

Research Article

Effectiveness of Capital Assistance Programme: Evidence from Malaysia

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Abstract: In Malaysia, the number of people living in hardcore poverty, has decreased from 0.7% in 2009 to 0.2% in 2012. Many organizations have been set up to provide continuous support to these 'unfortunate group' to elevate their living standards through business activities via Capital Assistance Programme. One of the organizations is known as Selangor Zakat Board (SZB). In 2003, SZB has introduced "Asnaf Entrepreneurial Program" to facilitate selected hardcore poor to start a small business. This study aims to examine factors that influence the effectiveness of capital assistance programme. Based on 55 asnaf who received capital assistance to start small scale business in 2003 the finding discovered that level of religiosity and business experience significantly influence the effectiveness of capital assistance programme.

Keywords: Asnaf entrepreneurs, principle of maqasid al-shari'ah, zakat organizations

INTRODUCTION

Zakat is the giving of a fixed portion of one's wealth to rightful recipients (asnaf). It is part of five basic pillars in Islam which represents a mandatory requirement that should be given out only on the net balance after all lawful expenses have been met at the end of the year. The ritual of zakat is so exclusive in the sense that it does not exist in other religions, even though one might argue with the word of charity. Charity is a voluntary acts typically in the form of money to anyone either person or organization with no prescribed amount while zakat is an obligation acts with specific rates and amounts (Nisab), time or period (Haul) and given to specific zakat recipients. Zakat is not a tax imposed from commercial business activity but it is a duty signifies a form of worship of Muslim believers to Allah (s.w.t) as the creator and sustainer of the universe. The payment of zakat is continually mentioned in the Al-Quran in the same verse with solat (prayer). In Islam, all wealth belongs to Allah (s.w.t) who is the Owner of all things.

Based on history, zakat is a practice initiated by Prophet Muhammad *saw* that has a significant role throughout the Islamic history. Initially, Prophet Muhammad *saw* instituted zakat as a voluntary individual offering, but during his lifetime certain forms of zakat have been declared as an obligatory (Fard). Zakat Organization of Malaysia has been actively helping asnaf through zakat funds in the form of productive and unproductive financial supports (Rahman *et al.*, 2008). The unproductive financial

support includes monthly food and financial aid and education fees. Productive financial support covers business capital assistance to lessen their burden. Currently, there are insufficient studies conducted on the impact of productive financial on the quality of life of those who received the support. Nevertheless, several scholars have empirically investigates the impact of zakat as a whole (i.e., productive and unproductive zakat) on the income level of asnaf. Ahmad *et al.* (2011) measure the overall effectiveness of zakat distribution with the rise of religiosity level within the asnaf itself. Rahman and Ahmad (2011) examined factors such as the monitoring and management of zakat institution, optimism, social skills and risk takers contribute to the success of the business upon receiving the business capital. Ramli *et al.* (2011) investigate that attitude of asnaf and its impact on the effectiveness of zakat distribution programme. Hence, this study extends the current research by examining the impact of capital assistance programme on the quality of life index of asnaf. Subsequently, this study examines factors contributes to the effectiveness capital assistance programme to asnaf entrepreneurs.

Selangor zakat board: In Malaysia, the management of zakat funds in collecting and distributing the to the rightful poor recipients was administered by Zakat Institute. In this study, successful Asnaf entrepreneur is those Asnaf who received initial business capital from Selangor Zakat Board in the year 2005 and they are still in the business. Through Asnaf Development Department of zakat Institute, many programmes have

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been initiated to encourage and support the development of entrepreneurship spirit among the asnaf group (Ramli *et al.*, 2011). The forms of business capital provided by Zakat Institute to asnaf are hardware or equipment to start the business activities. In addition, Zakat Institute has provided business infrastructure to enhance the business operation to asnaf entrepreneur such as stalls, booth and workshops and cash as business capital round. The rate of business capital range between RM2,000 to RM50,000, depending on the types of business conducted or projects engaged by asnaf (Balwi *et al.*, 2008).

In addition, the allocation of business capital to asnaf is free and no repayment is required. However certain minimal conditions must be fulfilled before the business aid is released to asnaf (Selangor, 2011b). As compared to other microfinance institutions in Malaysia the rate of successful entrepreneurs is high for other microfinance institutions as compared to Asnaf Development Department though they have the same objective in encouraging the poor group of communities to be independent in generating their own source of income through business operation in the future (Rahman *et al.*, 2008).

Thus, the study aims to examine the impact of capital assistance by incorporating the principle of Maqasid Al-Shari'ah as a tool to measure the human life index. The principle of Maqasid Al-Shari'ah considered human need based on hierarchy or level. It started with the lowest of al-daruriyyat followed by al-hajjiyyat and finally al-tahsiniyyat. Subsequently, this study examined factors that influencing the effectiveness of capital assistance programme from asnaf's viewpoint.

Factors influencing the effectiveness of capital assistance programme: Studies have shown the factors contribute to become successful entrepreneurs (Driessen and Zwarf, 1999; Levander and Raccuia, 2001; Lescevic and Rivza, 2002; Kao, 1991). However, most of these studies have not examined the factors contribute to successful entrepreneurs in the context of rightful Zakat recipients that received initial capital assistance from Zakat organization. The effectiveness of capital assistance programme is measured in terms of eight principles of Maqasid Al-Shari'ah from Al-daruriyyat as highlighted by Crane (2009) and Dusuki and Bouheraoua (2011) are as follows:

- **Religion (al-din):** Every Muslim must worship Allah s.w.t and search for truth and justice.
- **Life (al-nafs):** Respects for human life by preserving and protecting it at all time. Having highest regards for human existence.
- **Intellect (al-aql):** Discerning the right or wrong behavior/association through freedom of thought, assemble and speech.
- **Lineage/honor (al-nasl):** Duty and legal obligations to respect human community based on

the sacredness of life (reflects the future generations).

- **Wealth (al-mal):** Economic justice especially in the creation of money and wealth as an alternative to older system of wages.
- **Environment (al-mahid):** Respect the rational order of all creation (ecology and environment).
- **Freedom (al-huriyyah):** The right to belong to any political association or community of one's choice. The actualization of individual self-determination requires sufficient governmental institutions' participation.
- **Equality (al-karama):** Respect of human dignity especially through gender equity.

Level of religiosity and effectiveness of capital assistance programme: Religion is among the important element in the principle of Maqasid al-Shari'ah in safeguarding the Muslim's faith. It is included in Al-tahsiniyyat (embellishment) and again was mentioned in Al-daruriyyat (essential needs) which further segregated to religion (al-din). As a Muslim, it is a duty to protect the religion in any circumstances. This include in performing any type of occupation (in this study, self-employed through business operation after received business capital from capital assistance programme) is within the Islamic context and Islamic work value orientation (Yunus *et al.*, 2011). As such, there is tendency for asnaf receiving the funds from capital assistance programme will maximize it effectively as part of worship to Allah (s.w.t). Moreover, through entrepreneurial activity, asnaf will face a lot of obstacles which made them closer to Allah (s.w.t) in getting the blessing for business succession. The study conducted by Ahmad *et al.* (2011) consider religion as an indicator to assess the effectiveness of capital assistance programme to asnaf. The scholars focus specifically on the internal improvement from religion aspects. The foregoing discussion thus leads to the following hypothesis:

H1: There is relationship between level of religiosity and the effectiveness of capital assistance programme.

Entrepreneurship orientation and effectiveness of capital assistance programme: In order to become a successful entrepreneur, asnaf must possess the entrepreneurship orientation which include diligent, innovation, locus of control, positive mind, forward looking, risk taker and others in governing the business operation (Filion, 2008; Lumpkin and Dess, 1996). The entrepreneur orientation within the asnaf itself is a strong weapons towards any mental and physical impediment in the business especially the business activities engaged by asnaf (i.e., sole trader) which highly subject to succession issues. Furthermore, it will ensure the business continuity since the financial support provided by Zakat Institute is considered as cornerstone for future business opportunities.

Only those that have the business minded, constantly innovate, develop a creative strategy and willing to deal with uncertain risk, can survive in the business (Ertuna and Gurel, 2011; Makhbul and Hasun, 2011; Ramli *et al.*, 2011; Yusof *et al.*, 2007). Thus, it indirectly shows that they would do anything to ensure their life as well as family members and societies benefited from the business activities. Any failure could result in social problem and any harm derived from business activity would affect the cycle in the nature (e.g., pollution to environment). Accordingly, if the business is expanding and growth i.e., wealth accumulation (Frank *et al.*, 2010), asnaf will be zakat payers in the future which in turn contribute back to society (i.e., ecology and environment). All of these are interrelated and achievable through the capital assistance programme and implicitly related with the holistic application of life, lineage/honor, environment, equality and wealth from the Maqasid al-Shari'ah. The foregoing discussion thus leads to the following hypothesis:

H2: There is relationship between the entrepreneurship orientation and the effectiveness of capital assistance programme.

Accounting practices and effectiveness of capital assistance programme: Accounting practices is a systematic process of identifying, recording, measuring, classifying, verifying, interpreting and communicating the financial information. In relation to asnaf entrepreneurs who manage the small business operation might not have the complex accounting system. Nevertheless, asnaf should at least do some simple budgeting or daily calculation for cash inflow and outflow for the business operation. These accounting practices will help them to achieve the future target and business growth. The application of intellect (al-aql) in business activities will guarantee a certain level of confidence in communicating with customer and suppliers. Sandhu *et al.* (2012) are among the scholars that empirically demonstrate the important of accounting knowledge and financial awareness for business succession (i.e., great mind will boost business strategy and planning). The accounting knowledge and accounting practices by asnaf will ensure their capability to compete with competitors which eventually will enhance the business performance (Robinson and Sexton, 1994; Salwa *et al.*, 2013). The foregoing discussion thus leads to the following hypothesis:

H3: There is relationship between the accounting practices with the effectiveness of capital assistance programme.

RESEARCH METHODOLOGY

Selection of sample: Data was collected from 55 participants of asnaf entrepreneurs in Selangor which

represent the sample for the research. Structured questionnaires were personally administered questionnaire as the main sources of information. Several scholars on previous study about zakat recipients or asnaf entrepreneur have used questionnaire in examining the impact after received the aid from Zakat Institute either from the perspective of recipient or distributor (Ahmad *et al.*, 2011; Halim *et al.*, 2012; Ramli *et al.*, 2011). In this study, the questionnaire was carefully designed, planned and organized especially on the changes affected asnaf. Therefore, the questionnaire is translated in Malay translated version in order to enhance the respondents' understanding on the changes that they have experienced throughout the programme. Then, the questionnaire was back-translated into English for data analysis. The data collection process from the respondents began in December 2012 and lasted until May 2013.

Measurement of variables: The type of research design for the study is quantitative approach using the questionnaire divided into five sections. The first section is about the recipients' demographic information on the types of business, gender, age and the level of academic qualification. Section two examines the effectiveness i.e., impact of capital assistance programme to asnaf's quality of life measured using Change Assessment and Scoring Tool (CAST) method based on a simple 5-point scale as "very negative" (--), "negative" (-), "no change" (0), "positive" (+) or "very positive" (++) covering 8 principal of Maqasid as Syariah religion, life, intellect, lineage/honor, environment, freedom and equality. CAST method was developed in the mid-1990s as a special focus group technique to capture people's perceptions of change. The method was effectively adopted by Mikkelsen *et al.* (2008) in evaluating the changes i.e., the effect in reducing the level of poverty towards the Swedish development assistance programme. Furthermore, the same method was applied in evaluating the performance of the health sector in Tanzania (Gilroy and Epos, 2007). The result obtained from CAST was very helpful for Tanzania's government for future improvement. Since CAST is widely employed at international level, the method is suitable as evaluation method in identifying the effectiveness of capital assistance programme on asnaf besides the Likert scale. Therefore, the measurements of the independent variables in the study are the combination of the Likert scale and CAST method because theoretically CAST method is equivalent to Likert scale.

Capital assistance programme: Following the above independent variables, another set of eight items instruments to measure the effect of zakat toward the quality of life in the context of religion through the

Table 1: Measurement for effectiveness of capital assistance programme

- Changes in the monthly income
- Changes in the level of knowledge for myself
- Changes in the level of knowledge for my family
- Changes in the level of my family's living condition
- Changes in my contribution to the society
- Changes in my health condition
- Changes in the business skills and experience
- Changes towards the religion practices
- Changes in my participation within the society
- Changes in the lineage/honor among the family members

Table 2: Measurement of religiosity

- Striving to gain deep understanding of Islamic knowledge
- Level of understanding the Al-Quran's verses
- Daily five time's prayer is a necessity
- Reading Al-Quran is a daily obligation
- Daily five time's prayer is a necessity for me and my family
- Fully observation of fasting during Ramadan
- Practicing the 'sunnah' lesson from Prophet Muhammad *saw* in my daily life
- Fully observation of fasting during Ramadan for me and my family
- Gaining deep understanding of Islamic knowledge with my family is my responsibility

Table 3: Measurements of entrepreneurship

- The degree of my target for business achievement is high
- Seldom given up on any business opportunity
- Highly motivated by business challenges
- Degree of self-independence is high
- Fast decision making ability
- Willingness to take business risk for high return in future
- Ability to favorably compete in the industry
- Ability to grow and expand the business

Table 4: Measurement accounting practices

- Prepare a business record keeping system
- Prepare business cash flow (money inflow and outflow)
- Prepare business profit and loss statement
- Prepare business balance sheet statement
- Preparation of annual business budget
- Preparation of business forecast sale
- Preparation of financial statement on a timely basis
- Availability of contingency plan (savings) for unforeseen circumstance

Maqasid al-Shari'ah are adopted with modification from Ahmad *et al.* (2011). The eight items focused in the areas of income (wealth), knowledge (intellect), standard of living (life), business skill (self-determination), religion, society (environment) and lineage/honor are measured using CAST on 5-point scale as "very negative" (--), "negative" (-), "no change" (0), "positive" (+) or "very positive" (++). Table 1 exhibits the measurements of effectiveness of capital assistance programme.

Section three pertaining on the practicing the religion belief, while section three is on the entrepreneurship orientation. Section four focuses on the application of the accounting practices. Section one until four are measured based on five-point Likert scales ranging from 1 (strongly disagree) to 5 (strongly agree).

Level of religiosity: The six items instrument was used to measure the level of religiosity among the asnaf entrepreneur. The level of religiosity concerns on the daily Islamic practices such as five times prayer, read Al-Quran, fasting and practicing 'sunnah' are adopted with modification from Ahmad *et al.* (2011) and Yunus *et al.* (2011). Each of the six items instrument are measured as a separate item, on five-point Likert scales stating the respondents' level of agreement whereby 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree. Table 2 exhibits the measurements of the religiosity.

Entrepreneurship orientation: The eight items instrument was used to measure the entrepreneur orientation among the asnaf entrepreneur. The items are adopted with modification from previous scholars (Lumpkin and Dess, 1996). Each of the six items instrument are measured as a separate item, on five-point Likert scale stating the respondents' level of agreement whereby 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree. Table 3 exhibits the measurements of Entrepreneurship orientation.

Accounting practices: The eight items instrument was used to measure the accounting practices among the asnaf entrepreneur. The items are adopted with modification from previous scholars (Halim *et al.*, 2012). Each of the six items instrument are measured as a separate item, on five-point Likert scales stating the respondents' level of agreement whereby 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree. Table 4 exhibits the measurements of the independent variables used in this study.

RESULTS

The questionnaires were distributed to asnaf and comprised questions about their gender, age, highest level of education achieved and types of business engaged in upon receiving funds from the capital assistance programme. The purpose of this demographic profile is to gain more understanding and ensure constructive explanation on the result from the study. Table 5 present the outcome of the demographic profile from the respondents collected in the study. This study investigated 55 respondents comprising of 17 males and 38 females which approximately represent 31 and 69% of the total respondents respectively. In terms of age profile as shown in Table 6, most of the respondents are in the age ranging from 41 to 50 years old with 51%, followed by range of age above 51 years old and from 30 to 40 years old with 22 and 20%, respectively. Only 7% of the respondents are below 30 years old which represents the smallest portion in overall respondents.

Table 5: Demographic profile

Demographic profile	Frequency	(%)	Types of business	Frequency	(%)
Gender:			Clothing	22	40.0
Male	17	30.9	Food	30	54.5
Female	38	69.1	Plantation	3	5.5
Age			Highest qualification		
Below 30	4	7.3	No formal academic	1	1.8
30-40	11	20.0	Primary school	11	20.0
41-50	28	50.9	Secondary school	39	70.9
51 and above	12	21.8	Diploma and above	4	7.3

Table 6: Regression analysis

Variables	Coefficients	S.E.	t-stat	p-value	Tolerance	VIF
(Constant)		1.569	-1.395	0.169		
LOR	0.354	0.282	2.885	0.006	0.908	1.101
EO	0.205	0.199	1.671	0.101	0.911	1.097
AP	0.266	0.117	2.100	0.041	0.854	1.170
R				0.550		
R ²				0.303		
Adjusted R ²				0.262		
F-statistic (p-value)				0.000		

S.E.: Standard error

The highest level of education is shown in Table 5 revealed that majority of the respondents had secondary level education with approximately represent 71% of the total respondents followed by primary school of 20% which represent the second ranked. Seven percent of the respondents hold Diploma qualification and 2% of the respondents possessed no formal academic background. This analysis is supported with the age demographic profile when the majority of the respondents fall under the age of 41 to 50 years old with the age level where the respondents are having difficulty in getting the suitable job to support their family if the respondents do not have the suitable qualification.

Overall, there are three types of business undertake by asnaf entrepreneur which consists of clothing, food and plantation. Among the three type business activities, food business is ranked as the highest frequency of 55% followed by clothing about 40%. Clothing is believed to be among the highest ranked because more female are involved in entrepreneurial activity as explained from gender demographic profile.

This study aimed to examine factors affecting the effectiveness of capital assistance programme. In this study three factors of religiosity, entrepreneur orientation and accounting practices were tested to examine whether the is positive relationship between these factors and effectiveness of capital assistance programme.

As overall significance of the model by reference to F-Test, the regression result in the Table 6 was statistically significant (Sig. = 0.000 or $p < 0.0005$). This evidences that the three factors affects effectiveness of capital assistance programme. The R² value of 30.3% means that variance in the Capital Assistance Programme (CAP) was explained by the variation of the three factors. The adjusted R² value of 26.2% means that 26.2% in the capital assistance programme is explained by the three factors.

Table 6 exhibits that there is significant positive relationship between religiosity and effectiveness of capital assistance programme ($\beta = 0.354$, $t = 2.885$, $p = 0.006$). This means that the level of religiosity has significant relationship in determining the effectiveness of capital assistance programme. The finding indicated that by practicing the Islamic beliefs in life such as striving to gain deep understanding of Islamic knowledge, understand the Al-Quran's verses, performed five times daily prayer, reading Al-Quran, practice 'sunnah' from Prophet Muhammad *saw* in daily life and fully observation of fasting during Ramadan will influence the success of capital assistance programme. This is consistent with the study by Ahmad *et al.* (2011) when the effectiveness of capital assistance programme should not be measured solely on external factors but internal aspects of religion must be considered. The result also supports the general impact of religion on the business or economic performance (Barro and McCleary, 2003; Galbraith and Galbraith, 2007; Rulindo and Mardhatillah, 2011).

The relationship between entrepreneurship orientation and the effectiveness of capital assistance programme revealed that there is no significant relationship between the two variables ($\beta = 0.205$, $t = 1.671$, $p = 0.101$). The findings indicated that the need to set high target for business achievement, business determination, high degree of self-independence, ability to make fast decision making, risk taking and the ability to compete in the industry and business expansion will not guarantee the success of capital assistance programme. The result is consistent with the research conducted by Frank *et al.* (2010) that empirically justified that the entrepreneur orientation has negative relationship with business performance. However, the study is inconsistent with several scholars that argued entrepreneurship orientation is the success factor for business

performance (Ertuna and Gurel, 2011; Makhbul and Hasun, 2011; Ramli *et al.*, 2011; Yusof *et al.*, 2007). The possible reason for these inconsistent might be due to the adoption of Maqasid al-Shari'ah principles of religion, life, intellect, lineage/honor, wealth, environment, freedom and equality in this study.

The relationship between accounting practices and effectiveness of capital assistance programme. Revealed a significant positive relationship ($\beta = 0.266$, $t = 2.100$ and $p = 0.041$). The findings also portray that by having business record keeping system, prepared cash flow (money inflow and outflow), profit and loss and balance sheet statement, annual target sale and the availability of contingency plan (saving) will influence the effectiveness of managing the capital assistance programme. This in turn will ensure the business performance. The result is supported with the study of several scholars that argued education or accounting practices is importance in managing the business operation (Robinson and Sexton, 1994; Sandhu *et al.*, 2012; Salwa *et al.*, 2013). However, the result is inconsistent with Halim *et al.* (2012) that suggest accounting practices is not the characteristics for successful entrepreneur.

Therefore, the result hypothesized that level of religiosity and accounting practices have relationship with the effectiveness of capital assistance programme to asnaf, whereas entrepreneurship orientation demonstrate the insignificant relationship in influencing the effectiveness of capital assistance programme.

According to Maqasid al-Shari'ah, the ultimate objective of Islamic law is to serve the interest of all human being (Maslahah) which indirectly command the co-operation among the societies to support the member within the society and share the equal benefits. Before reach the objective, the Islamic belief must be inculcated in the mind of every Muslim. This principle can be adopted in every circumstances and situation including in business environment. The findings of this study show that the independent variables (e.g., level of religiosity and accounting practices) support the application of Maqasid al-Shari'ah when there is relationship with capital assistance programme. Ultimately, the result suggest that the factors used in the study should be evaluated using the Maqasid al-Shari'ah that incorporated the Islamic elements of religion, life, intellect, lineage/honor, wealth, environment, freedom and equality. In other words, the capital assistance programme is the Maqasid al-Shari'ah in the context of this study which the evaluation on the effectiveness must consider the principle of Maqasid al-Shari'ah as a whole.

CONCLUSION

Based on the results, it can be concluded that upon receiving the funds (i.e., business capital) from the capital assistance programme from zakat Organization, there is an enhancement and changes in other aspect of asnaf's standard of living which include lineage/honor,

religion, environment, intellect, life, freedom, equality and wealth. It is clearly evident that preserving religion and protecting the honor of asnaf's family members has contributed to the overall effectiveness of capital assistance programme. The results also proved that the level of religiosity is highly interrelated with entrepreneurial activity and other aspects of changes in asnaf's life. With strong level of religiosity, asnaf will utilize the capital assistance in more effective and efficient manner on the understanding that business activity is also part of worship or 'Ibadah' towards Allah (s.w.t) which they must preserve in any circumstances. Moreover, through the business activity (i.e., received business capital from capital assistance programme), asnaf will have to face and deal with all business threats and opportunities in order to be a successful entrepreneur. Indirectly, it will tighten their relationship with Allah (s.w.t) by practicing the Islamic beliefs and obligations such as performed five times daily prayer, striving to gain more understanding on Islam, read Al-Quran's verses and fulfilled the fasting responsibility during Ramadan in getting the internal help spirit from Allah (s.w.t). Besides, asnaf also will practice the 'sunnah' as shown and portray from Prophet Muhammad *saw* in daily business activity (i.e., making the Prophet Muhammad *saw* as business role model). This is because Prophet Muhammad also has made the business activity as the main source of income generation.

The analyses above also showed that accounting practices have a significant influenced on the effectiveness for capital assistance programme. The impact on the level of religiosity on business activities alone is not sufficient without having the accounting practices. In other words, asnaf must at least be able to practice basic accounting to effectively run their business. The possession of knowledge is also part of Maqasid al-Shari'ah (i.e., intellect) especially business skill and experience because knowledge itself is not limited to the normal mode of education. This includes having a systematic business record, preparation of contingency plan (i.e., saving), preparation of basic budget, forecast sale and financial statement (e.g., profit and loss and balance sheet) in running the business operation. This in turn helps asnaf to have the clear picture of business' performance, projection of future income and expenses. Though asnaf might not have complex accounting concerns that require them to comply with international accounting standards but should at the minimum prepare themselves to become successful entrepreneurs in the future through the accounting knowledge garnered.

From the findings also it can be concluded that entrepreneurship orientation is not the main contributor that will influence the effectiveness of capital assistance programme. The results show that there is insignificant relationship between entrepreneurship orientation and capital assistance programme. It can be summarized that the element of entrepreneurship orientation such as the need for achievement, business determination, self-

independence, ability to make quick decision and risk taker will not guarantee the effectiveness of capital assistance programme. The results suggest that asnaf might need time to equip themselves with their newly status as an entrepreneur since they can be considered as still new in the business world.

The improvement or changes experienced by asnaf through religion, life, intellect, lineage/honor, wealth and environment from capital assistance programme eventually will ensure the changes or impact in freedom and equality in their life. In this study, freedom is defined in wider scope where the benefits enjoyed by the asnaf through the programme and ensure the equal business opportunities enjoyed by asnaf through the business activity.

There are several limitations that occurred when conducting the study. Firstly, this study used the cross-sectional method involving the small sample size of 55 respondents. The sample might not substantive enough to represent the whole population in Selangor even though within the recommended sample size for research work. Third, the method employed in this study is solely relying on structured questionnaire in evaluating the changes on asnaf upon receiving the capital assistance programme. The other data collection methods such as detail observation and interview survey on asnaf daily life and how they managed the business was not performed since the methods shall confirm and guarantee the information given in the questionnaire. Thus, the conclusion is drawn from the respondents' feedback which the answer from the recipients cannot totally represent the whole asnaf population in Selangor (i.e., in 2011, the total recipients of capital assistance programme is 420 (Based on ZAKAT INSTITUTE annual report for 2011)). In addition, there is possibility that certain questions being asked twice that the respondents might give different answer. Furthermore, the questionnaire was distributed to respondents after it was translated from English to Malay, it might have some scaling issues or errors of measurement even though care have been exercises throughout the process.

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