

Management Strategy of the Amil Zakat Institution (LAZ) Persada Bojonegoro in Improving the Welfare of Orphans and the Poor

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ABSTRACT (10 PT)

Zakat is an obligation for capable Muslims and is intended for those who are entitled to receive it. Zakat funds have great potential to improve the overall welfare of society. This study aims to examine the management strategies of the Amil Zakat Institution (LAZ) Persada Jatim Indonesia in enhancing the welfare of orphans and the poor in Bojonegoro, as well as to identify its supporting programs. This research employs a descriptive qualitative method using field interviews, observation, and documentation as data collection techniques. The results show that LAZ Persada Jatim Indonesia implements three strategies to increase community participation in improving the welfare of orphans and the poor: personal fundraising (relying on the ability of individual fundraisers), corporate fundraising (targeting companies with CSR funds), and digital fundraising (utilizing social media). In addition, there are twelve supporting programs conducted by LAZ Persada Jatim Bojonegoro to promote the welfare of orphans and the poor in the region.

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1. INTRODUCTION

Zakat is a form of *maaliyyah ijtima'iyyah* worship that holds a very important, strategic, and decisive position, both in terms of Islamic teachings and in the development of community welfare. Its existence is considered *ma'lum minaddiin bidhdharu urrah*, meaning it is inherently known to be an integral part of one's faith.¹ When properly managed, zakat becomes a potential source of funds that can be utilized to improve the welfare of underprivileged communities. The obligation of zakat serves as a primary means of reducing economic inequality by redistributing wealth to prevent its accumulation among the rich, fostering solidarity to eliminate greed, and functioning as a form of social security that cultivates a sense of responsibility toward fellow human beings.

Zakat is not only a means of self-purification but also an expression of concern from the wealthy toward *mustahik* (those eligible to receive zakat). It protects society from social calamities such as poverty, physical illness, and mental distress. Zakat is an act of worship to Allah SWT with the aim of drawing closer to Him. The more people obey Allah's commands, the closer they become to Him. If prayer serves to shape personal piety, then zakat functions to build social piety within the community. According to one of the principles of zakat, paying zakat is a manifestation of one's faith; thus, without paying zakat, one's worship remains incomplete.² Therefore, Islam through its jurisprudence (*fiqh*) provides specific conditions regarding the types of wealth subject to zakat.³

First, complete ownership (*milkiiyah tammah* or genuine ownership) — the wealth or asset must be fully under a person's control without the rights of others involved. Legally, the owner has full authority to use or spend their wealth as they wish. This lawful ownership is very important for both *muzakki* (zakat payers) and *amil zakat* (zakat managers) to understand. Second, productive or potentially productive assets — meaning that the assets generate profit or income through commercial activities without losing their capital value. Therefore, zakat is not required on non-productive possessions such as a residence, personal transportation, clothing, books, or household equipment, as they are considered primary needs (*consumptive* assets). Zakat encourages Muslims to invest and develop wealth rather than letting it remain idle. Third, the asset must reach the *nisab* — a minimum threshold that qualifies wealth to be subject to zakat. Islam requires that *zakat mal* (wealth zakat) be paid only if the assets reach this *nisab*, as it would be illogical to collect zakat from the poor and redistribute it to the poor. Fourth, surplus assets beyond primary needs (food, clothing, and shelter) — zakat applies only to wealth exceeding basic living necessities. Determining what constitutes primary needs varies among individuals, depending on their circumstances. For instance, a *muzakki* owning three cars must determine how many are truly essential; one car may be a necessity, while the others are surplus and therefore subject to zakat. Similarly, a person with more dependents or children may have different basic needs. Owning one house may be sufficient, while additional properties could be subject to zakat. Fifth, freedom from debt — zakat is due only on assets that remain after deducting debts. This principle is based on the rule that the rights of creditors take precedence over the rights of zakat recipients. However, once debts are settled, the remaining assets become subject to zakat. Sixth, ownership for one full lunar year (*haul*) — certain zakatable assets such as livestock, financial assets, and trade goods must be held for a full Hijri year, generally calculated from Ramadan. The wisdom behind this requirement is to make it easier for individuals or businesses to track and assess the growth of their wealth over time. Indonesia, being a country where the majority of its citizens are Muslim, had over 207 million Muslims out of 281.6 million people in mid-2024, accounting for 87.2% of the population.⁴ However, from an economic perspective, many Muslims still live below a decent standard of living. Inequality and economic disparity persist—many wealthy individuals continue to grow richer while the poor remain in hardship. The obligation of zakat in Islam is one of the most effective and strategic tools to improve the welfare of the poor. Zakat collected from the wealthy does not diminish their wealth; rather, it increases blessings and ensures wealth circulates fairly. Furthermore, zakat provides a practical framework for understanding and applying Islamic teachings to address real socio-economic problems.⁵ When managed and distributed properly, zakat becomes a powerful instrument for promoting social productivity, justice, and economic balance within society.

Zakat management in Indonesia has now entered a new era with the enactment of laws related to zakat as well as taxation. These include Law No. 23 of 2011 on Zakat Management, Minister of Religious Affairs Decree (KMA) No. 581 of 1999, and the Director General of Islamic Community Guidance and Hajj Affairs Decree No. D/2000 concerning the *Technical Guidelines for Zakat Management*, along with Law No. 17 of 2000, which amends Law No. 7 of 1983 on Income Tax. The issuance of these regulations is expected to provide a legal framework for zakat management institutions to improve the collection, management, and utilization of zakat funds in an optimal way that enhances the economic well-being of the Muslim community.⁶ Zakat institutions in Indonesia are formally regulated under Law No. 23 of 2011 on Zakat Management, which distinguishes between two entities: the National Amil Zakat Agency (BAZNAS) and Amil Zakat Institutions (LAZ). According to Article 5 paragraph (1), BAZNAS is a state-established body responsible for organizing zakat management. Meanwhile, Article 17 defines LAZ as a community-based zakat management organization that assists BAZNAS in the collection, distribution, and utilization of zakat. Both BAZNAS and LAZ share the same core responsibilities—collecting, managing, and distributing zakat in accordance with Islamic principles. Therefore, synergy between these two entities is essential to ensure zakat management that is efficient, productive, and well-coordinated.

Each *Lembaga Amil Zakat* has its own unique methods for collecting, distributing, and utilizing zakat funds. This research focuses on the Amil Zakat Institution (LAZ) Persada Jatim Indonesia – Bojonegoro Branch, which not only collects and distributes zakat, infaq, and sadaqah (ZIS) funds but also manages and supports orphans through its social welfare programs.

The main questions addressed in this study are:

1. What are the management strategies employed by LAZ Persada Bojonegoro in improving the welfare of orphans and the poor in Bojonegoro?
2. What supporting programs does LAZ Persada Jatim Indonesia implement to enhance the welfare of orphans and the poor in the region?

Several previous studies serve as preliminary references for this research. One of them is the study by Baqin Al Karim, Alfi Satria, and Sobirin (2023) entitled “*The Strategy of the Amil Zakat Institution Persada Jatim Indonesia in Increasing Public Participation to Improve the Welfare of Orphans and the Poor in*

Bojonegoro." The findings reveal that LAZ Persada Jatim Indonesia uses three primary strategies to increase public participation:

1. Personal fundraising – relying on the individual ability of fundraisers to collect ZIS funds;
2. Corporate fundraising – targeting companies through their Corporate Social Responsibility (CSR) programs;
3. Digital fundraising – utilizing social media platforms to reach wider audiences and raise awareness.

Another relevant study is by April Purwanto (2023) titled "*Zakat Empowerment Strategy of the National Amil Zakat Institution Daarut Tauhiid Peduli Yogyakarta.*" The research findings indicate that the empowerment program carried out by DT Peduli through its *Misykat* program has not yet fully achieved the goal of community independence due to limitations in human resources and available time. Although optimization efforts have been made, the overall targets have not yet been completely realized.

2. METHOD

The research approach used in this study is qualitative with a descriptive nature. The research was conducted at Jl. Sidodadi, Dk. Balong (RT 02/RW 07), Sidodadi Village, Sukosewu District, Bojonegoro Regency, East Java, 62183. This study produces conclusions in the form of detailed data obtained from field observations and interviews, rather than numerical data. The type of research is field research, in which data are obtained directly from the sources, both verbal and written (documents) as well as from websites. The data analysis steps used in this study include conducting interviews, creating summaries, data reduction, writing the article, and drawing conclusions.⁷

3. RESULTS AND DISCUSSION

3.1. Amil Zakat Institution (LAZ) Persada Jatim Indonesia

Muslim-fri The Amil Zakat Institution Persada is a non-profit organization engaged in the collection of funds, which include ZIS (Zakat, Infaq, Sadaqah), DSKL (Other Religious Social Funds), and CSR (Corporate Social Responsibility). The utilization of these funds covers various programs, including Education, Nutrition and Health, Humanitarian, Economic, and Da'wah Programs.

Vision : To become a trusted Amil Zakat Institution in managing zakat, infaq, and sadaqah to fulfill social, humanitarian, welfare, educational, and health needs.

Mission

1. To increase public participation in zakat through zakat education.
2. To develop zakat management facilities that make it easier for donors (muzakki) to access and distribute ZIS funds.
3. To carry out social, humanitarian, welfare, educational, and health programs of LAZ Persada Jatim Indonesia in a professional, proportional, and humane manner.

Program Pillars

1. Humanitarian: Disaster Response, Go-Recovery, Progressive Orphanage
2. Welfare: Independent Converts, Empowered Widowed Mothers
3. Health: Happy Mass Circumcision, Persada Mobile Medical Service
4. Da'wah: Happy Ramadan, Orphans' Eid Festival, Taqorrib, Village Preaching, Nandur Becik

Strategic Concept

Strategy is a set of critical choices for planning and implementing a series of actions and allocating essential resources to achieve basic goals and objectives, taking into account competitive, comparative, and synergistic advantages that are ideally sustainable. It serves as a long-term direction, scope, and perspective for an individual or organization.⁸ The functions of strategy are as follows⁹:

1. Strategy as Planning: It serves as a guide for actions to face specific environmental challenges.
2. Strategy as Pattern: It becomes a pattern of consistent actions in responding to challenges or opportunities in the environment.
3. Strategy as Position: It determines the organization's placement in the macro environment to bridge the organization with its surroundings.
4. Strategy as Perspective: It reflects a way of viewing and understanding the environment, built upon cultural work values and collective vision.

Strategic Stages

1. Strategy Formulation

Strategy formulation is defined as the development of a structured plan to manage opportunities and

threats from the external environment while leveraging internal strengths and weaknesses. It involves an in-depth analysis of the current situation and the establishment of strategic steps to achieve the desired performance.¹⁰ This process not only sets long-term goals but also creates a framework for decision-making and resource allocation. The common steps in strategy formulation include:

- a. Setting Vision and Mission: Determining long-term objectives and formulating a clear mission statement.
- b. Environmental Analysis: Conducting a SWOT analysis (Strengths, Weaknesses, Opportunities, Threats) to understand the organization's position and external influences.
- c. Setting Goals: Developing specific, measurable, achievable, relevant, and time-bound objectives to provide clear direction.
- d. Developing Strategic Alternatives: Identifying various strategic options to achieve the set goals.
- e. Strategy Evaluation and Selection: Assessing strategic alternatives based on effectiveness and available resources, then selecting the best option.
- f. Strategy Implementation: Translating strategic plans into concrete actions involving all organizational components and ensuring proper resource allocation.
- g. Monitoring and Evaluation: Monitoring strategy implementation and evaluating its success and weaknesses.

2. Strategy Implementation
Strategy implementation should create managerial coordination in terms of organizational goals, structure, budget, and optimal resource utilization to ensure smooth execution. Commitment and cooperation are essential during the process.¹¹ Implementation involves a series of activities to realize strategic plans. The key steps are:
 - a. Establish the Strategic Framework: Ensuring all members of the organization understand and share the same strategic goals.
 - b. Build an Action Plan: Developing specific actions to achieve strategic goals, including task assignments and responsibilities.
 - c. Resource Allocation: Managing required resources, including labor, capital, and assets, to meet implementation needs.
 - d. Effective Communication: Conveying plans and goals to all organizational members to ensure engagement and understanding of their roles.
 - e. Supervision and Evaluation: Conducting periodic reviews to assess progress and make necessary adjustments.
3. Strategy Evaluation
Strategy evaluation is the final stage, in which management ensures that the chosen strategy is effectively implemented and achieving organizational goals. This process includes performance measurement, result analysis, and progress reporting to ensure that the strategy remains relevant amid changing internal and external conditions. The key steps include:
 - a. Performance Measurement: Assessing activity performance and goal achievement to determine if expected results have been met.
 - b. Result Analysis: Analyzing performance data to evaluate progress and identify influencing factors.
 - c. Reporting: Communicating evaluation results to relevant parties within the organization, both orally and in writing, to provide an overview of goal attainment.

Overall, strategy evaluation is a continuous process that helps organizations remain responsive to change and ensures they stay on track to achieve the long-term goals of the Amil Zakat Institution Persada Jatim Indonesia.

3.2. Management Strategy of LAZ Persada Bojonegoro in Improving the Welfare of Orphans and the Poor in Bojonegoro

The The Amil Zakat Institution (LAZ) Persada Jatim Indonesia, as a non-profit organization managing zakat, infaq, sadaqah, and waqf (ZISWAF), must have strategies to increase public interest in donating, whether from individuals, groups, institutions, or organizations. These strategies are essential to encourage people to channel their ZISWAF funds through the amil zakat institution. To achieve this goal, the institution must prepare effective program plans that communicate the message of ZISWAF to the public. LAZ Persada Jatim Indonesia applies two main strategies: ZISWAF Collection Strategy and ZISWAF Distribution Strategy.

1. ZISWAF Collection Strategy

There are three strategic steps implemented by LAZ Persada Jatim Indonesia to maximize the potential of ZISWAF collection in Bojonegoro Regency:

- a. Personal Fundraising

Fundraisers are responsible for collecting religious social funds from the community, particularly zakat, infaq, and sadaqah (ZIS), either through direct visits (door-to-door) or fund pick-ups. The collected funds are then reported to the ZIS administrative staff as a form of accountability.

- b. Corporate Fundraising

Fundraisers approach companies that have funds or Corporate Social Responsibility (CSR) programs. This approach focuses on contributing to sustainable development by creating positive impacts in economic, social, and environmental aspects. Essentially, CSR represents a business commitment to operate ethically and legally while improving the quality of life for employees and society.

- c. Digital Fundraising

Fundraisers actively use social media to educate the public about the importance of zakat. They regularly distribute informational pamphlets across digital platforms such as websites, Facebook, WhatsApp, YouTube, and Instagram. This strategy utilizes the internet as a medium of interaction and communication between fundraisers and donors (muzakki).

2. ZISWAF Distribution Strategy

Based on an interview with the Head of LAZ Persada Bojonegoro Branch, Mr. Baqin Al-Karim, the distribution strategy in Bojonegoro involves three Zakat Collection Partners (MPZ) that collaborate with LAZ Persada Jatim Indonesia. These MPZs are LKSA Yayasan Karya Binangun Mandiri (YKBM), LKSA Yayasan Mandiri Sosial Indonesia (YAMSI), and LKSA Yayasan Pandu Anak Mandiri (YAPARI). The funds collected from the community or donors (muzakki) are then distributed through various social programs organized by LAZ Persada Jatim Indonesia.

3.3. Supporting Programs of LAZ Persada Jatim Indonesia in Improving the Welfare of Orphans and the Poor in Bojonegoro

From Research findings show that LAZ Persada Jatim Indonesia runs several programs aimed at improving the welfare of orphans and the poor in Bojonegoro Regency, including:

1. Happy Ramadan

a. Bukberia (Breaking Fast with Orphans & the Poor): Complete meal packages with dates for breaking the fast, distributed to orphans and the poor in 81 orphanages across 38 regencies/cities in East Java. Donation package: Rp. 20,000.

b. Zakat Management: Fulfillment of zakat al-fitr obligations, equivalent to 2.5 kg of staple food (rice), to be paid during Ramadan before Eid prayer. Donation package: Rp. 36,000.

c. Orphan Gift: Financial or material aid to help orphans and the poor experience joy and warmth during Islamic festivities. Donation package: Rp. 100,000.

d. Belay (Empathy Eid Package for Orphans & the Poor): Eid empathy packages distributed to orphans and the poor in 81 orphanages across 38 regencies/cities in East Java. Donation package: Rp. 250,000.

e. Beta (Sharing Iftar): Iftar packages containing dates, snacks, and mineral water for travelers during Ramadan. Donation package: Rp. 10,000.

f. Qur'an Distribution: Donation of Qur'an copies for orphans in 81 orphanages across 38 regencies/cities in East Java to support regular recitation, memorization, and study activities. Donation package: Rp. 65,000.

g. Damar (Ramadan Wisdom Da'wah): Educational programs on Islamic jurisprudence and daily ethics for the community and donors. Donation package: Rp. 50,000.

h. Sambada (Food Aid for the Poor): Basic food packages for underprivileged families. Donation package: Rp. 250,000.

i. Sabaya (Sahur with Orphans): Nutritious sahur meals for orphans and the poor in 81 orphanages across East Java. Donation package: Rp. 15,000.

2. Qurban

Through the TAQORRUB program, LAZ Persada invites people to share their blessings with orphans and the poor. The Qurban donations collected through LAZ Persada are distributed via its Zakat Collection Partners (MPZ). Each year, public participation in the "Qurban to Remote Areas" program increases. This initiative helps donors fulfill their religious duty while ensuring that meat reaches orphans and the needy across East Java, especially in Bojonegoro.

3. **Orphans' Eid**

During the blessed month of Muharram, LAZ Persada spreads happiness among orphans from 81 orphanages across 38 regencies/cities in East Java. The program fosters joy and compassion, following the Prophet Muhammad's ﷺ teaching: "Whoever takes care of an orphan among the Muslims, providing food and drink, Allah will surely admit that person to Paradise, unless they commit an unforgivable sin" (HR Tirmidhi).

4. **Orphan Guardian Program**

Due to widespread social problems, particularly those involving orphans and the poor in Bojonegoro, the Orphan Guardian Program was initiated by LAZ Persada Jatim Indonesia. It aims to provide consistent support and empowerment for orphans across East Java. The program includes:

- Opening bank accounts for orphans, ensuring their financial future.
- Providing equal psychological support for all orphans in East Java.
- Developing facilities for orphan empowerment and independence.
- Enhancing character education and continuous skill development for orphans.

This flagship program has official legal recognition, and LAZ Persada Jatim Indonesia is the first institution to implement it. Its vision is "Mardhotillah – Seeking Allah's Pleasure with the Orphans," and its mission includes:

- Protecting orphan assets.
- Providing future financial assurance for orphans.
- Ensuring equal protection for all orphans.
- Acting as mentors and parental figures for orphans.

Eligibility criteria:

- Orphans under 18 years old or not yet mature.
- Orphans residing across regencies and cities in East Java.

Registration terms:

- Guardians can register via WhatsApp by sending their ID photo as administrative proof.
- Commit to transferring a minimum of Rp. 100,000 monthly directly to the orphan's bank account.
- Guardians may choose orphans who already have accounts.
- Guardians may sponsor more than one orphan.

Notes:

- The funds are stored in the orphan's bank account.
- The funds are handed over by the guardian directly to the orphan once they reach adulthood (18 years or after completing high school), witnessed by the institution.
- Yatim Camp Persada**
This program is held for orphans from 40 Child Welfare Institutions (LKSA) across East Java, offering valuable experiences, enhancing togetherness, and teaching religious and social values through various activities.
- Qur'an Waqf**
The Qur'an Waqf program aims to improve the welfare of orphans and the poor in Bojonegoro by providing Qur'ans to facilitate proper learning and foster a Qur'anic generation.
- Disaster Response**
LAZ Persada Jatim Indonesia runs a Disaster Response program as part of its humanitarian commitment. The *Pandu Persada* team handles disaster-related issues and environmental care. This program is part of LAZ Persada's humanitarian zakat distribution efforts.
- Human Resource Development**
Human Resource Development (HRD) in LAZ Persada Jatim Indonesia is essential for enhancing productivity and quality of life. The program benefits individuals, staff, and the overall institution by improving spiritual and professional capabilities, emotional intelligence, and teamwork, fostering a more positive and productive environment.
- Orphanage Facilities Procurement**
This program aims to create a conducive living and learning environment for orphans by improving infrastructure and facilities, ensuring comfort, safety, and motivation.
- Friday Charity for Orphans and the Poor**
The Friday Charity Program is a social initiative held every Friday to support orphans and the poor, particularly in rural areas, through aid distribution and community engagement.
- Charity Assistance**
The charity program reflects compassion toward orphans and the poor, serving as a bridge between donors and beneficiaries through zakat, infaq, and sadaqah distribution.
- Palestine Aid**
LAZ Persada also shows concern for humanitarian crises in Palestine by raising funds to support

victims through food, medicine, and other essential supplies, emphasizing that this issue is not merely political but a moral and humanitarian duty.

4. CONCLUSION

The Amil Zakat Institution (LAZ) Persada Jatim Indonesia, Bojonegoro Branch, plays an important role in improving the welfare of orphans and the poor through the professional, transparent, and well-planned management of zakat, infaq, sadaqah, and waqf (ZISWAF) funds. The main strategies implemented include personal fundraising, corporate fundraising, and digital fundraising, which maximize community participation in donations. In addition, the institution also carries out various social and humanitarian programs such as Ramadhan Bahagia, Wali Yatim, Qurban, Sigap Bencana, Human Resource Development, and Santunan, all of which significantly contribute to enhancing the welfare of society, particularly orphans and the poor in Bojonegoro. With its integrated strategies and programs, LAZ Persada Jatim Indonesia has successfully become a trustworthy, effective, and socially empowering zakat institution dedicated to improving community welfare.

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