

EMPOWERING MUSTAHIQ THROUGH ZAKAT: THE ROLE OF ENTREPRENEURIAL CHARACTERISTICS AND MENTORING IN BUSINESS SUCCESS AND WELL-BEING

Nurma Sari^{1*} Mira Chairani² Nurdin³

¹Faculty of Economics and Business, USK, Mahasiswa Doktor Ekonomi Syariah UINSU

²Universitas Al Muslim, Mahasiswa Doktor Ekonomi Syariah UINSU

*¹Corresponding email: nurmasari@usk.ac.id

ABSTRACT - Zakat has great potential not only as an instrument of worship, but also as a transformative force capable of lifting the mustahik from dependence to economic independence. This study examines the role of zakat empowerment, entrepreneurial characteristics, and mentoring in contributing to business success and their impact on the welfare of mustahik in Aceh Province, Indonesia. As a region that integrates Sharia values into its socio-economic life, this research employed a quantitative approach, collecting primary data through questionnaires distributed to 120 beneficiaries. Path analysis was used to trace direct and indirect relationships between variables. The results indicate that the three main factors of zakat empowerment, entrepreneurial character, and mentoring have a significant influence on business success. This success, in turn, positively impacts the improvement of beneficiaries' well-being. These findings confirm that effective empowerment does not solely depend on financial assistance but also on strengthening individual capacity and sustained mentoring. The practical implications of these findings suggest that a holistic zakat empowerment model, which combines spiritual values, character building, and technical support, is the most relevant approach in promoting sustainable and meaningful social change for the lives of mustahik. Additionally, zakat institutions, particularly in sharia-based regions, should strengthen empowerment programmes that are not only charitable but also transformational.

Keywords: Zakat, Mustahik, Entrepreneurship, Mentoring, Welfare

ABSTRAK – Zakat memiliki potensi besar bukan hanya sebagai instrumen ibadah, tetapi juga sebagai kekuatan transformatif yang mampu mengangkat mustahik dari ketergantungan menuju kemandirian ekonomi. Studi ini mengeksplorasi bagaimana pemberdayaan zakat, karakteristik wirausaha, dan pendampingan berkontribusi terhadap keberhasilan usaha serta dampaknya pada kesejahteraan mustahik di Provinsi Aceh, Indonesia. Sebagai wilayah yang menerapkan nilai-nilai syariah secara integral dalam kehidupan sosial ekonomi. Pendekatan kuantitatif digunakan dalam penelitian ini, dengan pengumpulan data primer melalui kuisioner yang dibagikan kepada 120 mustahik. Teknik analisis jalur (path analysis) digunakan untuk menelusuri hubungan langsung dan tidak langsung antar variabel. Hasil menunjukkan bahwa ketiga faktor utama pemberdayaan zakat, karakter wirausaha, dan pendampingan memiliki pengaruh signifikan terhadap keberhasilan usaha. Keberhasilan tersebut pada gilirannya berdampak positif terhadap peningkatan kesejahteraan mustahik. Temuan ini menegaskan bahwa pemberdayaan yang efektif tidak hanya bergantung pada bantuan finansial, tetapi juga pada penguatan kapasitas individu dan pendampingan berkelanjutan. Implikasi praktis dari temuan ini menunjukkan bahwa model pemberdayaan zakat yang bersifat holistic yang memadukan nilai spiritual, pembentukan karakter, dan dukungan teknis merupakan pendekatan yang paling relevan dalam mendorong perubahan sosial yang berkelanjutan dan bermakna bagi kehidupan mustahik. Selain itu lembaga amil zakat, khususnya dalam konteks daerah yang berbasis syariah, untuk memperkuat program pemberdayaan yang tidak hanya bersifat karitatif, tetapi juga transformasional.

Kata Kunci: Zakat, Mustahik, Kewirausahaan, Pendampingan, Kesejahteraan

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Introduction

Zakat is one of the main instruments in the Islamic economic system that has a dual function: spiritual and social (Sari, 2015). On the one hand, zakat is a religious obligation that connects individuals with the Creator. On the other hand, it acts as a mechanism for the distribution of wealth that aims to create welfare, social justice, and poverty alleviation. Welfare is an indicator of a person's living conditions, characterised by an adequate standard of living (Nurlina et.al, 2023). In contemporary practice, zakat management is increasingly directed towards a productive approach to encourage the sustainable economic empowerment of mustahik (Maulidia and Mukhlis, 2021).

This productive zakat approach goes beyond traditional consumptive practices. Zakat is not merely given in the form of direct assistance, but is invested in business capital, skills training, and business mentoring. This strategy aims to foster the economic independence of mustahik, and even opens up the possibility of transforming the role of mustahik into muzakki in the long term (Mabrukah, et.al, 2024); (Firmansyah, et.al, 2024). Zakat management in Indonesia is organised in the form of institutions called the National Zakat Agency (BAZNAZ) and the National Zakat Institution (LAZNAS). This is different from zakat management institutions in general in Indonesia. Aceh is a province in Indonesia that has special privileges in the management of Zakat, Infaq, Sadaqah, and Waqf (ZISWAF). This management is entrusted to a special institution called Baitul Mal. Baitul Mal has a strategic role in the management of ZISWAF funds. In addition, zakat is an important policy instrument for improving living standards, especially in Aceh (Alifah et al., 2024).

In 2024, Baitul Mal allocated empowerment funds such as economic empowerment business capital assistance worth IDR17,000,000,000 with 2,700 recipients; empowerment assistance for mustahik through partners worth IDR 2,000,000,000 for 400 people and family-based zakat empowerment (*Zakat Family Development/ZFD*) worth IDR 10,000,000,000 for 200 recipients. This shows that Baitul Mal's main priority is to improve the standard of living of the people of Aceh.

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Various studies show that productive zakat has a significant impact on improving the standard of living of recipients. For example, a study by Maulidia and Mukhlis (2021) reported a 21.6% increase in the welfare of mustahik after participating in a zakat-based empowerment programme. Similarly, research by Widiastuti et, al.(2021) found that empowerment programmes not only increase business growth but also contribute to improving welfare based on maqashid al-shariah. In addition, the use of zakat as revolving capital has been proven to strengthen the economic resilience of mustahik. Programmes combined with managerial training and business mentoring have resulted in significant increases in the income and business stability of beneficiaries (Siregar et.al, 2024); (Karunia and Amir, 2024).

However, empowerment does not rely solely on economic intervention. Internal factors such as entrepreneurial characteristics, business knowledge, and work ethic also determine success. Without strong personal motivation and capacity, capital assistance often does not develop optimally. A study by Pertiwi et al. (2020) even shows that the success of a programme is highly dependent on the synergy between institutional support and individual readiness. Considering the complexity of the dynamics of mustahik empowerment, this study aims to investigate in depth how the integration of zakat empowerment, entrepreneurial characteristics, and mentoring affects business success and promotes the welfare of mustahik in Aceh Province.

Unlike previous approaches that tended to focus on the distribution of zakat or financial impact separately, this study examines *the simultaneous interaction* between external factors (empowerment and mentoring) and internal factors (entrepreneurial characteristics) in a single integrated analytical model. The research gap is evident in the limited number of studies that quantitatively examine the combined role of these variables in the local context of Aceh, taking into account broader dimensions of welfare, including aspects of business independence and comprehensive improvement in the standard of living of mustahik. Most previous studies only assessed the effectiveness of zakat in terms of income growth or short-term economic indicators (Maulidia and Mukhlis, 2021) or highlighted only one aspect, such as training or capital (Savid, 2018), without directly linking it to the psychosocial aspects of mustahik, such as motivation and entrepreneurial character.

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This study is important because it offers a more comprehensive approach to the effectiveness of zakat as an instrument of sharia-based socio-economic development. Aceh, as the only province that formally implements Islamic law, provides a unique and significant context for testing a more comprehensive and transformative model of zakat empowerment. The results of this study are expected to contribute theoretically to the development of a model for empowering mustahik, while also serving as a practical reference for zakat institutions and policymakers in designing sustainable interventions based on local potential.

This paper is structured as follows. After this introduction, the next chapter reviews the relevant literature and theoretical basis for the adoption of Islamic mobile banking. The third chapter outlines the research methodology. The fourth chapter presents the results and discussion. The final chapter concludes with implications, limitations, and suggestions for further research.

LITERATURE REVIEW

Theoretical Background

The theoretical basis of this study is primarily built on the Zakat-Based Economic Empowerment approach, which emphasises that the distribution of zakat is not only consumptive in nature, but can also be an instrument of socio-economic transformation when used to support productive activities. This approach aligns with the Empowerment-Based Social Development model, which posits that social interventions should aim to enhance the economic independence of individuals and communities (Perkins & Zimmerman, 1995, as cited in Wilona et al., 2024). In the context of zakat, this is achieved through the distribution of productive funds, business training, and ongoing support to the mustahik (Afriyanti et al., 2024).

This study also refers to the Entrepreneurial Characteristics Theory, which explains that entrepreneurial behaviour is influenced by personal characteristics such as risk-taking, innovation, independence, and result orientation. This theory is rooted in *the Entrepreneurial Traits Theory* and has been widely used in examining the success of micro-entrepreneurs. In the context of mustahik, these characteristics become internal factors that

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influence the effectiveness of zakat assistance in encouraging business growth (Wahyuni, et.al, 2016). The mentoring variable in this study is based on the concept of *Social Capital Theory*, which views social networks, trust, and collective support as important elements in the economic empowerment process. Business assistance is not only a transfer of technical knowledge, but also a continuous coaching process that encourages behavioural change and strengthens the social capacity of mustahik (Sakum, et.al, 2025); (Siregar, et.al, 2024). Finally, the success of the business and the welfare of the beneficiaries as *the outcome* of this study are approached through the perspective of the Maqasid al-Shariah Welfare Theory, which emphasises that Islamic economic development is not only measured by income but also by the protection of religion (din), soul (nafs), intellect (aql), lineage (nasl), and wealth (mal).

This model has been used in many studies to assess the impact of zakat on the holistic welfare of poor communities (Roziq et al., 2022; Sutrisno et al., 2021). By integrating the empowerment approach, entrepreneurial characteristics, social capital, and maqasid-based welfare, the theoretical framework in this study is expected to be able to explain the complex relationship between zakat intervention and the success of mustahik economic transformation in a more comprehensive and contextual manner.

Previous Research

A number of studies support the importance of a productive zakat approach and the variables analysed in this study. Afriyanti et al. (2024) show that a combination of productive zakat, business training, and mentoring can encourage the business independence of mustahik. Similar results were found by Wijaya and Ritonga (2021), who highlighted that the distribution of zakat in the form of business capital has a significant impact on increasing income and expanding employment opportunities. In terms of entrepreneurial characteristics, Wahyuni et al. (2016) found that entrepreneurial attitudes greatly determine the success of mustahik businesses, especially in facing micro-business challenges. Mawardi et al. (2022) added that the success of empowerment is greatly influenced by the

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compatibility between the characteristics of mustahik and the intervention approach provided.

The study also emphasises the importance of mentoring. Siregar et al. (2024) prove that mustahik who receive regular mentoring and business evaluations experience a more significant improvement in business performance compared to the control group. The "Mas Zakky" programme from BAZNAS, as researched by the Journal of Community Empowerment (2019), shows that the success of zakat empowerment is largely determined by the quality of interaction between amil and mustahik.

However, not all research results show consistent effects. Wahyuni and Hidayah (2018) noted that business motivation does not have an impact on performance improvement if it is not accompanied by adequate guidance. Meanwhile, Tambunan et al. (2023) show that joint liability programmes are only effective after undergoing a sufficiently long incubation period. Although many studies have discussed the effectiveness of productive zakat, most focus on one or two variables separately, such as zakat and income or training and business performance. There are still limited studies that comprehensively integrate external empowerment factors (zakat and mentoring) and internal factors (entrepreneurial characteristics) into a single model framework to examine their simultaneous impact on the welfare of mustahik.

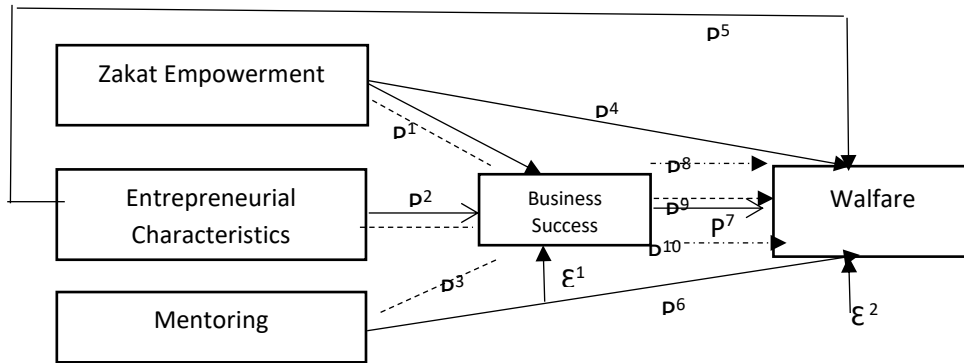
Furthermore, indicators of welfare in many studies are still limited to economic aspects, whereas the maqasid al-shariah approach offers a more comprehensive and contextually valuable dimension of welfare in Islam. In the context of Aceh, as the only province that formally implements Islamic law, this type of research is increasingly relevant and urgent. Therefore, this study is necessary to fill the gap by investigating the factors that strengthen or hinder the empowerment of mustahik in running businesses that have an impact on welfare values.

Based on previous studies, this research proposes a conceptual framework that integrates external and internal factors to explain the success of businesses and the welfare of mustahik in Aceh. This framework emphasises how zakat empowerment, mentoring and entrepreneurial

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characteristics influence business success, which in turn promotes welfare. This conceptual framework is presented in Figure 1 below:



Source: Author's illustration (2025)

Figure 1. Conceptual Framework of Empowering Mustahiq Through Zakat: The Role of Entrepreneurial Characteristics and Mentoring in Business Success and Welfare

Based on this conceptual framework, the research hypotheses in this study are formulated as follows:

- H₁: Zakat empowerment has a significant effect on the business success of beneficiaries in Aceh
- H₂: Business characteristics significantly influence the business success of beneficiaries in Aceh
- H₃: Guidance has a significant effect on the welfare of beneficiaries in Aceh.
- H₄: Zakat empowerment has a significant effect on the welfare of mustahik in Aceh.
- H₅: Business characteristics have a significant effect on the welfare of mustahik in Aceh.
- H₆: Assistance has a significant effect on the welfare of mustahik in Aceh.
- H₇: Business success has a significant effect on the welfare of mustahik in Aceh.
- H₈: Business success mediates the effect of zakat empowerment on the welfare of mustahik in Aceh.
- H₉: Business success mediates the effect of business characteristics on the welfare of beneficiaries in Aceh.
- H₁₀: Business success mediates the effect of mentoring on the welfare of beneficiaries in Aceh.

METHODOLOGY

This study aims to analyse the factors that influence the success of businesses and the welfare of mustahik in Aceh. This study uses primary data, with samples obtained using the formula recommended by Hair et al. (2010), which recommends a minimum sample size of 5–10 times the number of indicators when applying Structural Equation Modelling (SEM). This study summarises 19 indicators, so the minimum sample range is between 95 and 190 respondents. The research sample consisted of 120 people who met the requirements for SEM-PLS testing. The questionnaire measurement scale used a Likert scale.

To analyse the relationship between variables and test hypotheses, this study uses Partial Least Squares Structural Equation Modelling (PLS-SEM). The aim is to test and confirm the relationship between latent constructs and their indicators in a complex model, especially when the sample is limited. This method allows for model analysis with formative and reflective indicators, focuses on prediction, and is capable of analysing the direct and indirect effects of variables in the path model. Before the analysis is conducted, the process begins with Confirmatory Factor Analysis (CFA) to assess the strength of the relationship between the observed variables (Hox, 2021). In standard CFA, the ideal factor loading on the indicators is above 0.70. If the construct reliability is justified, a value of 0.50-0.70 can be maintained. Furthermore, reliability is examined using Cronbach's Alpha and is considered consistent with a value above 0.70. Convergent validity is assessed using Average Variance Extracted (AVE) for each construct exceeding 0.05 (Cheung et al., 2024). The mediating effect of trust is analysed using the bootstrapping procedure (Koopman et al., 2015).

To assess the extent to which the model fits the data, a number of *goodness-of-fit* indices are used. The chi-square value divided by the degrees of freedom (χ^2/df) should be below 3.00 to indicate adequate fit [(Sathyanarayana & Mohanasundaram, 2024)]. The Root Mean Square Error of Approximation (RMSEA) value should be less than 0.08 for acceptable fit, and ideally below 0.05 to indicate excellent fit. Incremental fit indices, such as the Comparative Fit Index (CFI) and Tucker-Lewis Index


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Table 1. Respondent Characteristics

| No | Description | Frequency | Percentage |
|--------------|-----------------------------------|------------|-------------|
| 1 | Gender: | | |
| | a. Male | 62 | 51.6% |
| | b. Female | 58 | 48.3% |
| Total | | 120 | 100% |
| 2 | Age: | | |
| | a. 20–28 years | 11 | 9.1% |
| | b. 29–37 years | 31 | 25.8 |
| | c. 38–46 years | 46 | 38.3% |
| | d. 47–55 years | 32 | 26.6% |
| Total | | 120 | 100% |
| 3 | Highest level of education: | | |
| | a. Primary school | 10 | 8.3% |
| | b. Lower secondary school | 26 | 21.6% |
| | c. Senior High School | 72 | 60% |
| | d. Diploma (D3) | 4 | 3.3 |
| | e. Bachelor's Degree (S1) | 8 | 6.6 |
| | f. Postgraduate (S2/S3) | 0 | 0 |
| Total | | 120 | 100% |
| 4 | Occupation: | | |
| | a. Merchant | 52 | 43.3% |
| | b. Farmer | 32 | 26.6 |
| | c. Tailor | 15 | 12.5 |
| | d. Fisherman | 4 | 3.3% |
| | e. Other | 17 | 14.2% |
| Total | | 120 | 100% |
| 5 | Income before empowerment: | | |
| | a. < Rp1,000,000; | | |
| | b. IDR 1,000,000 – IDR 2,000,000; | 94 | 78.3% |
| | c. IDR 2,000,001 – IDR 3,000,000; | 22 | 18.3% |
| | d. IDR 3,000,001 – IDR 4,000,000; | 4 | 3.3% |
| | e. >Rp4,000,000; | 0 | 0 |
| Total | | 120 | 100% |
| 6 | Income after empowerment; | | |
| | a. < Rp1,000,000; | | |
| | b. 1,000,000 – 2,000,000; | 23 | 19.2% |
| | c. 2,000,001– 3,000,000; | 77 | 64.2 |
| | d. 3,000,001 – 4,000,000; | 12 | 10 |
| | e. >4,000,000; | 5 | 4.2 |
| Total | | 120 | 100 |

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Table 1 presents detailed data on the characteristics of the 120 respondents. Based on gender, males dominated (51.6%) while females (48.3%) made up the sample. The age distribution shows that most respondents were in the 38-46 age group (38.3%), followed by the 47-55 age group (26.6%), the 29-37 age group (25.8%) and the smallest proportion in the 20-28 age group (9.1%). Based on education, most (60%) came from senior high school, while 21.6% came from junior high school, 8.3% from primary school, and the smallest proportion came from bachelor's degree and diploma programmes (6.6% and 3.3%, respectively). Regarding the type of business or occupation, the majority were traders (43.3%), farmers (26.6%), tailors (12.5%), while the rest were fishermen (3.3%) and others, such as laundry, barber, and repair services (14.2%). Based on income before the empowerment programme, income monitoring was valued at < Rp1,000,000 per month (78.3%) and the rest (18.3%) in the Rp1,000,000-Rp2,000,000 income group, with the smallest proportion in the Rp2,000,001-Rp3,000,000 group (3.3%). Finally, the highest income achievement after the empowerment programme (64.2%) was in the Rp1,000,000 -Rp2,000,000, followed by (19.2%) in the income group of < Rp1,000,000, and (10%) in the income group of Rp2,000,001 – Rp3,000,000. Meanwhile, the smallest proportion of income was in the Rp3,000,001– Rp4,000,000 income group (4.2%) and (2.5%) > Rp4,000,000, reflecting changes in income with the empowerment programme and the diversity of income covered in this survey.

Validity Test Results

Validity testing was conducted to ensure that each measurement item accurately reflected the construct. An indicator was considered valid if its calculated correlation coefficient (r-statistic) was greater than the r-table value, with a sample size of 0.197.


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Table 2. Validity Test Results

| Variable | Dimension | Indicator | r – status | r – table | Result |
|---------------------------------|-----------|-----------|------------|-----------|--------|
| Dependent Variable | | | | | |
| Beneficiary Welfare | KM | KM1 | 0.71 | 0.19 | Valid |
| | | KM2 | 0.80 | 0.197 | Valid |
| | | KM3 | 0.78 | 0.197 | Valid |
| | | KM4 | 0.75 | 0.197 | Valid |
| Independent Variable | | | | | |
| Zakat Empowerment | PZ | PZ1 | 0.91 | 0.197 | Valid |
| | | PZ2 | 0.88 | 0.197 | Valid |
| | | PZ3 | 0.77 | 0.197 | Valid |
| | | PZ4 | 0.80 | 0.197 | Valid |
| Support | P | P1 | 0.88 | 0.197 | Valid |
| | | P2 | 0.72 | 0.197 | Valid |
| | | P3 | 0.85 | 0.197 | Valid |
| | | P4 | 0.82 | 0.197 | Valid |
| Entrepreneurial Characteristics | KW | KW1 | 0.81 | 0.197 | Valid |
| | | KW2 | 0.95 | 0.197 | Valid |
| | | KW3 | 0.76 | 0.197 | Valid |
| Mediation Variable | | | | | |
| Business Success | KU | KU1 | 0.82 | 0.197 | Valid |
| | | KU2 | 0.84 | 0.197 | Valid |
| | | KU3 | 0.79 | 0.197 | Valid |
| | | KU4 | 0.70 | 0.197 | Valid |

Table 2 shows the validity test results for each measurement indicator item used, which are deemed valid, with r-statistic values greater than r-table values. These results confirm that all measurement items can be considered reliable.

Reliability Test Results

Reliability testing was conducted to evaluate the consistency of the measurement items used in the questionnaire. In this study, Cronbach's Alpha coefficient was used as the main indicator. A construct is considered reliable if Cronbach's Alpha exceeds 0.06 (Hair, et.al, 2010).

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Table 3. Reliability Test Results

| No | Variable | Indikator Number | Cronbach's Alpha | Cut-off-value | Results |
|----|---------------------------------|------------------|------------------|---------------|----------|
| 1. | Beneficiary Well-being | 4 | 0,825 | 0. 60 | Reliabel |
| 2. | Zakat Empowerment | 4 | 0,919 | 0. 60 | Reliabel |
| 3. | Support | 5 | 0,864 | 0. 60 | Reliabel |
| 4. | Entrepreneurial Characteristics | 3 | 0,769 | 0. 60 | Reliabel |
| 5. | Business Success | 5 | 0,924 | 0. 60 | Reliabel |

Hypothesis Testing Results

SEM-PLS equation modelling was used to test direct and indirect effects. The estimates of direct effects are presented in the following table:

Table 4. Results of Direct Effect Hypothesis Testing

| VariabLE | | | Estimate | SE | CR | P |
|------------------|---|---------------------------------|----------|------|-------|---------|
| Business Success | ← | Zakat Empowerment | .590 | .100 | 5.910 | .000*** |
| Business Success | ← | Mentoring | .163 | .086 | 1.909 | ,056 * |
| Business Success | ← | Entrepreneurial Characteristics | .165 | .095 | 1.731 | .084 * |
| Walfare | ← | Business Success | .358 | .144 | 2.481 | .013 ** |
| Walfare | ← | Zakat Empowerment | .302 | .151 | 1.994 | ,046 ** |
| Walfare | ← | Mentoring | .179 | .113 | 1,722 | ,041 ** |
| Walfare | ← | Entrepreneurial Characteristics | .156 | .123 | 1.757 | .068 * |

Note: *** indicates significance at the 1% level ($p < 0.01$); ** indicates significance at the 5% level ($p < 0.05$); * indicates significance at the 10% level ($p < 0.10$).

The Effect of Zakat Empowerment, mentoring, and Entrepreneurial Characteristics of Business Success

Table 4 presents the results of estimating the direct effects of how zakat empowerment, assistance, and entrepreneurial characteristics influence the success of mustahik businesses. The results show that zakat empowerment has a strong and significant influence on the success of mustahik businesses, with an estimated path coefficient of 0.590, a standard error of 0.100, a critical ratio (CR) of 5.910, and a p-value below 0.001.

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This proves that appropriately designed, productive zakat empowerment significantly influences the success of mustahik businesses. These findings support H₍₁₎ and are in line with research conducted by Wisiastuti (2023), which states that empowerment and mentoring have a positive impact on the growth of mustahik businesses, which is beneficial for welfare. Fadila (2024) and Anwar et.al (2025) found relevant findings that the implementation of empowerment programmes can contribute to business development.

Similarly, the results of the direct effect test of mentoring on business success show a significant effect with an estimate of 0.163, a standard error of 0.086, a CR value of 1.909, and a p-value of 0.056. This indicates that active mentoring can have a positive effect on the business success of Mustahik. This finding supports H₍₂₎ and is in line with research conducted by Munawir (2025) and Fadila (2024), which states that active mentoring can encourage business actors to develop their businesses.

Furthermore, entrepreneurial characteristics have a direct positive and significant effect on business success with an estimated value of 0.165, standard error of 0.095, CR value of 1.731, and p-value of 0.084, indicating that the relationship is statistically significant at the 10% level, although weaker than zakat empowerment. This shows that while the entrepreneurial characteristics possessed by mustahik individuals do play a role in the success of mustahik businesses, H₍₃₎ is supported at a 90% confidence level and is in line with research conducted by Bustan (2016); Suhartini (2021) states in his findings that entrepreneurial characteristics and orientation significantly affect business success.

The results of this study indicate the important role of zakat empowerment as a driver of the mustahik economy in the form of successful business ventures. Similarly, guidance and the entrepreneurial characteristics possessed by mustahik serve as the initial foundation for running a business. However, its practical impact depends on how effectively Baitul Mal implements targeted economic empowerment programmes and provides support services to ensure that the empowerment programmes run as intended. On the other hand, the success of the

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programmes implemented can have an impact on increasing the trust of muzakki (zakat payers) in zakat management institutions.

The Influence of Business Success, Zakat Empowerment, Mentoring, and Entrepreneurial Characteristics on the Welfare of Mustahik.

Table 5 presents the results of how business success, zakat empowerment, mentoring, and entrepreneurial characteristics directly affect the welfare of mustahik. The results show that business success has a significant effect with an estimated value of 0.358, SE of 0.144, CR of 2.481, and p-value of 0.013. This confirms that the success of businesses run by mustahik can contribute to their welfare. This finding supports H (4) and is in line with the results of research conducted by Widiastuti et al. (2021), which states that business success has an impact on economic welfare. Siregar et al. (2024) also emphasise that the realisation of mustahik welfare is a form of transformation from the success of the business being run. In addition, zakat empowerment also has a direct impact on welfare with an estimated value of 0.302, SE 0.151, CR of 1.994, and p-value of 0.46. This indicates that appropriate zakat empowerment has an impact on the welfare of the mustahik. This finding supports H (5) and is in line with the results of studies conducted by Khumaini (2019) and Mawardi et al. (2023), which state that productive zakat empowerment has an impact on the welfare of mustahik.

Furthermore, assistance for welfare shows statistically significant results, with an estimated coefficient of 0.179. SE is 0.113 and CR is 1.722, with a p-value of 0.041. This indicates that the assistance provided by Baitul Mal contributes to the welfare of the mustahik. This finding supports H (6) and is in line with the results of studies reported by (Sasadhara, 2019); (Mabrukah, 2024); (Syarofi, et.al, 2025), which state that assistance, both partially and simultaneously, has an effect on welfare. Finally, entrepreneurial characteristics have a significant effect on business success, with an estimated coefficient of 0.156, SE of 0.123, CR of 1.757, and p-value of 0.068, although weak at the 10% significance level. These findings support H (7) and are in line with the results of research conducted by Santoso (2023), which states that business success is a determining factor

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of welfare and can be a mediator in the relationship between productive zakat, business capabilities, and welfare (Santoso et al., 2023).

This finding emphasises that the welfare of mustahik is not a certainty if all external and internal elements of mustahik can be optimised. Appropriate zakat empowerment, supported by entrepreneurial characteristics and successful business ventures, has a long-term effect on the welfare of mustahik in improving a sustainable economy.

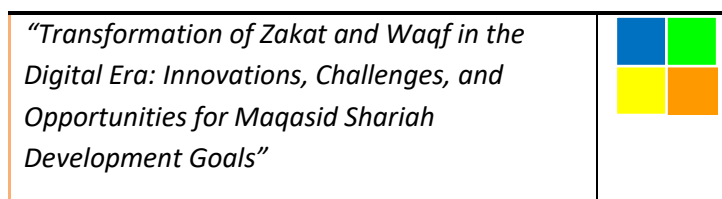
The Role of Business Success Mediation in the Relationship between Zakat Empowerment, Assistance, Entrepreneurial Characteristics and the Welfare of Beneficiaries.

This study also analyses whether business success acts as a mediator in strengthening the relationship between the variables of zakat empowerment, assistance, and business characteristics on the welfare of mustahik. The results of the study are presented in Table 6 below.

Table 5. Results of the Indirect Effect Hypothesis Test

| Independent Variable | Mediating Variable | Dependent Variable | Estimate p-value |
|---------------------------------|--------------------|-----------------------|------------------|
| Zakat Empowerment | Business Success | Sustainability of Use | 0,011 |
| Mentoring | Business Success | Sustainability of Use | 0,048 |
| Entrepreneurial Characteristics | Business Success | Sustainability of Use | 0,032 |

Table 5 presents the mediation test results. These findings indicate that the success of mustahik businesses can partially mediate the relationship between zakat empowerment and entrepreneurial characteristics and mentoring, with p-values of 0.011 for zakat empowerment, 0.048 for mentoring, and 0.032 for entrepreneurial characteristics. Thus, these findings support Hypotheses H (8), H (9), and H (10). These mediation results emphasise that business success acts as a crucial bridge in the relationship between zakat empowerment, mentoring, and entrepreneurial characteristics on the welfare of mustahik.



CONCLUSION

This study aims to examine the factors that influence the welfare of mustahik at Baitul Mal Aceh, with the role of zakat empowerment, assistance, entrepreneurial characteristics and business success. The results of the study indicate that productive zakat empowerment has a direct impact on welfare, suggesting that targeted and effective productive zakat empowerment programmes form the initial foundation for mustahik to start businesses that impact their welfare. Mentoring was found to have a direct relationship with welfare. These findings confirm that effective empowerment does not only depend on financial assistance, but also on strengthening individual capacity and providing ongoing support. The practical implications of these findings indicate that a holistic zakat empowerment model that combines spiritual values, character building, and technical support is the most relevant approach in promoting sustainable and meaningful social change for the lives of mustahik. In addition, zakat institutions, especially in the context of Sharia-based regions, should strengthen empowerment programmes that are not only charitable but also transformational.

These findings contribute to the literature by highlighting the importance of implementing productive zakat empowerment programmes and encouraging the independence of mustahik through various models of business success driven by mentoring and entrepreneurship. In practical terms, philanthropic institutions such as Baitul Mal must focus on improving effective mentoring and economic empowerment programmes that are more relevant and tailored to the characteristics of mustahik, thereby strengthening the success of businesses run by mustahik. Regulators can provide support by ensuring a simple legal umbrella and framework for zakat funds while maintaining accountability and transparency in transactions and reporting, as well as ensuring sharia compliance. For further research, it is recommended to expand the sample beyond Banda Aceh and Aceh Besar in order to test the generalisation of the model with diverse demographics. Further research could also be beneficial by adding other factors that have the potential to increase knowledge, technology-based empowerment, and encourage mustahik to transform into muzaki.

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