

The Success Factors of Asnaf Entrepreneurs: A Systematic Literature Review (SLR)

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Abstract

Asnaf entrepreneurs are a group that needs support and assistance from zakat institutions and the State Islamic Religious Council (SIRC) through the state zakat fund. Assistance provided either in the form of capital, equipment, courses or business skills. This is to help them develop their business and succeed in getting out of the cocoon of poverty. This study aims to examine the success factors of asnaf entrepreneurs. This success factor needs to be well identified in order to have a positive impact not only on the asnaf entrepreneurs involved but also on the responsible institutional governance. Therefore, the researcher used the method of systematic literature review (SLR) as a research methodology that involves three stages of article selection which is the focus of this study, namely identification, screening and eligibility. The findings of the study found twelve (12) articles that discuss the success factors of asnaf entrepreneurs. Based on the twelve articles analysed, there are two categories which are internal factors and external factors that influence success among asnaf entrepreneurs. Understanding the success factors of entrepreneurs is very important in helping asnaf entrepreneurs achieve success and reduce the risk of failure in business.

Keywords: *Asnaf entrepreneurs, success factors, zakat, systematic literature review*

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INTRODUCTION

Asnaf is a group that deserves to receive zakat which consists of the destitute (al-fuqara), the poor (al-masakin), the administration of Zakat (amil), the converts (muallaf), the slaves to whom freedom is promised (al-riqab), the ones who fight in the name of Allah (fisabilillah), the debtors (al-gharimin) and the distant travellers (ibnu sabil) as mentioned in the Quran (al-Taubah, 9: 60). The distribution of zakat to this group aims to redistribute wealth among the community because in essence the wealth belongs to Allah SWT (Buang, 2000). Among the forms of zakat assistance is through the provision of economic development programs to transform asnaf through an entrepreneurial platform with assistance in the form of capital, business equipment and skills training courses (Zakaria & Harun, 2020). This implemented program allows asnaf as zakat recipients to become entrepreneurs and eventually become zakat payers (Mahmood et al., 2021). Through this initiative, zakat will be able to be channeled in the best possible way to achieve the goal of poverty eradication.

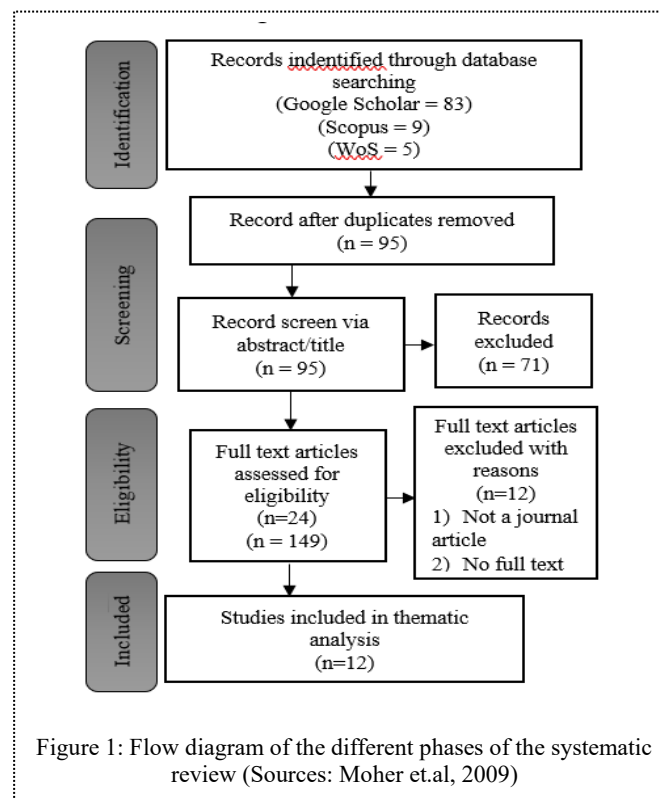
Giving birth to entrepreneurs among asnaf is a good idea to develop the economy of this group so that it does not continue to depend on zakat aid. Various programs have been run by the Islamic Religious Council and the Zakat Institution in Malaysia. Harun & Ab Rahman (2021) study found that 13 out of 14 states in Malaysia have established special programs for asnaf entrepreneurs, of which only the state of Sarawak does not have such provisions. After being given assistance either in the form of capital, equipment or entrepreneurship courses, they need to be independent and run their own businesses until they are able to earn an income and meet their needs. However, previous studies show that the number of asnaf entrepreneurs who are successful in business is still small (Ahmad Shiyuti et al., 2021). Saufi

et al. (2021) also found that the capital assistance that has been given to asnaf entrepreneurs has not yet lifted them out of poverty. Giving birth to successful asnaf entrepreneurs is a very important thing in realizing the true goal of zakat distribution. Therefore, the need for this study to identify the factors that influence the success of entrepreneurs, especially among asnaf. This success factor is very important because it can increase the chances of asnaf's success in business.

The success of asnaf entrepreneurs is a form of accountability of the State Islamic Religious Council and zakat institution to eligible asnaf. Similarly, it has a positive impact on zakat governance and can change asnaf from mustahiq (zakat recipients) to munfiq (give charity) and finally muzakki (zakat payers) (Bahri et al., 2021). Success in entrepreneurship is often seen as a combination of internal and external factors owned by the entrepreneur himself. Success or failure in business is influenced by various factors that can either drive or hinder the growth of the business.

This study uses a systematic literature review (SLR) approach that focuses on previous studies on the factors that influence success specifically involving asnaf entrepreneurs in Malaysia. SLR was chosen to overcome the weaknesses of traditional literature review methods by reducing bias (Senivongse et.al, 2017) and was also used to identify any gaps in existing research so that ideas for further exploration could be suggested (Stapić et al., 2012). This study involves journal articles from 2019 to 2023.

METHODOLOGY



Systematic literature review (SLR) is considered a robust and appropriate methodological approach especially in the field of entrepreneurship (Henry et al., 2015). Thus, this study uses SLR to gather the most relevant articles on topics involving success factors in the literature of asnaf entrepreneurship. This SLR review only included journal articles, while books, book chapters and proceedings papers were not included to ensure the most reliable results. At the identification step, articles were collected from Google Scholars, Scopus and Web of Science (WoS) databases using three search keywords which are "success factors" AND "asnaf entrepreneurs" AND "Malaysia". The focus of the search was limited to the title and abstract of the article as done by Ahmed et. al (2021). Since it covers a wider range of journals and is more inclusive than other databases, especially research in Malaysia, Google Scholar, Scopus WoS have been selected as the main source of articles.

The initial search found that there were 83 articles obtained in Google Scholar, 9 articles in the Scopus database and 5 articles in the WoS database. In order to get more comprehensive search results, we include any article that has the terms "success factor" and "asnaf entrepreneur" in the article title, keywords or research objectives in the focus of our study. To refine the search results, the title and abstract of all 97 articles were read by the author to reject irrelevant articles. Based on certain criteria used as inclusion and exclusion criteria, appropriate journals for this study were selected.

The following are the criteria used, which are journal articles published between 2019 and 2023; asnaf entrepreneurs are the subjects of the study; full-text journals; research journals containing primary or secondary data; and journals that study the factors that influence or lead to success in entrepreneurship among asnaf. Finally, 2 articles were identified as the same and 71 articles were excluded from this analysis. Next, the entire text of the article was read and 12 additional papers were removed because they did not meet the identified criteria and could not access the full text. 12 articles finally made it to the final stage by reading the entire text. Figure 1 displays a flow chart that explains the number of records that have been obtained, included, and excluded, along with the reasons.

RESULTS & DISCUSSIONS

Successful Factors of Asnaf Entrepreneurs in Malaysia Research Trends

Figure 1 shows the development of published research on the success factors of asnaf entrepreneurs in Malaysia. From 2019 to 2023, only 12 articles were published on success factors that focused on entrepreneurs among asnaf. There are 2 related articles published in 2019, 2 articles in 2020, 2 articles in 2021, 5 articles in 2022 and 1 article in 2023. Figure 2 shows the number of articles in each database used.

Most of the articles are published in the Google Scholar database which is as many as 10 articles. While in WoS and Scopus there is only 1 article for each. Figure 1 below shows the list of selected articles.

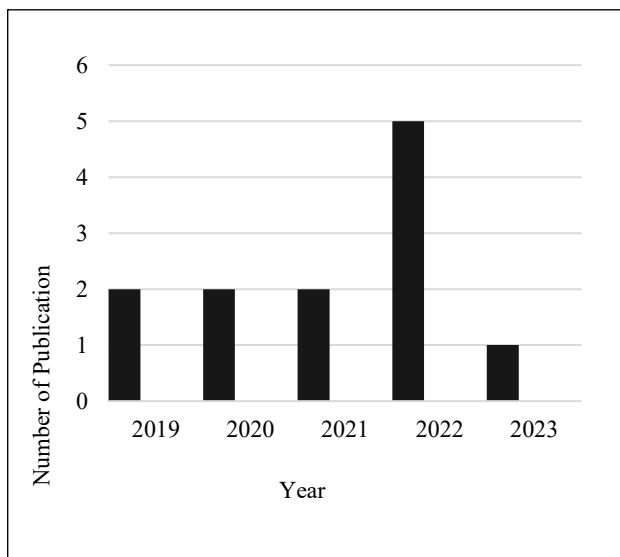


Figure 1: Number of Publications Successful Factor Of Asnaf Entrepreneurs In Malaysia Per Year

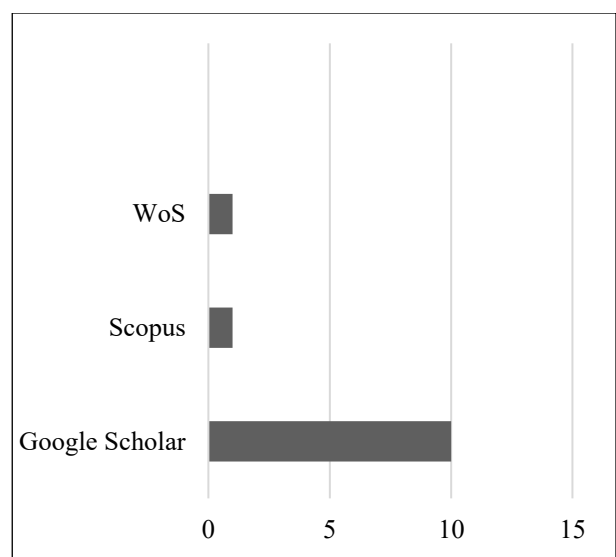


Figure 2: Distribution of articles published

Table 1: List of Past Studies on The Success Factors of Asnaf Entrepreneurs

Index	Journal	Author	Title
Google Scholar	Jurnal Syariah	Marzuki et.al. (2019)	The Measurement of Asnaf Business Capital Assistance in the Context of Maqāṣid al-Sharī'ah: A Study at Kuala Terengganu and Kuala Nerus, Terengganu
Google Scholar	International Journal of Accounting, Finance and Business (IJAFB)	Zakaria & Harun (2019)	Skills and Success of Asnaf Entrepreneurs: Islamic Spiritual Practice as Moderators
Google Scholar	International Journal of Islamic Business	Hashim et.al. (2020)	Level of Performance and Factors That Affect The Business of Asnaf Entrepreneurs In The Jayadiri Aid Program: A Descriptive Analysis
Google Scholar	Journal of Islamic, Social, Economics & Development (JISED)	Zakaria & Harun (2020)	Attitude and Success of Asnaf Entrepreneurs: Islamic Spiritual Practice as Moderators
Google Scholar	Al-Mimbar: International Journal of Mosque, Zakat & Waqaf Management	Saufi et.al. (2021)	Factors That Can Affect The Success of Entrepreneurs Among Asnaf in Malaysia: A Literature Review
Google Scholar	AZKA International Journal of Zakat & Social Finance	Bahri et.al. (2021)	A Conceptual Framework on The Success Factors of Asnaf Entrepreneurs
Google Scholar	International Journal of Islamic Studies	Mohd Arif et.al (2022)a	The Vital Factors in The Development Of Rural Asnaf Entrepreneurship: A Review
WOS	International Journal of Economics, Management & Accounting	Bahri et.al. (2022)	A Bibliometric Analysis of the Conceptual Model of Asnaf Entrepreneur Success
Scopus	Journal of Islamic Accounting and Business Research	Amin (2022)	Examining new measure of asnaf muslimpreneur success model: a Maqasid perspective
Google Scholar	Journal of Pharmaceutical Negative Results	Mohd Arif et.al. (2022)b	Formulation of the Rural Entrepreneurship Development Model for Zakat Beneficiaries in Malaysia
Google Scholar	International Journal of Social Science Research	Mohd Hardi et. al (2022)	The Effectiveness of Asnaf Entrepreneurship Program by Lembaga Zakat Negeri Kedah
Google Scholar	International Journal of Social Science & Human Research	Mohd Munahar et. al (2023)	A Conceptual Paper on Characteristics of Successful Asnafpreneur in Malaysia

The Success Factors of Asnaf Entrepreneurs

Understanding the success factors of entrepreneurs is very important in helping asnaf entrepreneurs achieve success and reduce the risk of failure in business. There are 12 articles that focus on the success factors of asnaf entrepreneurs in Malaysia (Munahar et al., 2023; Hardi et al., 2022; Amin, 2022; Mohd Arif et al., 2022a; Mohd Arif et al., 2022b; Bahri et al., 2021, Bahri et. al., 2022; Hashim et al., 2020; Marzuki et al., 2019; Saufi et al., 2021; Zakaria & Harun, 2019, Zakaria & Harun, 2020). In general, the success factors of entrepreneurs can be divided into two categories, namely internal factors and external factors. These two factors play an important role in the success of asnaf entrepreneurs (Yaakub & Adnan, 2018). Figure 2 shows two categories of success factors, namely internal factors and external factors obtained from the articles studied.

Internal Factor

Internal factors can influence effective decisions and good business management. As a result of the literature review involved, internal factors are divided into three aspects namely personality characteristics, entrepreneurial attitude and entrepreneurial knowledge & skills. Personality traits are characteristics that describe an individual's thoughts, feelings, and behavior. Personality traits consist of not giving up, proactive, self-confidence, commitment, sacrifice, having principles, being dedicated, having earnestness, honesty, reliability, wanting to

improve oneself or change, motivation, religiousness or religious practices. According to Munahar et.al (2023), internal success factors in business refer to the mindset of people which can be seen in the personal qualities of an entrepreneur. An entrepreneur needs to have a positive attitude and high motivation to succeed (Mohd Arif et.al., 2022a). Zakaria & Harun (2020) found in his study that attitude factors have a relationship with the success of asnaf entrepreneurs. The relationship that exists can give implications in increasing the success of an entrepreneur, having self-confidence was stated by Mohd Munahar et.al., 2021; Bahri et.al., 2021; Marzuki et.al., 2019). This shows that the characteristic is an important internal characteristic for success. Personal qualities that are guided by religion are very important in producing successful asnaf (Mohd Arif et al., 2021). Religious practices performed can affect the relationship between success factors and the success of asnaf entrepreneurs (Bahri et.al., 2022; Zakaria & Harun, 2020).

Next, entrepreneurial attitude becomes one of the important internal factors. Successful asnaf entrepreneurs have a certain level of entrepreneurial orientation. They need to have the attitude and personal characteristics important as entrepreneurs. Through previous studies found that among the entrepreneurial attitudes are the intention to be an entrepreneur, be innovative, have creativity and imagination, ability, efficiency, have the ability to solve problems, have a marketing strategy, initiative or effort, the willingness to take risks & face challenges and the need for achievement or success (Mohd Munahar et. al., 2023; Bahri et. al., 2021; Hashim et. al., 2020; Marzuki et. al., 2019).

According to Zakaria & Harun (2019), skill and training factors are significant factors that have contributed to the success of entrepreneurs. Deepening the knowledge of entrepreneurship can make an entrepreneur wiser when

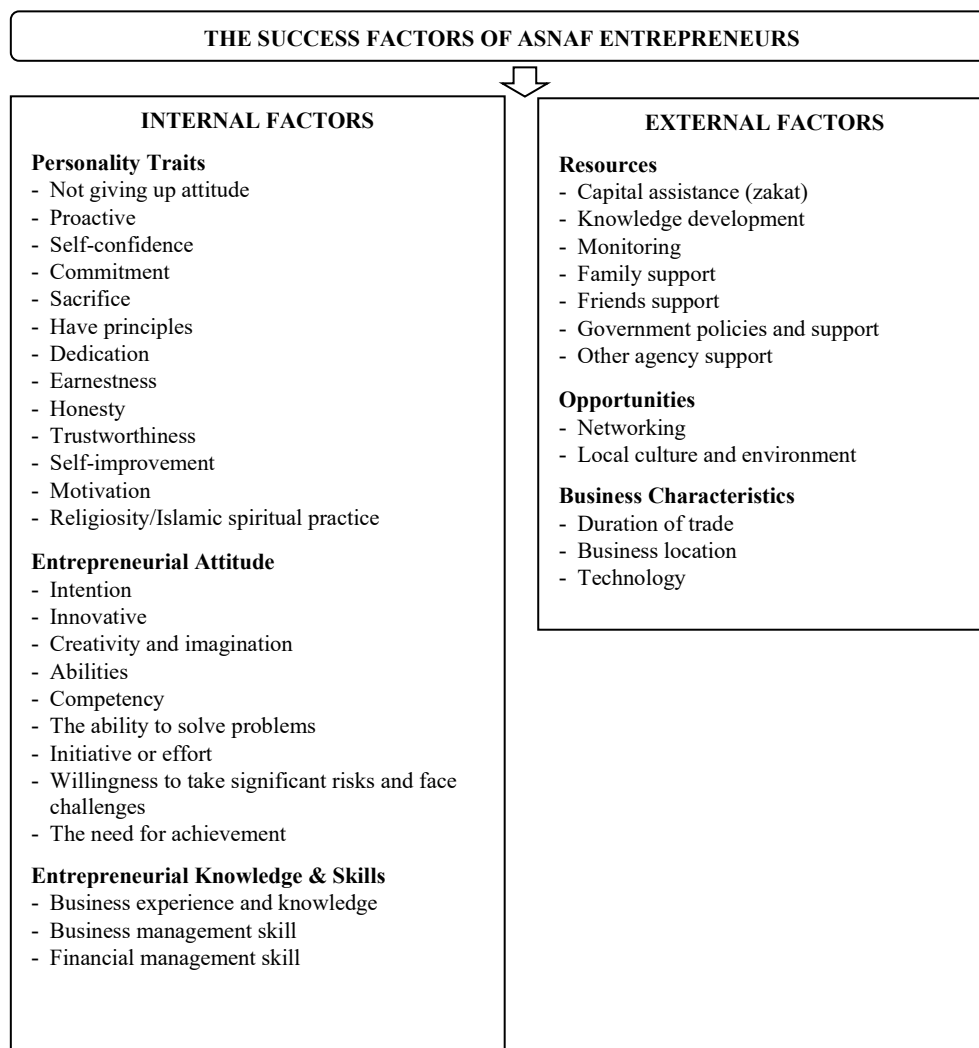


Figure 2: The Success Factors of Asnaf Entrepreneurs

making a decision in business (Saufi et al., 2021). Skills are very necessary to hone the talent of asnaf acquired through the entrepreneurial knowledge given. Various types of skills that can be associated with asnaf entrepreneurs. Mohd Arif et. al. (2022)a found that asnaf entrepreneurs need to have management and financial skills to succeed. Asnaf entrepreneurs need to have planning and knowledge related to the economy (Marzuki et.al., 2019). Social skills that include verbal and non-verbal communication should also be strengthened by asnaf entrepreneurs to succeed (Mohd Arif et al., 2021b). The internal and personal strength of an asnaf is essential for them to succeed in business. Without this strength will lead to failure and still be in the status of asnaf.

External Factors

External factors are external elements that help entrepreneurs in their business (Mohd Munahar et.al., 2023). Resources are an important external factor that affects the success of asnaf entrepreneurs. Mohd Arif et al. (2022a) and Hashim et.al., (2020) found capital assistance from zakat funds to run a business among the important external factors that drive success. Business capital assistance is a productive, practical and effective aid that is one of the success factors in improving the living standards of asnaf, able to generate income consistently as well as and able to lift asnaf entrepreneurs out of poverty (Abai et al., 2020; Thaidi et al., 2019). Through the capital assistance provided, it has given motivation and an injection of enthusiasm to them. As the study of Marzuki et al. (2019) shows that the majority of asnaf entrepreneurs in Terengganu feel more confident to run a business with the provision of business capital assistance. However, the capital provided must be sufficient to run the business. Mohd Arif et.al.(2022)a emphasized that continuous monitoring is required to ensure that all business activities run smoothly after funds are given. Mohd Hardi et.al. (2022) on the other hand focused the study on asnaf entrepreneurs in Kuala Muda District, Kedah, found in his study, the majority of respondents emphasized that the main success factor of those who still survive in the business field is because of commitment and support from family members.

Other external factors are opportunities, which are external networks and the environment. According to Hashim et.al.(2020), external networks consisting of personal networks and business networks help entrepreneurs a lot in their business. External networks can also affect business performance. The environment also plays an important role in being successful in business because it can influence decision making and behavior. Before planning a business strategy, entrepreneurs need to be sensitive and analyze the business environment first to find the best opportunities and actions that can be taken.

Next, business characteristics become one of the important external factors. Marzuki et.al.(2019) conducted a study on asnaf entrepreneurs who received business capital assistance under the Terengganu Council of Islamic Religion and Malay Customs (MAIDAM) found that the success of entrepreneurs was influenced by the location and duration of the business. Asnaf entrepreneurs also need to gain as much experience as possible from falling and rising in the business sector. These external factors greatly help the development and continuity of a business run by asnaf entrepreneurs

CONCLUSIONS

In this literature review, we systematically extract and analyze the publication of articles from the three databases google scholar, scopus and was that involve publication in a period of five years (2019-2023). Most of the suitable articles are found in the Google scholar database, which is as many as 10 articles. While 1 in Scopus and 1 in WoS. This study found that the success factors of entrepreneurs can be divided into two categories, namely internal factors and external factors. Internal factors consist of personality traits, entrepreneurial attitude and entrepreneurial knowledge & skills. While external factors consist of resources, opportunities and business characteristics. Both of these factors play an important role in the success of asnaf entrepreneurs. However, studies on the success factors of asnaf entrepreneurs are seen to be still lacking in Malaysia. Therefore, it is suggested that future literature studies focus on other databases and further publication years.

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