cross sectional design. The use of cross sectional research design does not allow a firm establishment of a cause and effect relationship and thus post as a limitation to the study. Due to the time and cost constraint, using a more robust research design is not possible. Second, the sample used in this study is those *Zakat* recipient situated in the state of Selangor. Therefore, the generalisation of the results is limited to entrepreneurs in the state of Selangor only. The findings in this study may be different if the sample is expanded to more than one state in Malaysia.

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