

Organizational Support, *Mustahiq* Micro-Business Development and Poverty Alleviation: A Comparison Analysis Between BAZNAS and LAZNAS

Budi Trianto^{1*}, Evan Hamzah Muchtar², Ade Chandra³, Masrizal⁴, Tasiu Tijjani Sabiu⁵

¹Sekolah Tinggi Ekonomi Islam (STEI) Iqra Annisa, Pekanbaru, Indonesia

Email : budi_asamandiri@yahoo.com

²Sekolah Tinggi Agama Islam (STAI) Asy-Syukriyyah, Tangerang, Indonesia

Email : evan.hamzah.m@gmail.com

³Sekolah Tinggi Ekonomi Islam (STEI) Iqra Annisa, Pekanbaru, Indonesia

Email : adec152@gmail.com

⁴Sekolah Tinggi Ekonomi Islam (STEI) Iqra Annisa, Pekanbaru, Indonesia

Email : masrizalrizal95@gmail.com

⁵Yusuf Maitama Sule University, Kano, Nigeria

Email : 17h0346@ubd.edu.bn

Article Info

Article History:

Received : 3 April 2021

Accepted : 12 August 2021

Published : 1 December 2021

Abstract

This study aims to investigate whether the organizational support provided by BAZNAS and LAZNAS has a positive impact on the success of micro business development programs and poverty alleviation. Population in this study are mustahiq who have received empowerment program from BAZNAS and LAZNAS with the total sample size are 89 mustahiq. Data were collected using questionnaire with Likert scale 1 – 5 and were analyzed using Path Analysis. The results of this study indicate that the organizational support provided by LAZNAS tends to be better when compared BAZNAS. This study also found an important fact that the mustahiq micro-business development program was able to alleviate poverty. The results of this study imply that to get a maximum result of mustahiq micro-business development, BAZNAS must evaluate and innovate the mustahiq micro-business development program. Meanwhile LAZNAS must provide more optimum support for capital assistance and mentoring to get a maximum impact. This is the first study in comparing the micro-business development between BAZNAS and LAZNAS in Indonesia.

Keywords:

Mustahiq Empowerment,

Micro-Business

Development, Poverty

Alleviation, BAZNAS,

LAZNAS

JEL : I32, I38, Z13



1. Introduction

Poverty alleviation is not only a priority for the Government of Indonesia, but also a serious concern by the United Nations. United Nations issued a Sustainable Development Goals (SDGs) program which consists of 17 main targets. One of the 17 programs is poverty alleviation. Poverty alleviation programs are made a priority because more than 700 million people live in extreme poverty (United Nations, 2021). The Indonesian government has also issued various programs to alleviate poverty, including rice assistance for the poor (Raskin), direct cash assistance (BLT) to other non-cash transfers such as labour-intensive programs. The government also encourages each company to set aside a portion of the company's profits for social programs intended for the poor in the company's operations.

The government has also begun to optimize the role of zakat organizations in helping alleviate poverty. Some scholar like as Sadeq, (1997), Ben Jedidia & Guerbouj, (2020) and Razak, (2020) argues that zakat as the instrument of Islamic wealth in poverty alleviation and redistribution. Zakat is also good for social protection for the poor and the needy (Bilo & Machado, 2020). The government is well aware that as the largest Muslim country in the world, it certainly has great potential in collecting zakat funds. According to the results of mapping conducted by the National Zakat Agency (BAZNAS), the potential for zakat in Indonesia reaches IDR 233.8 trillion (Republika, 2019), even the potential for zakat in Indonesia in 2023 according to The Global Islamic State will reach IDR 500 trillion (Dompetduaafa, 2021). With such a large potential, it will be very helpful in alleviating poverty in Indonesia.

According to the Indonesian Central Statistics Agency (BPS), the poverty rate in Indonesia in March 2020 reached 9.78 percent or as many as 26.42 million people (BPS, 2020). The government can optimize the level of generosity of Indonesians in collecting zakat funds. Even though in the Covid-19 pandemic conditions, the rate of zakat collection actually increased to 46 percent in 2020 when compared to 2019 (Kompas, 2020; Hudaifi and Beik, 2021). This shows that the Indonesian people have a good level of obedience in carrying out religious orders and at the same time show a high social spirit.

Table 1. Zakah Organization in Indonesia (LAZNAS)

| No | Zakah Organization | No | Zakah Organization | No | Zakah Organization |
|----|---------------------------|----|---------------------------|----|---------------------|
| 1 | Rumah Zakat | 10 | Al-Azhar | 19 | Griya Yatim & Duafa |
| 2 | Daarut Tauhid | 11 | Baitulmal Muamalat | 20 | Darul Quran |
| 3 | Baitul Mal Hidayatullah | 12 | LAZIS-NU | 21 | Baitul Ummah |
| 4 | Dompot Duafa | 13 | Global Zakat | 22 | AQL |
| 5 | Nurut Hayat | 14 | LAZISMU | 23 | Mizan Amanah |
| 6 | Inisiatif Zakat Indonesia | 15 | Dewan Dakwah | 24 | Yatim Indonesia |
| 7 | Yatim Mandiri | 16 | PP Islam | 25 | Wahdah Islamiyah |
| 8 | Ukhuwah Islamiyah | 17 | Rumah Yatim Ar- rohman | 26 | Hadji Kalla |
| 9 | Dana Sosial Al-Falah | 18 | Kesejahteraan Madani | 27 | Djalaludin Pane |

Source : ppid.baznas.go.id

Besides BAZNAS, the management of zakat funds in Indonesia is also carried out by the National Zakat Institute (LAZNAS). LAZNAS is a zakat organization managed independently by the community. The existence of LAZNAS really helps the government and BAZNAS in

collecting zakat funds. LAZNAS's contribution in collecting zakat funds in Indonesia reaches 40 percent of the total national zakat revenue (Insight, 2019). Until 2019, there are 572 zakat management organizations that have been authorized and have obtained permits, consisting of 491 BAZNAS and 27 LAZNAS and 54 LAZDA. In 2019, the total zakat funds collected will be IDR 10.2 trillion, where most of the distribution was allocated for humanitarian social programs amounting to 36.9 percent, for *da'wah* by 25 percent, for education 19.3 percent, for the economy 13.5 percent and for health as much as 5.2 percent (PUSKAS-BAZNAS, 2021).

The presence of two zakat management organizations, namely BAZNAS and LAZNAS, is certainly a challenge for the manager, especially for LAZNAS. They must have a superior program that can be used as a barometer for *muzakki* to be willing to distribute their zakat funds to their institution, without the trust of *muzakki*, it is impossible for LAZNAS to continue running the organization's operations. One of the superior programs owned by BAZNAS and LAZNAS is the *mustahiq* empowerment program. The purpose of empowering *mustahiq* is to create economic independence for *mustahiq* and in turn be able to alleviate poverty (Trianto, 2020).

Mustahiq economic empowerment programs through the management of micro-business units by Zakat organizations aims to create economic independence of *mustahiq*. Through this program, *mustahiq* will get an income to buy daily needs such as food, cloth and others. *Mustahiq* micro-business development usually use a zakah fund scheme, where the *mustahiq* do not need to return the funds. This scheme is often referred to as productive zakah, namely zakah funds obtained by zakah organizations for the poor in the form of business capital assistance. However, there are also zakah organizations that use CSR funds in implementing the *mustahiq* empowerment program (Trianto et al., 2018).

To obtain maximum results, *zakah* management organizations provide assistance to *mustahiq* in the form of business capital support, training support and accompaniment business support. The problems faced in empowering *mustahiq* between BAZNAS and LAZNAS are relatively the same, first, related to business capital assistance. Business capital assistance for *mustahiq* is relatively small so it is difficult for *mustahiq* to turn its capital, so that it has an impact on the continuity of their business. Second, related to business training. For *mustahiq* who do not have business experience, the training provided by the zakat institution is not optimal due to the frequency of training and training materials that are deemed inappropriate. The third is related to *mustahiq* business assistance. Almost all *zakah* management organizations do not have a *mustahiq* business assistance team that is competent in providing business assistance for *mustahiq*. Besides not having competence, the *mustahiq* mentoring team is also relatively small and has other jobs in zakat management organizations.

These various problems will certainly have an impact on the success of the *mustahiq* empowerment program. This research aims to determine the level of success of the *mustahiq* empowerment program carried out by BAZNAS and LAZNAS in Pekanbaru City, Indonesia. Although research related to *mustahiq* empowerment has been carried out by many previous researchers such as (Trianto et al., 2020), (Furqani et al., 2018), (Fauziyah Taufiq et al., 2018), (Rahmi Adilah et al., 2018), (Romdhoni, 2018), (Fikriyah & Ridwan, 2018), (Ernawati, 2016), (Azam et al., 2014), (Muhamat et al (2013), and (Alam Choudhury & Harahap, 2009), but there has not been study to investigate the *mustahiq* micro-business development program by comparing BAZNAS and LAZNAS programs and this study was conducted to fill this gap. By knowing the level of success of the program of both, we can

provide an important suggestion to *zakah* organizations on *mustahiq* micro-business development. This study will contribute in the development of *zakah* organization in Indonesia by implementing the theory of organizational support for non-profit oriented organization development by (Rhoades & Eisenberger, 2002). Rhoades & Eisenberger (2002) state that the aims of organizational support is to increasing the maximum performance of employee. In the context of *mustahiq* empowerment program, the zakat organization support will help the *mustahiq* in build their micro-business well.

2. Research Method

The respondents of this study were the *mustahiq* who received empowerment programs from BAZNAS Pekanbaru City and LAZNAS in Pekanbaru City, Indonesia. LAZNAS which is the object of research is Dompot Duafa Pekanbaru and Rumah Zakat Pekanbaru. In this study, the sample was determined based on the following conditions: (1) Joined an empowerment program in 2016 – 2018, (2). Get capital assistance from zakat organizations, (3). Get business training, and (4). Get business assistance. From the predetermined criteria, the number of samples from BAZNAS is 45 *mustahiq* and from LAZNAS is 44 *mustahiq*. The research data were taken using a questionnaire using a Likert scale of 1 - 5.

In this study, there are three exogenous variables, namely capital support, training support and accompaniment support. Meanwhile, there are two endogenous variables, namely the variable success of *mustahiq* business and success to alleviate poverty. The following is a empirical model in this study:

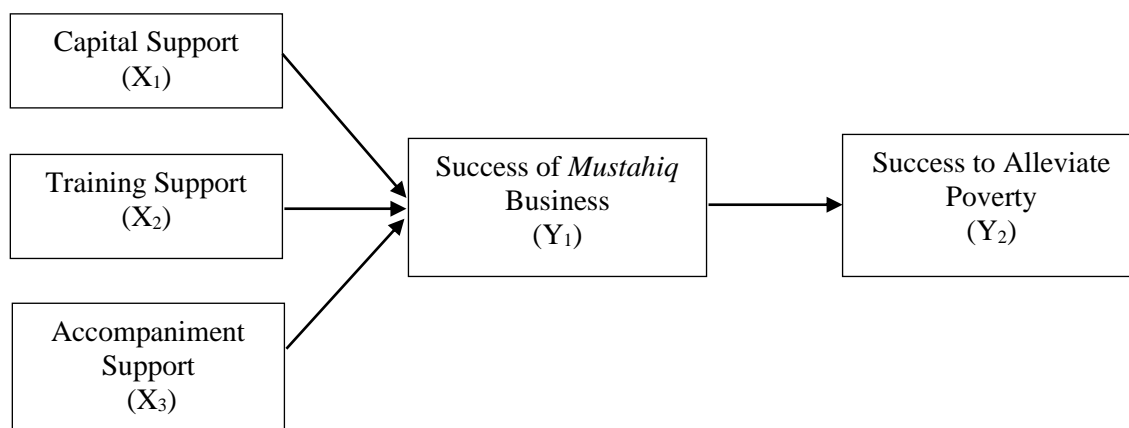


Figure 1. Empirical Model

From the empirical model built in Figure 1, two structural equations or formula are generated, namely:

$$1. Y_1 = \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon \dots \dots \dots (1)$$

Where :

Y_1 = Endogenous variable or Success of *mustahiq* business variable

β_1 = Path coefficient of exogenous variable X_1

β_2 = Path coefficient of exogenous variable X_2

β_3 = Path coefficient of exogenous variable X_3

X_1 = Exogenous variable or capital support variable

X_2 = Exogenous variable or training support variable

X_3 = Exogenous variable or accompaniment support variable

ϵ = Error term

$$2. Y_2 = \beta_1 Y_1 + \epsilon \quad (2)$$

Where :

Y_2 = Endogenous variable or Success to Alleviate Poverty

β_2 = Path coefficient of exogenous variable Y_1

Y_1 = Exogenous variable or success of *mustahiq* business variable

The research data were analysed using path analysis. Path Analysis is a statistical technique that allows users to investigate pattern of effect within a system of variables (Allen, 2017). The aims of path analysis is to provide estimates of the magnitude and significant hypothesized causal connection among sets of variables displayed through the use of path diagram (Stage et al., 2004). In this study, data were analysed using LISREL 8.8 and SPSS 26 software. LISREL was developed to perform analysis with latent variables in Structural Equation Modelling Analysis (Hayduk, 1996), but LISREL software can also be used to perform path analysis tests (Hannesty, 1985).

3. Result and Discussion

3.1. *Mustahiq* Demographic

The *mustahiq* empowerment program carried out by BAZNAS and LAZNAS in Pekanbaru City has a tend different. In this study, the *mustahiq* who participated in the empowerment program at BAZNAS were dominated by men, namely 27 people or 60 percent, while the female *mustahiq* were only 18 people or 40 percent. Meanwhile, the *mustahiq* empowerment program carried out by LAZNAS was dominated by women who reached 35 people or 79.55 percent, while the male *mustahiq* only amounted to 9 people or 20.45 percent. For more details, see Table 2. These results indicate that the patterns and types of *mustahiq* empowerment in Pekanbaru City are different, according to the policies of each zakat organization.

Table 2. *Mustahiq* Gender

| No. | Business Model | Total | % |
|-----|----------------|-------|-------|
| 1 | BAZNAS | | |
| | - Male | 27 | 60,00 |
| | - Female | 18 | 40,00 |
| | Total | 45 | 100 |
| 2 | LAZNAS | | |
| | - Male | 9 | 20,45 |
| | - Female | 35 | 79,55 |
| | Total | 44 | 100 |

Source: Authors Finding, 2021

The results of this study also showed that the level of education of the *mustahiqs* who participated in this empowerment program also tended to be different between BAZNAS and LAZNAS in Pekanbaru. The *mustahiq* empowerment program carried out by BAZNAS is dominated by the level of lower secondary education reaching 18 people or 57.78%, while the *mustahiq* who have the secondary education level and above are 19 people or 42.22 percent. Meanwhile, the empowerment programs carried out by LAZNAS were mostly followed by *mustahiqs* who had a secondary education level and above which

reached 23 people or 52.27 percent. Meanwhile, 21 people or 47.73 percent of *mustahiq* have secondary education.

Table 3. *Mustahiq* Educational Level

| No. | Business Model | Total | % |
|-----|----------------------|-------|-------|
| 1 | BAZNAS | | |
| | - Elementary School | 11 | 24,45 |
| | - Junior High School | 15 | 33,33 |
| | - Senior High School | 18 | 40,00 |
| | - University | 1 | 02,22 |
| | Total | 45 | |
| 2 | LAZNAS | | |
| | - Elementary School | 6 | 13,63 |
| | - Junior High School | 15 | 34,10 |
| | - Senior High School | 22 | 50,00 |
| | - University | 1 | 02,27 |
| | Total | 44 | 100 |

Source: Authors Finding, 2021

In terms of working capital assistance, BAZNAS and LAZNAS also have a different pattern. BAZNAS tends to provide business capital assistance in cash, where the *mustahiq* is made a bank account and the funds are transferred through a designated bank. Meanwhile, LAZNAS in providing business capital assistance is provided in cash through the purchase of required business equipment. Table 4 shows the amount of business assistance provided by BAZNAS to *mustahiq* in cash of IDR. 2,000,000/*mustahiq*. Meanwhile, the business capital assistance provided by LAZNAS if converted into rupiah is IDR 4,500,000/*mustahiq*. The results of this study indicate that the business capital assistance provided by LAZNAS is greater than the assistance provided by BAZNAS.

Table 4. Capital Assistance from *Zakah* Organization

| No. | Zakah Institution | Average Amount Received | Number of Mustahiq |
|-----|-------------------|-------------------------|--------------------|
| 1 | BAZNAS | IDR. 2,000,000 | 45 |
| 2 | LAZNAS | IDR. 4,500,000 | 44 |

Source: Authors Finding, 2021

Table 5 shows that the income of the *mustahiq* family who received assistance from BAZNAS before the *mustahiq* empowerment program was implemented was Rp. 412,582, while the income of the *mustahiq* family who received the empowerment program from LAZNAS was Rp. 290,514. On average, the income of the *mustahiq* family who received the empowerment program from BAZNAS had a higher income compared to the income of the *mustahiq* family who received assistance from LAZNAS. After running the empowerment program, there is an income for the *mustahiq* family of Rp. 561,701 for *mustahiq* from BAZNAS and Rp. 569,957. When viewed from the income of the *mustahiq* family, the two zakat organizations have the same ability to increase the income of the *mustahiq* family, but in percentage terms the programs implemented by LAZNAS have a higher percentage level of increased income when compared to BAZNAS which is 96.17 percent.

Table 5. Average Income of *Mustahiq* Household Before and After Empowerment

| No | Zakah Organization | Before | After | Increase |
|----|--------------------|------------|------------|----------|
| 1 | BAZNAS | Rp.412.582 | Rp.561.701 | 36,14% |
| 2 | LAZNAS | Rp.290.514 | Rp.569.957 | 96.17% |

Source : Author Findings, 2021

3.2. Statistics Descriptive

Table 6 shows the minimum, maximum, mean and standard deviation values. The minimum value for BAZNAS is 2.00 in the X2 and X3 variables, while the maximum value is 5.00 in the X1 variable with a mean of 3.53 and a standard deviation of 0.597. This result means that the *mustahiq* who are respondents to BAZNAS have a tendency to provide sufficient answers. Meanwhile, respondents who have affiliation with LAZNAS tend to give better answers, namely agree. This can be seen from the mean value for each research variable where the results are close to the value 4, with the highest standard deviation is the X1 variable which is 0.939 and the smallest is the Y2 variable of 0.462.

Table 6. Minimum, Maximum, Mean and Standard Deviation,

| Variable | Minimum | Maximum | Mean | Std. Deviation |
|---------------|---------|---------|------|----------------|
| BAZNAS | | | | |
| X1 | 3.00 | 5.00 | 3.53 | .587 |
| X2 | 2.00 | 4.83 | 3.22 | .855 |
| X3 | 2.00 | 4.50 | 3.05 | .703 |
| Y1 | 3.17 | 4.83 | 3.70 | .289 |
| Y2 | 2.80 | 4.50 | 3.63 | .314 |
| LAZNAS | | | | |
| X1 | 1.89 | 5.01 | 4.04 | .939 |
| X2 | 2.48 | 5.14 | 3.99 | .628 |
| X3 | 2.38 | 5.41 | 4.15 | .738 |
| Y1 | 2.84 | 5.05 | 3.95 | .524 |
| Y2 | 3.09 | 4.95 | 4.06 | .462 |

Source : Authors Finding, 2021

Table 7 shows the value of the reliability of the data used, where the composite Cronbach's Alpha value for the two organizations has a value above 0.6. This means that all statement items have a good level of internal consistency. Meanwhile, Table 8 shows the correlation between variables involved in this study. In BAZNAS, variables that have a pathway relationship have a weak correlation, for example the relationship between X1 and Y1 and the relationship between X2 and Y1. Meanwhile, the variable that has a positive and significant relationship is variable Y1 and variable Y2. Meanwhile, the correlation between variables in the LAZNAS zakat management organization has a positive and significant correlation at α 0.05 and 0.01.

Table 7. Reliability Analysis

| Variable | Cronbach's Alpha | |
|------------------------------------|------------------|-----------|
| | Individual | Composite |
| BAZNAS | | |
| Capital Support (X ₁) | 0.633 | 0.733 |
| Training Support (X ₂) | 0.563 | |

| | | |
|---|-------|-------|
| Accompaniment Support (X ₃) | 0.475 | |
| Success of <i>Mustahiq</i> Business (Y ₁) | 0.773 | |
| Success to Alleviate Poverty (Y ₂) | 0.793 | |
| LAZNAS | | |
| Capital Support (X ₁) | 0.870 | |
| Training Support (X ₂) | 0.725 | |
| Accompaniment Support (X ₃) | 0.710 | 0.796 |
| Success of <i>Mustahiq</i> Business (Y ₁) | 0.731 | |
| Success to Alleviate Poverty (Y ₂) | 0.753 | |

Source: Authors Finding, 2021

Table 8. Correlation Matrix of Among Variable

| Variables | X1 | X2 | X3 | Y1 | Y2 |
|---------------|---------|---------|---------|---------|----|
| BAZNAS | | | | | |
| X1 | 1 | | | | |
| X2 | 0.663** | 1 | | | |
| X3 | 0.665** | 0.932** | 1 | | |
| Y1 | 0.025 | 0.011 | 0.201 | 1 | |
| Y2 | -0.37 | -0.104 | 0.078 | 0.473** | 1 |
| LAZNAS | | | | | |
| X1 | 1 | | | | |
| X2 | 0.243 | 1 | | | |
| X3 | 0.314* | 0.794** | 1 | | |
| Y1 | 0.312* | 0.704** | 0.633** | 1 | |
| Y2 | 0.395** | 0.491** | 0.564** | 0.669** | 1 |

Source : Authors Finding, 2021

*. Correlation is significant at the 0.05 (2-tailed)

** . Correlation is significant at the 0.01 (2-tailed)

In Table 9, the VIF value for each exogenous variable is presented. According to Anderson et al. (1996), the acceptable VIF value to avoid multicollinearity is below 10. The test results show that all exogenous variables have a value below 10, meaning that the data in this study are free from cases of multicollinearity.

Table 9. Multicollinearity Analysis

| Independent Variable | VIF |
|---|------|
| BAZNAS | |
| Capital Support (X ₁) | 1.83 |
| Training Support (X ₂) | 7.78 |
| Accompaniment Support (X ₃) | 7.82 |
| Success of <i>Mustahiq</i> Business (Y ₁) | 1.00 |
| LAZNAS | |
| Capital Support (X ₁) | 1.14 |
| Training Support (X ₂) | 3.33 |
| Accompaniment Support (X ₃) | 2.87 |
| Success of <i>Mustahiq</i> Business (Y ₁) | 2.11 |

Source: Authors Finding, 2021

3.3. Path Analysis Result

Based on the results of data processing using the LISREL program, empirical facts are obtained that the variable capital support at BAZNAS has a negative and insignificant relationship with the variable success *mustahiq* business. Meanwhile in the LAZNAS organization, although the results are not significant, they have a positive effect, as shown in Table 10. Therefore the hypothesis proposed in this study for both BAZNAS and LAZNAS cases was rejected (Reject H1). The variable training support provided by LAZNAS has a positive and significant effect on the success of *mustahiq* business and therefore accepts the hypothesis stated or Accepted H2. Whereas in the case of BAZNAS the variable training support has a negative and significant effect, and therefore reject the proposed hypothesis or H2.

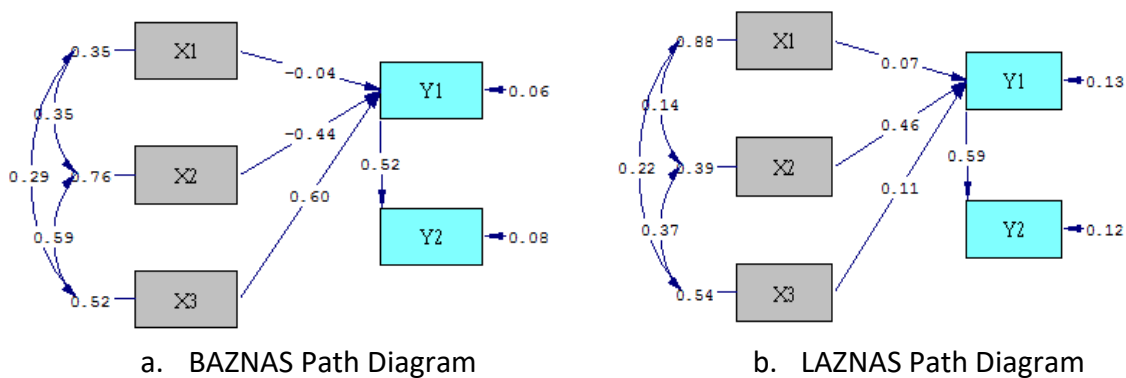


Table 10. Path Coefficient

| Relationships | Path Coefficients Effect | | | |
|---|--------------------------|----------|-------|-------|
| | Direct | Indirect | Total | CR |
| BAZNAS | | | | |
| Capital Support ---> Success of <i>Mustahiq</i> Business | -0.04 | - | -0.04 | 0.48 |
| Training Support ---> Success of <i>Mustahiq</i> Business | -0.44 | - | -0.44 | 3.51* |
| Accompaniment Support ---> Success of <i>Mustahiq</i> Business | 0.60 | - | 0.60 | 3.95* |
| Success of <i>Mustahiq</i> Business ---> Success to Alleviate Poverty | 0.52 | - | 0.52 | 3.40* |
| LAZNAS | | | | |
| Capital Support ---> Success of <i>Mustahiq</i> Business | 0.07 | - | 0.07 | 1.13 |
| Training Support ---> Success of <i>Mustahiq</i> Business | 0.46 | - | 0.46 | 3.06* |
| Accompaniment Support ---> Success of <i>Mustahiq</i> Business | 0.11 | - | 0.13 | 0.86 |
| Success of <i>Mustahiq</i> Business ---> Success to Alleviate Poverty | 0.59 | - | 0.59 | 5.70* |

CR* = Significant at 0.5 level

Source : Authors Finding, 2021

Variable accompaniment support at BAZNAS has a positive and significant effect on the variable success of *mustahiq* business with a coefficient β of 0.60 and therefore the

hypothesis proposed is acceptable or Accepted H3. Meanwhile, the variable accompaniment support at LAZNAS although it has a positive relationship, the relationship is not significant. Therefore the hypothesis proposed in this study is rejected or Rejected H₃. The *mustahiq* empowerment program carried out by BAZNAS and LAZNAS in Pekanbaru both have a positive and significant impact on poverty alleviation and therefore the hypothesis proposed is acceptable or Accepted H4. In this study, the relationship between the variables built has no indirect impact, so the resulting effect is a direct impact. In Table 10, it can be seen that the total impact is the same as the direct impact of each path.

Table 11 show the summary model for each zakat organization. For the BAZNAS organization model summary, model 1 show that the coefficient determination (R^2) just reach .279 or 27,90 percent and model 2 reach .224 or 22.40 percent. Meanwhile, the model 1 of LAZNAS the Coefficient determination (R^2) reach 0.525 and model 2 reach 0.448.

Table 11. Path Coefficient – Summary Model

| Model | R | R^2 | Adjusted R^2 | Std Error of the Estimate |
|---------|------|-------|----------------|---------------------------|
| BAZNAS | | | | |
| Model 1 | .528 | .279 | .226 | .25420 |
| Model 2 | .473 | .224 | .206 | .27992 |
| LAZNAS | | | | |
| Model 1 | .725 | .525 | .489 | .37445 |
| Model 2 | .669 | .448 | .435 | .34702 |

Source: Author Findings, 2021

3.4. Discussion

The *mustahiq* economic provision program is an effort to give *mustahiq* the ability to earn income by running a micro-scale business. To support this program, zakat organizations provide assistance in the form of business capital. The results of this study indicate that the provision of venture capital by BAZNAS does not have a significant impact on the success of the *mustahiq* economic empowerment program and even has a negative effect with a path coefficient of -0.04. This result contradicts with by Muhamat et al (2013) where capital is a factor influencing the success of developing a micro-business conducted by *mustahiq*. However, Boudreaux and Nicolaev (2019) emphasize that capital is not the only factor that causes the success of a business, there are other factors that can cause a person's business to be successful, for example entrepreneurial motivation.

Meanwhile, in LAZNAS zakat organization, capital has a positive effect, but not significant with the path coefficient of 0.07. The results of this study are in line with research conducted by Muhammad et al (2013), although the effect is not significant, the capital given to *mustahiq* to develop their micro-business has a positive effect. This means that the venture capital provided by LAZNAS to *mustahiq* is very useful for running their business. There are several reasons why the business capital assistance provided by BAZNAS has a negative impact. First, the capital given to *mustahiq* is relatively smaller when compared to the capital provided by LAZNAS. Second, BAZNAS provides business capital assistance in the form of cash so that it provides opportunities for *mustahiqs* to be used to buy daily necessities such as paying debts or buying food. Meanwhile, LAZNAS provides business capital assistance in the form of non-cash, thus closing opportunities for *mustahiqs* to use outside their micro-business needs. This result implies that the provision of capital in the

form of cash is not the right thing to give to *mustahiq*, because it makes it possible for *mustahiq* to use it outside of his business needs.

The results of this study also show that the training variable provided by BAZNAS has a significant effect but has a negative effect with a path coefficient of -0.44. The results of this study are in line with (Indarti, 2020) and Muhammat et al (2013) where the training program for *mustahiq* has no impact on success in increasing *mustahiq's* business. This failure can be caused by several things, first the training program provided by BAZNAS is not in accordance with the needs of the *mustahiq*. This is because the training provided is more general, even though the training needs for each *mustahiq* business are different, some require training for marketing, business operational training to customer service training. This is the same as found by (Indarti, 2020), that training for entrepreneurs/*mustahiq* is not in accordance with the needs required by entrepreneurs. Meanwhile, the training provided by LAZNAS has a positive and significant impact. The results of this study are in line with research conducted by (Rahmi Adilah et al., 2018) and (Mensah & Benedict, 2010) where the training provided has made a positive and significant contribution to the success of the micro-business run by *Mustahiq*. This indicates that the training provided by LAZNAS is in accordance with the needs of the *mustahiq* in running their micro-business.

This study also found that the mentoring program provided by BAZNAS had a positive and significant effect on the success of the micro-business run by *Mustahiq* with a path coefficient of 0.60. Meanwhile, the *mustahiq* mentoring program carried out by LAZNAS has a positive but insignificant effect with the path coefficient of 0.11. This indicates that the *mustahiq* mentoring program is a crucial program in empowering *mustahiq* through micro-business activities. This research is in line with research conducted by Fauziyah Taufiq et al., (2018). Meanwhile, the *mustahiq* empowerment program through micro-business activities carried out by BAZNAS and LAZNAS was able to alleviate *mustahiq* poverty with the magnitude of the β coefficient of 0.52 and 0.59, respectively. This indicates that the *mustahiq* empowerment program through micro-business activities is a program that must be maintained and developed more broadly by BAZNAS and LAZNAS.

Overall, the results of this study illustrate that in developing micro-enterprises managed by *mustahiq*, the variables of capital, training and business assistance have an important role in achieving success, although in its implementation, zakat institutions have different results. The results of this study are in line with several previous researchers such as Muhamat et al (2013), (Indarti, 2020), (Rahmi Adilah et al., 2018) and (Mensah & Benedict, 2010) and Fauziyah Taufiq et al., (2018). However, this study places more emphasis on evaluating the implementation of empowerment programs at government-owned zakat institutions and community-managed zakat institutions with an organizational support theory approach.

From the findings of this study, it provides the fact that the organizational support provided by the zakat institution to *mustahiq* is very meaningful in the success of the micro business development program run by *mustahiq*. The results of this study illustrate that the theory of organizational support can be implemented in non-profit oriented organizations such as zakat institutions, especially in running *mustahiq* empowerment programs in the context of poverty alleviation. However, the implementation of the theory has not been fully implemented, especially by BAZNAS. This is due to several things, including experience in running empowerment programs, limited funding and limited human resources. However, theory organizational support can be implemented properly by LAZNAS. For this reason, it is necessary to have efforts from the management of zakat managers to increase

understanding related to organizational support theory so that the organizational support provided provides the results that are expected.

4. Conclusion

Mustahiq micro-business development carried out by zakat organizations in Indonesia is one of the agendas to increase *mustahiq's* income and welfare. The results of this study indicate that the support of zakat organizations in developing the micro-business of *mustahiq* between BAZNAS and LAZNAS has a different impact. The capital support provided by BAZNAS has a negative effect on the development of the *mustahiq* business. Meanwhile, the capital support provided by LAZNAS has a positive impact even though the impact is not significant. In the BAZNAS zakat organization, the training support provided to *mustahiq* in running its business does not have a positive effect, it has a negative effect on *mustahiq* business development. Meanwhile, the training support provided by LAZNAS has succeeded in providing a positive impact on the development of the *mustahiq* business.

Accompaniment support provided by BAZNAS is able to have a positive impact on *mustahiq's* micro-business development. Meanwhile the accompaniment support provided by LAZNAS had a positive impact, although it was not yet significant. This indicates that the *mustahiq* mentoring program plays an important role in the *mustahiq* economic empowerment program. The *mustahiq* economic empowerment program through micro-business activities carried out by BAZNAS and LAZNAS has had a positive impact in alleviating poverty of *mustahiq* in Pekanbaru, Indonesia. Therefore the *mustahiq* economic empowerment program must be developed better so that it has a wider impact on the poor and the needy in Indonesia. However, this research has limitations, which is only conducted in Pekanbaru, so the results cannot be generalized for all of Indonesia. The implication of research is although the *mustahiq* economic empowerment program through micro-business activities is able to increase income and alleviate poverty, there is a need for better development.

References

- Alam Choudhury, M., & Harahap, S. S. (2009). Complementing community, business and microenterprise by the Islamic epistemological methodology: A case study of Indonesia. *International Journal of Islamic and Middle Eastern Finance and Management*, 2(2), 139–159. <https://doi.org/10.1108/17538390910965158>.
- Allen, M. (2017). The SAGE Encyclopedia of Communication Research Methods. *The SAGE Encyclopedia of Communication Research Methods*, January 2017. <https://doi.org/10.4135/9781483381411>.
- Anderson, D.R., Sweeney, D.J. and Williams, T.A. (1996). *Statistics for Business and Economics*. West Publishing Company, St. Paul, MN.
- Azam, M., Iqbal, N., & Tayyab, M. (2014). *Zakat and Economic Development: Micro and Macro Level Evidence from Pakistan*. 3, 85–95.
- Ben Jedidia, K., & Guerbouj, K. (2020). Effects of zakat on the economic growth in selected Islamic countries: empirical evidence. *International Journal of Development Issues*, 20(1), 126–142. <https://doi.org/10.1108/IJDI-05-2020-0100>.
- Bilo, C., & Machado, A. C. (2020). The role of Zakat in the provision of social protection: A comparison between Jordan and Sudan. *International Journal of Sociology and Social Policy*, 40(3–4), 236–248. <https://doi.org/10.1108/IJSSP-11-2018-0218>.

- Boudreaux, C.J. and Nicolaev, B. (2019). Capital is Not Enough: Opportunity Entrepreneurship and Formal Institutions. *Small Business Economics*, 53 709-738. <https://doi.org/10.1007/s11187-018-0068-7>
- Dompetchuafa. (2021). Potensi Zakat di Indonesia dan Pengentasan Kemiskinan, <https://www.dompetchuafa.org/id/berita/detail/potensi-zakat-di-indonesia>. Date of Access : March 15th, 2021.
- Ernawati, E. (2016). Karakteristik Program Pemberdayaan Mustahik Oleh Lembaga Amil Zakat Nasional Di Indonesia. *Inferensi*, 10(2), 309. <https://doi.org/10.18326/infsl3.v10i2.309-334>.
- Fauziah Taufiq, I., . K., & Nurasyiah, A. (2018). The Effect of Productive Zakat, Business Experience, and Mentoring on Farmers' Revenues (Survey on Lumbung Desa Program by Sinergi Foundation in Cibaeud Village, Cigalontang District, Tasikmalaya Regency). *International Journal of Zakat*, 3(3), 55–67. <https://doi.org/10.37706/ijaz.v3i3.95>.
- Fikriyah, K., & Ridwan, A. A. (2018). The Evaluation of Mustahiq Empowerment-Based Poverty Alleviation Program at Amil-Zakat Organizations. *International Journal of Islamic Business and Economics (IJIBEC)*, 65. <https://doi.org/10.28918/ijibec.v2i1.1263>.
- Furqani, H., Mulyany, R., & Yunus, F. (2018). Zakat for Economic Empowerment (Analyzing the Models, Strategy and Implications of Zakat Productive Program in Baitul Mal Aceh and Baznas Indonesia). *Iqtishadia*, 11(2), 391. <https://doi.org/10.21043/iqtishadia.v11i2.3973>.
- Hannesty, M. (1985). Path Analysis Using LISREL : Comparing Income Attainment of White and Black Men. *The Journal of Applied Behavioural Science*, 21(1), 51-63. <https://doi.org/10.1177/002188638502100105>.
- Heyduk, L.A. (1996). *LISREL : Issues, Debates and Strategies*. Baltimore : Johns Hopkins University Press.
- Hudaifi, F.A. and Beik, I.S. (2021). Digital Zakah Campaign in time of Covid-19 Pandemic in Indonesia: a Netnography Study. *Journal of Islamic Marketing*. <https://doi.org/10.1108/JIMA-09-2020-0299>.
- Insgiht. (2019). *Pemerataan Zakat Untuk Kesejahteraan Masyarakat*. Edisi Ketiga – Agustus 2019. Jakarta: KNEKS.
- Indarti, S. (2020). The effects of education and training, management supervision on development of entrepreneurship attitude and growth of small and micro enterprise. *International Journal of Organizational Analysis*, 29(1), 16–34. <https://doi.org/10.1108/IJOA-09-2019-1890>.
- Kompas. (2020). Ketua Baznas: Pengumpulan Zakat Selama Covid-19 Naik Hingga 46 Persen. <https://nasional.kompas.com/read/2020/07/15/17195001/ketua-baznas-pengumpulan-zakat-selama-covid-19-naik-hingga-46-persen>. Date of Access : March 15th, 2021.
- Mensah, S. N. A., & Benedict, E. (2010). Entrepreneurship training and poverty alleviation: Empowering the poor in the Eastern Free State of South Africa. *African Journal of Economic and Management Studies*, 1(2), 138–163.

<https://doi.org/10.1108/20400701011073464>.

- Rahmi Adilah, F., Findi, M., & Muhamad Ali, K. (2018). The Evaluation of Mustahiq Training Effectiveness in Rumah Gemilang Indonesia (RGI) for the 16th Generation to Increase Work Readiness. *International Journal of Zakat*, 3(1), 109–121. <https://doi.org/10.37706/ijaz.v3i1.67>.
- Muhamat, A.A., Jaafar, N., Rosly, H.E. and Manan, H.A. (2013). An appraisal on the business success of entrepreneurial asnaf, an empirical study on the state zakat organization (the Selangor Zakat Board or Lembaga Zakat Selangor) in Malaysia. *Journal of Financial Accounting and Reporting*, Vol.11, No.1, pp.51-63.
- PUSKAS-BAZNAS. (2021). Outlook Zakat Nasional Indonesia 2021.
- Razak, S. H. A. (2020). Zakat and waqf as instrument of Islamic wealth in poverty alleviation and redistribution: Case of Malaysia. *International Journal of Sociology and Social Policy*, 40(3–4), 249–266. <https://doi.org/10.1108/IJSSP-11-2018-0208>.
- Republika. (2019). Seberapa Besar Potensi Zakat di Indonesia? <https://www.republika.co.id/berita/punxdq440/seberapa-besar-potensi-zakat-di-indonesia>. Date of Acces : March 15th, 2021.
- Rhoades, L., & Eisenberger, R. (2002). Perceived organizational support: A review of the literature. *Journal of Applied Psychology*, 87(4), 698–714. <https://doi.org/10.1037/0021-9010.87.4.698>.
- Romdhoni, A. H. (2018). Effect of productive zakat program on the improvement of welfare in Sragen regency. *Jurnal Ekonomi & Keuangan Islam*, 4(1), 41–50. <https://doi.org/10.20885/jeki.vol4.iss1.art5>.
- Sadeq, A. M. (1997). Poverty from Islamic perspective. *Humanomics*, 13(3), 110–134.
- Stage, F. K., Carter, H. C., & Nora, A. (2004). Path Analysis: An Introduction and Analysis of a Decade of Research. *Journal of Educational Research*, 98(1), 5–13. <https://doi.org/10.3200/JOER.98.1.5-13>.
- Trianto, B. (2020). Analysis of Mustahik Economic Empowerment Model in Pekanbaru. *International Conference of Zakat*, 443–458. <https://doi.org/10.37706/iconz.2020.224>
- Trianto, B., Nasution, Y., & Siregar, S. (2018). Analysis Of Poverty Alleviation And Financial Inclusion In The Mustahik Empowerment Program In Pekanbaru. *Jurnal Ekonomi & Studi Pembangunan*, 19(2). <https://doi.org/10.18196/jesp.19.2.5008>.
- Trianto, B., Siregar, S., & Nasution, M. Y. (2020). Does the Mustahik Demographic and Socio-Cultural Affect to the Successful of Poverty Alleviation? *International Journal of Zakat*, 5(1), 67–81. <https://doi.org/10.37706/ijaz.v5i1.208>.