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DETERMINANT ANALYSIS OF FACTORS AFFECTING MUSTAHIK WELFARE WITH MEDIATED BUSINESS DEVELOPMENT

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Abstrack

This study aims to analyze the impact of the application of business capital assistance, training, training, and mustahik work ethic on mustahik welfare through business development. Sampling using non probability sampling technique with purposive sampling approach. The sample of this study were 50 mustahik members of the Independent Business Community (IBC) at the Al-Falah Surabaya Social Fund foundation who met the research criteria. This study uses quantitative methods with the PLS (Partial Least Square) approach through a path analysis model. The results of this study indicate the statistical t value for the variables of training, mentoring, and Islamic work ethic, respectively 1.987, 3.341 and 4.011 > t table 1.960 so that it is said to have a significant influence on the welfare of mustahik through its business development. While the statistical t value of the business capital variable 0.402 < t table 1.960 does not have a significant effect on the welfare of mustahik through business development. In conclusion, the variables of training, mentoring and Islamic work ethic have a significant effect on the welfare of mustahik mediated by business development. While the business capital variable has no significant effect on the welfare of mustahik mediated by business development.

Keywords : Business Capital; Training; Mentoring; Islamic Work Ethic; Business Development; Mustahik Welfare.

INTRODUCTION

Mustahik are people who are entitled to receive shodaqoh, infaq, and zakat. They include the poor, orphans, and debtors who need assistance to fulfill their basic needs. The three main indicators of community welfare are low poverty rates, reducing the proportion of working-age people who are still unemployed, and minimizing economic disparities between neighbors (Ilhaniyah & Anwar, 2019). Thus, the level of mustahik welfare can be seen from the poverty rate in Surabaya City, because the lower the poverty rate, the higher the welfare achieved. Based on data from the Central Bureau of Statistics, the decrease in the number of poor people in Surabaya City from 2015 to 2024 by 49,1 poor people is depicted in the following graph:

Figure 1

Number of Poor People in Surabaya City in 2015 - 2024



Source: Central Bureau of Statistics, 2024

Based on the graph above, it can be seen that the poverty rate in Surabaya City has decreased. One of the factors that caused the decline in poverty in Surabaya City is the growth of MSMEs. According to (Cahyani & Rohman, 2022), MSMEs help reduce poverty and improve welfare. This is evidenced by data from the Office of Cooperatives and SMEs of East Java Province in Surabaya City which has increased continuously from 2015 to the current year 2024 reaching 151,258 business units. One of them is Mustahik in Surabaya City, who prefer to have their own business because of its ease of management, low initial costs, and adaptability in its operations. In addition, MSMEs can increase community income so as to improve living standards and achieve welfare (Hilal & Wardani, 2023). So that a mustahik can help his family's economy, such as daily food costs, children's school needs, and other needs.

Behind its strategic role, MSMEs also face many problems such as lack of capital, marketing problems, business competition, raw material problems, lack of production skills, lack of management skills, and poor human resources (Bahri et al., 2019). For Mustahik who have a business, this element is a barrier that hinders the development of their business. In fact, the growth of MSMEs significantly improves the quality of life of Mustahik. The zakat instrument used as a means of allocating and balancing money between the rich and underprivileged groups is another way to fight poverty and reduce social injustice in society, as known in Islam (Canggih et al., 2017). The Ministry of Religious Affairs managed to prove that Baznas East Java in the management of zakat funds had a big impact so that it managed to save thousands of mustahik from the poverty line. One form of mustahik empowerment through business financing is a form of productive zakat distribution. Through business capital or skills training programs, productive zakat can help mustahiks to increase their income, create new economic opportunities, and live a better life. In addition, productive zakat also aims to help Mustahik get out of poverty and achieve financial independence (Thariquddinn, 2014). However, there are still some challenges that often arise in its implementation, including misidentification of the target recipients of business capital assistance to mustahik, lack of supervision so that misuse of funds often occurs, and mustahik's ignorance of the guidelines and objectives of this productive zakat program.

For a mustahik business to run consistently, they must be able to manage it with competence, talent and determination. One way to encourage this is through entrepreneurship training. The training process seeks to improve human resources, particularly human personality and intellectual capacity. Guidance, direction and skills training are part of this process, which essentially shows that individuals already have the potential, experience and drive to achieve their maximum potential (Fathurrohman, 2016). Getting training opportunities can be used as provisions to run and build their businesses to achieve welfare, because capital alone is not enough for Mustahik. To achieve their life goals, namely living in peace and prosperity, capital and training indirectly support the increase in income of the mustahiks. Businesses run by mustahiks need to be managed with skill, talent and tenacity in order to grow. This procedure, which includes skills training, guidance, and direction, basically shows that people have the potential, experience, and motivation to reach their maximum potential (Bariyah, 2012). However, government assistance in the form of mentoring and training has not been maximized so it is considered less useful. Therefore, in addition to training and mentoring, strategies and tools are needed that can empower Mustahik and facilitate their access to capital to achieve this.

Burhanuddin (2014) stated that productive zakat does not only have an impact on increasing business or improving the welfare of mustahik, but moral hazards such as business

ethics, honesty, trustworthiness, reliability, responsibility, and consistency also affect the improvement of business and community welfare. One of the strong fundamental traits of a person is his work ethic. This is in line with the Independent Business Community (IBC) program in collaboration with YDSF with the aim of community welfare and empowerment, and has a high entrepreneurial spirit without ignoring Islamic law.

One of the zakat institutions that has the aim of prospering the people through the utilization of zakat and infaq funds is the Al-Falah Social Fund Foundation (YDSF) Surabaya. With this, YDSF hopes that with zakat, either consumptive zakat or productive zakat given to mustahik, it can help government programs in the welfare of the Surabaya City community. But in reality, most of the zakat distributed to the community is consumptive, meaning that the benefits received by mustahik can only be used in the short term after being distributed. In fact, the purpose of zakat is to overcome poverty permanently, not just consumptively. According to Mufraini, productive ZIS distribution is considered very effective because it can turn mustahik into muzakki. Conversely, consumptive distribution of ZIS is feared to make mustahik too dependent on ZIS funds that already belong to them (Rakhma, 2014). By making ZIS funds as business capital, it can encourage the mustahik economy in financing their lives regularly. With these funds, mustahiks can build and improve their businesses, save and earn a consistent income (Nopiardo, 2016).

Various studies related to the welfare of mustahik such as Muafif and Anwar's research (2022) about the impact of the productive usage of the zakat proceeds on increasing mustahik MSMEs in Surabaya with statistical methods. Meanwhile, the study employs statistical techniques to find out how much these factors affect the welfare of mustahiks. This research will complement these results by adding variables and analyzing using various theories. Yuliana's research (2023) using independent variables such as work ethic, training, and mentoring. So the novelty in this research is in the novelty of the indicators used for the community welfare variable and the place of research. By completing Irsyadurrahman's research (2019) stated that the Adjusted R Square value of 0.604 indicates that 60.4% of mustahik welfare in the utilization of funding from zakat is influenced by mentoring and training, whereas the balance of 39.6% is influenced by other variables. Thus, this study combines various components and complements other variables that affect the welfare of mustahiqs through business development using four independent variables namely business capital, training, mentoring, and Islamic work ethic. The dependent variables are mustahiq welfare and business development.

The formulation of this research problem is that with the assistance of business capital, training and mentoring activities and the Islamic work ethic of a mustahik whether it can affect business development which will also affect the level of mustahik welfare. This study aims to determine how much influence the provision of business capital, training activities, mentoring, and Islamic work ethic on the welfare of mustahik through business development in the empowerment program of the Al-Falah Social Fund Foundation (YDSF) Surabaya in collaboration with the Independent Business Group.

RESEARCH METHODOLOGY

Type of Research

To produce the findings of this research in the form of numbers or statistics, this research uses quantitative research methodology. In facilitating data processing, researchers applied the PLS-SEM (Partial Least Squares Structural Equation Modeling) approach method using programs such as Excel and SmartPLS as data processing tools.

Population and Sample

All members of the Independent Business Community (IBC) at the Al-Falah Surabaya Social Fund Foundation became the population in this study. Non-probability sampling technique was used as a research sampling method. Which sample selection is carried out based on predetermined standards or commonly referred to as a purposive sampling approach (Sugiyono, 2019). This shows that the sampling is based on certain factors or standards that have been chosen by the researcher. IBC members who attended training, received support, and obtained business financing assistance were included in the research sample criteria.

The number of samples was determined using a saturated sampling technique because the population was relatively small, so that all populations were sampled. Then obtained a sample size of 50 mustahik who have met the criteria.

Research Location

In this study, researchers chose a research location at the Al-Falah Surabaya Social Fund Foundation and Independent Business Community (IBC) who received business capital assistance, training and mentoring.

Data Collection Technique

Data collection in this study used questionnaires and documentation.

1. Questionnaire : A set of questions or written statements were given to respondents as part of a questionnaire, as a data collection method. The questionnaire was sent to the recipients of productive zakat funds managed by YDSF, namely the Independent Business Community (IBC).

Table 1
Likert Scale

Statement	Score
Strongly Agree (SA)	4
Agree (A)	3
Disagree (D)	2
Strongly Disagree (SD)	1

2. Documentation : This research report is supported by collecting data and information in the form of articles and books, written figures, and images.

Operational Definition of Variables

This study has variables of business capital, training, mentoring, and Islamic work ethic on mustahik welfare mediated by business development.

1. Business Capital: The amount of productive zakat assistance distributed to mustahik to develop their business.
2. Training: Efforts made by YDSF by facilitating learning to increase the knowledge and ability of mustahik in managing funds and human resources for business development.
3. Assistance: Consultative activities carried out by YDSF to solve a problem by building understanding with the mustahik and increasing the confidence and motivation of the mustahik.
4. Islamic Work Ethic: The spirit of mustahik in working properly and correctly to seek the pleasure of Allah.

5. Mustahik welfare : The condition of mustahik in fulfilling their daily needs and being able to set aside income to save, so that those who were originally mustahik can become muzakki.
 6. Business development: The success of a business by increasing mustahik performance, increasing sales accompanied by product quality and getting optimal profits.
- The operations of each variable can be seen in table 2.

Table 2
Operational Variable

No	Variable	Indicator	Skala
1	Business Capital (X1)	<ol style="list-style-type: none"> 1. Capital as a business requirement 2. Utilization of additional capital 3. Amount of capital 4. Capital structure 5. Barriers in accessing capital. 6. Business situation after receiving additional capital 	<i>Likert</i>
2	Training (X2)	<ol style="list-style-type: none"> 1. Training participants 2. Training trainer/instructor 3. Training materials 4. Training method 5. Length of training 6. Training goals and objectives 	<i>Likert</i>
3	Mentoring (X3)	<ol style="list-style-type: none"> 1. Enabling 2. Strengthening 3. Protection 4. Support 	<i>Likert</i>
4	Islamic Work Ethic (X4)	<ol style="list-style-type: none"> 1. Work is a Grace 2. Work is a Trust 3. Work is Actualization 4. Work is Worship 5. Work is Art 6. Work is Service 	<i>Likert</i>
5	Mustahik Welfare (Y)	<ol style="list-style-type: none"> 1. Religion (Ad-Dien) 2. Soul (An-Naf) 3. Intellect (Al-Aql) 4. Descent (An-Nasl) 5. Wealth (Al-Maal) 	<i>Likert</i>
6	Business Development (Z)	<ol style="list-style-type: none"> 1. Revenue 2. Profit 3. Sales rate 4. Customers 5. Business size 6. Increase in production quantity 7. Labor force 	<i>Likert</i>

Data Analysis Technique

The data analysis used in this study uses a path analysis model used to analyze the relationship between variables. Evaluation of the PLS model is done by evaluating the outer model and inner model.

1. Outer Model : To assess the validity and reliability of the model (indicator testing).

- a. Convergent Validity : Judging from the outer loading value ≥ 0.70 and the AVE value ≥ 0.50 , it is considered to meet the convergent validity criteria (Abubakar et al., 2023).
 - b. Discriminant Validity : Judging from the Cross Loading value with the criterion that the measured indicator value is greater than the other indicators, it can be said to be valid. And seen from the Fornell Larcker value with the criterion that the latent variable has a greater correlation with itself than other latent variables, it can be said to be valid (Mohammadi & Mahmoodi, 2019).
 - c. Reliability Test : Cronbach Alpha value ≥ 0.7 , and a composite reliability value greater than 0.7, it is considered to meet the reliability criteria.
2. Inner Model : To predict the causal relationship between latent variables.
- a. R-Square: $R^2 = 0.19$ (exogenous influence on endogenous weak), $R^2 = 0.33$ (exogenous influence on endogenous moderate), $R^2 = 0.67$ (exogenous influence on endogenous strong).
 - b. F-Square: $F^2 = 0.02$ has a small effect, $F^2 = 0.15$ has a medium effect, $F^2 = 0.35$ has a large effect (Suntara et al., 2023).
 - c. Model goodness-fit testing: GoF value = 0.1 then GoF is small, Gof = 0.25 then GoF is medium, GoF = 0.36 then GoF is large (Zaliha & Setiawan, 2023).
 - d. Hypothesis testing (Direct Effect and Indirect Effect): It is said to be significant if the P-Values value < 0.05 and t-Statistics > 1.960 .

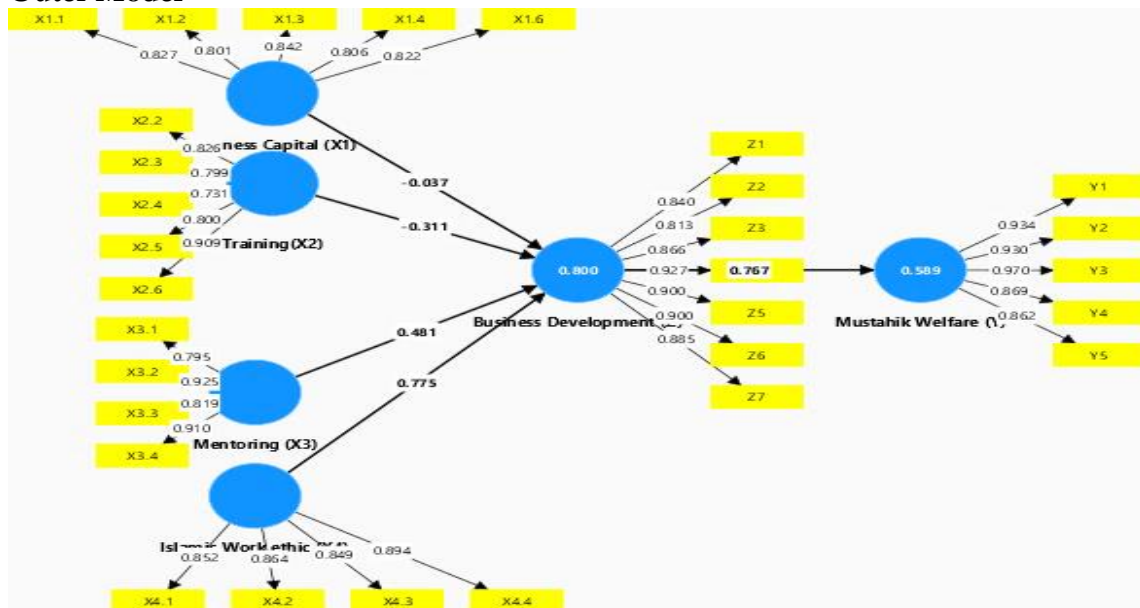
RESULT AND DISCUSSION

Research Result

Before predicting the causality relationship between latent variables, indicator testing must first be carried out or commonly referred to as outer model evaluation. The following are the results of the outer model evaluation:

Figure 2

Outer Model



Source: Results of processed data Year 2024 SmartPLS

Based on the image above, the results of the convergent validity test can be seen in table 3.

Table 3
Results of Outer Loading Convergent Validity Test after Modification

Variable	Indicator	Outer Loading	AVE	Description
Business Capital (X1)	X1.1	0.827	0.672	Valid
	X1.2	0.801		Valid
	X1.3	0.842		Valid
	X1.4	0.806		Valid
	X1.6	0.822		Valid
Training (X2)	X2.2	0.826	0.664	Valid
	X2.3	0.799		Valid
	X2.4	0.731		Valid
	X2.5	0.800		Valid
	X2.6	0.909		Valid
Mentoring (X3)	X3.1	0.795	0.747	Valid
	X3.2	0.925		Valid
	X3.3	0.819		Valid
	X3.4	0.910		Valid
Islamic Work Ethic (X4)	X4.1	0.852	0.748	Valid
	X4.2	0.864		Valid
	X4.3	0.849		Valid
	X4.4	0.894		Valid
Business Development (Z)	Z1	0.840	0.835	Valid
	Z2	0.813		Valid
	Z3	0.866		Valid
	Z4	0.927		Valid
	Z5	0.900		Valid
	Z6	0.900		Valid
	Z7	0.885		Valid
Mustahik Welfare (Y)	Y1	0.934	0.769	Valid
	Y2	0.930		Valid
	Y3	0.970		Valid
	Y4	0.869		Valid
	Y5	0.862		Valid

Source: Results of processed data Year 2024 SmartPLS

Table 3 shows the results of the validity test of all research instruments that are convergently valid according to the specified criteria. Evidenced by the outer loading value > 0.7 and AVE value > 0.5.

The next stage is the discriminant validity test with the Fornell Larcker assessment criteria with the results in table 4.

Table 4
Fornell-Larcker Criterion Discriminant Validity Test Results

	X1	X2	X3	X4	Y	Z
X1	0.820					
X2	0.711	0.815				
X3	0.773	0.795	0.864			
X4	0.693	0.77	0.709	0.865		
Y	0.729	0.692	0.662	0.823	0.914	
Z	0.652	0.643	0.755	0.852	0.767	0.877

Source: Results of processed data Year 2024 SmartPLS

It can be seen in the table 4, the latent variable has a greater correlation with itself than with other latent variables, so it has met the criteria for discriminant validity for the Fornell-Larcker criterion.

In addition to validity testing, reliability testing was also carried out with the following result:

Table 5
Reliability Test Result

Variables	Cronbach's alpha	Composite reliability	Description
Business Capital (X ₁)	0.880	0.904	Reliable
Training (X ₂)	0.873	0.886	Reliable
Mentoring (X ₃)	0.886	0.915	Reliable
Islamic Work Ethic (X ₄)	0.888	0.889	Reliable
Mustahik Welfare (Y)	0.950	0.953	Reliable
Business Development (Z)	0.950	0.952	Reliable

Source: Results of processed data Year 2024 SmartPLS

Table 5 shows the results of the reliability test for all variables are said to be reliable in accordance with the specified criteria. Evidenced by the Cronbach's alpha and composite reliability values of all variables greater than 0.70.

After all the validity and reliability requirements are met, the inner model test is carried out to assess the causal relationship between variables. The test consists of R-Square, F-Square, Good of Fit and Hypothesis Test. The following are the R-square results:

Table 6
R-Square

	R-square	R-square adjusted	Relationship Level
Mustahik Welfare (Y)	0.589	0.580	Medium
Business Development (Z)	0.800	0.783	Strong

Source: Results of processed data Year 2024 SmartPLS

From the table 6 it is known that the R-Square value of the endogenous variable (mustahik welfare) is 0.580. This value explains that the strength of the exogenous variables (business capital, training, mentoring, Islamic work ethic, and business development) is able to predict the mustahik welfare variable by 58%. Then the R-Square value of the endogenous variable (business development) is 0.783. This value explains that the strength of exogenous variables (business capital, training, mentoring, Islamic work ethic, and mustahik welfare) is able to predict business development by 78.3%. Then proceed to see the value of F-Square in table 7.

Table 7
F-Square

	F-Square	Relationship Level
Islamic Work Ethic (X ₄) -> Business Development (Z)	1.083	Large
Business Capital (X ₁) -> Business Development (Z)	0.002	Small
Training (X ₂) -> Business Development (Z)	0.135	Moderate
Mentoring (X ₃) -> Business development (Z)	0.321	Moderate
Business Development (Z) -> Mustahik Welfare (Y)	1.432	Large

Source: Results of processed data Year 2024 SmartPLS

In this study, the F-Square value is obtained, namely the Islamic work ethic variable has a large effect on business development worth 108.3%. Business capital has a small effect on business development worth 0.2%. Training has a moderate effect on business

development worth 13.5%. Assistance has a moderate effect on business development worth 32.1% and business development has a major effect on mustahik welfare worth 143.2%.

After knowing the R-Square and F-Square values, the Good of Fit test is then carried out. The Goodness of Fit test can be calculated by looking at the AVE and R-Square values, so the following results are obtained:

Table 8
Average AVE and R-Square

Variable	AVE	Average
Business Capital (X1)	0.672	0.736
Training (X2)	0.644	
Mentoring (X3)	0.747	
Islamic Work Ethic (X4)	0.748	
Business Development (Z)	0.835	
Mustahik Welfare (Y)	0.769	
Variable	R-square	Average
Mustahik Welfare (Y)	0.589	0,695
Business Development (Z)	0.800	

Source: Results of processed data Year 2024

$$\text{GoF} = \sqrt{\text{AVE} \times \text{R}^2} = \sqrt{0,736 \times 0,695} = \sqrt{0,512} = 0,716 \text{ (GoF Big)}$$

From the above calculations, the GoF value of 0.716 is greater than 0.36, so it can be said that the model formed is strong. So that it shows that the selected data sample is in accordance with the model under study and has good instrument requirements.

After testing r-Square, f-Square and good of fit, then hypothesis testing is carried out. Hypothesis testing is carried out to show the significance decision of a variable supported by statistical analysis. The first direct effect hypothesis test was conducted to determine the direct relationship between variables shown in table 9.

Table 9
Direct Effect and Dirrect Effect Hypothesis Test Result

	T statistics	P values	Description
Business Capital (X ₁) -> Business Development (Z)	0.411	0.681	No Significant Effect
Training (X ₂) -> Business Development (Z)	1.951	0.051	No Significant Effect
Mentoring (X ₃) -> Business development (Z)	3.508	0.000	Significant Effect
Islamic Work Ethic (X ₄) -> Business Development (Z)	4.588	0.000	Significant Effect
Business Development (Z) -> Mustahik Welfare (Y)	8.729	0.000	Significant Effect
Busines Capital (X ₁) -> Business Development (Z) -> Mustahik Welfare (Y)	0.402	0.688	No Significant Effect
Training (X ₂) -> Business Development (Z) -> Mustahik Welfare (Y)	1.987	0.047	Significant Effect
Mentoring (X ₃) -> Business Development (Z) -> Mustahik Welfare (Y)	3.341	0.001	Significant Effect
Islamic Work Ethic (X ₄) -> Business Development (Z) -> Mustahik Welfare (Y)	4.011	0.000	Significant Effect

Source: Results of processed data Year 2024 SmartPLS

The Effect of Business Capital on Business Development

The test results state that the significance value of the business capital variable in the direct effect hypothesis test is 0.681 (Sig > 0.05). So it can be said that the business capital variable has no effect on business development.

The Effect of Training on Business Development

The test results state that the significance value of the training variable in the direct effect hypothesis test is 0.051 (Sig > 0.05). So it can be said that the training variable does not affect business development.

The Effect of Mentoring on Business Development

The test results state that the significance value of the mentoring variable in the direct effect hypothesis test is 0.000 (Sig < 0.05). So it can be said that the mentoring variable affects business development.

The Effect of Islamic Work Ethic on Business Development

The test results state that the significance value of the Islamic work ethic variable in the direct effect hypothesis test is 0.000 (Sig < 0.05). So it can be said that the Islamic work ethic variable affects business development.

The Effect of Business Development on Mustahik Welfare

The test results state that the significance value of the business development variable in the direct effect hypothesis test is 0.000 (Sig < 0.05). So it can be said that the business development variable affects the welfare of mustahik.

The Effect of Business Capital on Mustahik Welfare with Mediated Business Development

The results of testing the indirect effect hypothesis state that the business capital variable has a p value of 0.688 (Sig > 0.05). So it can be said that the business development variable did not succeed in mediating the business capital variable on mustahik welfare.

The Effect of Training on Mustahik Welfare with Mediated Business Development

The results of testing the indirect effect hypothesis state that the training variable has a p value of 0.047 (Sig < 0.05). So it can be said that the business development variable successfully mediates the training variable on the welfare of mustahik.

The Effect of Mentoring on Mustahik Welfare with Mediated Business Development

The results of testing the indirect effect hypothesis state that the mentoring variable has a p value of 0.001 (Sig < 0.05). So it can be said that the business development variable successfully mediates the mentoring variable on mustahik welfare.

The Effect of Islamic Work Ethic on Mustahik Welfare Mediated by Business Development

The results of testing the indirect effect hypothesis state that the Islamic work ethic variable has a p value of 0.000 (Sig < 0.05). So it can be said that the business development variable successfully mediates the Islamic work ethic variable on mustahik welfare.

Discussion

The Effect of Business Capital on Business Development

Based on the results obtained, it is known that the significance value of the business capital variable in the direct effect hypothesis test is 0.681 (Sig> 0.05) and the t statistical value is 0.411 ($t_{table} < 1.960$). So it can be said that the business capital variable does not affect business development.

Business capital is a critical component in launching and sustaining an enterprise. The success of a venture is not just about the capital preparation or the source of funds obtained, but conducting market research to ensure the company can generate enough revenue to repay the capital spent (Handinata, 2023). One of the important financial metrics for business development is business capital. In this study, mustahik received business capital assistance from YDSF productive ZIS funds. The use of venture capital money for consumptive purposes by some mustahiks explains why this venture capital has no effect on business development. Because mustahiks have rights to the capital they receive, they cannot be held accountable. So they are forced to use business capital for urgent needs, such as paying for their children's education.

This is not in line with the research hypothesis which states that business capital has a significant effect on business development. So that this research contradicts research (Lasoma et al., 2021) which states that partially business capital has a significant effect on micro business development. Supposedly with the assistance of business capital, mustahik can develop their business. This mismatch is in line with research (Afrilia Tina Nur Anisa & Nur Huri Mustofa, 2021) which shows that business capital has no effect on the development of MSMEs. This mismatch is supported by research (Kadek Windayani Purnama Dewi & Nyoman Trisna Herawati, 2023) which states that business capital has no significant effect on business continuity.

Effect of Business Training on Business Development

Based on the results obtained, it is known that the significance value of the training variable in the direct effect hypothesis test is 0.051 (Sig> 0.05) and the statistical t value is 1.951 ($t_{table} < 1.960$). So it can be said that the training variable does not affect business development.

Training is an effort to hone the level of knowledge and ability of a worker to carry out certain job duties (Larasati, 2018). Mustahiks can increase resource efficiency, improve operational effectiveness, and enhance the quality of their products and services by attending training. In addition, a stronger understanding of management principles can help MSMEs grow. However, this study shows that training has no effect on business growth. This is because the training materials are difficult for the mustahik to understand and do not meet their needs, so they are unable to answer the problems they face. For example, training on selling on social media, many mustahiks have limited access to technology so they are unable to utilize it. Therefore, participating in training does not necessarily solve the problems in the business they are running.

The results of this study contradict the research (A. I. Rizky et al., 2022) with the results of research which states that the training variable has a positive and significant effect on the MSME Development variable. This mismatch is in line with the results of research and research (M. F. Rizky, 2023) which shows that training has no effect on business development. This mismatch is supported by research (Amalia, 2018) which states that

training has not been able to affect the level of income, so that directly with the training is not necessarily able to influence business development.

The Effect of Business Mentoring on Business Development

Based on the results obtained, it is known that the significance value of the mentoring variable in the direct effect hypothesis test is 0.000 (Sig < 0.05) and the statistical t value is 3.508 (t table > 1.960). So it can be said that the mentoring variable affects business development.

To overcome various obstacles, business mentoring can bring together mentors and business people in a dynamic and interesting way. The purpose of this activity is to provide inspiration, improve the quality of human resources, provide solutions, and strengthen the intellectual and spiritual abilities of business people (Maryani & Nainggolan, 2019). Thus, this mentoring program is considered effective in encouraging mustahiks to empower ZIS users more significantly, thus increasing their chances of developing their businesses. Mustahik can explain directly related to the problems they face, so that the solutions provided can be in accordance with what is needed by the mustahik business. This is an opportunity for mustahik to be able to develop their business according to their wishes and abilities.

This study is in line with the hypothesis which states that mentoring has a significant effect on business development. So that this research is in line with research conducted by (Nashrullah & Azar, 2022) and supported by research (Setiawan, 2023) which both state that business assistance has a significant effect on MSME growth. And the results of this study strongly contradict research (Wartika, 2015) which shows that there are 8 factors that influence the failure of a business, one of which is the supervision or mentoring factor.

The Effect of Islamic Work Ethic on Business Development

Based on the results obtained, it is known that the significance value of the Islamic work ethic variable in the direct effect hypothesis test is 0.000 (Sig < 0.05) and the t statistical value is 4.588 (t table > 1.960). So it can be said that the islamic work ethic variable affects business development.

Islamic work ethic is an activity influenced by the teachings of Islamic faith which includes attitudes, personality traits, and characters that encourage the view of working for the sake of goodness, self-esteem, and humanity. Aspects such as healthy competition, openness, and ethical behavior are part of Islamic work ethics (Winarto, 2021). Islam emphasizes the importance of hard work as an obligation to God, so that religious awareness can encourage economic activity. Therefore, MSMEs are expected to prioritize religious principles such as honesty, hard work, and a strong work ethic.

The results of this study are in line with research (Fitriani & Amir, 2022) that the Islamic work ethic variable has a significant effect on employee performance. Where the higher the performance of employees, it will affect the quality of service that can make consumers survive and can also attract other consumers to buy in the same place, thus causing an increase in customers and affecting business development.

The Effect of Business Development on Mustahik Welfare

Based on the results obtained, it is known that the significance value of the business development variable in the direct effect hypothesis test is 0.000 (Sig < 0.05) and the statistical t value is 8.729 (t table > 1.960). So it can be said that the business development variable affects the welfare of mustahik.

Micro, small and medium enterprise development is the ability of a small entrepreneur to adapt to the needs of market share so that they can improve their standard of living by increasing sales as a result of the entrepreneur's ability to take advantage of available business opportunities (Purwanti, 2012). Due to the fact that a business's growth inevitably results in higher mustahik income, mustahik will be able to meet their demands, which will affect their welfare.

The results of this study are in line with research (Sulis, 2018) which states that the development of mustahik businesses will have an impact on the welfare of the mustahik themselves. And supported by research (Tanjung, 2019) which states that business development has a significant effect on the welfare of mustahik. This means that when a business experiences significant development, it also directly improves the welfare of the mustahik.

The Effect of Business Capital on Mustahik Welfare with Mediated Business Development.

Based on the results obtained in the Indirect effect hypothesis test, the business capital variable has a p value of 0.688 (Sig > 0.05) and a t statistic of 0.402 (t table < 1.960). So it can be said that the business development variable did not succeed in mediating the business capital variable on mustahik welfare.

According to (Hakim & Ridwan, 2020) the management and utilization of zakat money is a technique to make the best use of the money to bring prosperity to the community. This means that support for productive zakat distribution in the form of company capital must follow established guidelines and procedures. A mustahik can make the best and profitable use of productive zakat in the form of business capital. Thus, the business that is run will develop, and mustahik can live more prosperous when the business capital is used properly. However, the capital assistance in this study does not show the level of mustahik welfare, even though their businesses are growing. This is due to the debt burden and the economic conditions of the mustahik. Where the proceeds from sales are only enough to return to the selling capital again and only enough for daily needs. So that the possibility of saving is not possible and sometimes even still lacks funds.

The results of this study are not in line with the results of research showing that business capital has a significant effect on mustahik welfare through business development (Putra et al., 2023). And in line with research (Nazmi, 2022) which shows that business capital has no significant effect on mustahik welfare mediated by business development.

The Effect of Business Training on Mustahik Welfare Mediated by Business Development.

Based on the results obtained in the Indirect effect hypothesis test, the training variable has a p value of 0.047 (Sig < 0.05) and t statistics of 1.987 (t table > 1.960). So it can be said that the business development variable successfully mediates the training variable on the welfare of mustahik.

Training is an activity that increases employees' operational abilities and knowledge to help them perform their jobs better. Effective and efficient business training is obviously necessary, and large capital is only worthless if it is not accompanied by high-quality business actors (Putra et al., 2023). This means that when the mustahiks successfully participate in the training, it will also benefit their business. Because by attending training, they will get a lot of knowledge, motivation and strategies in developing their business. So that if it has an impact

on business development, then the income of a mustahik will also increase and will also make the mustahik's life even better.

This is in line with research by (Putra et al., 2023) and research by (Mubarok, 2018) which both show that business training affects the welfare of mustahik through business development. This means that the training held by the YDSF institution helps mustahiks in their business development and it is this development that ultimately supports mustahik life to be more prosperous.

The Effect of Mentoring on Mustahik Welfare Mediated by Business Development

Based on the results obtained in the Indirect effect hypothesis test, the mentoring variable has a p value of 0.001 (Sig <0.05) and a t statistic of 3.341 (t table > 1.960). So it can be said that the business development variable successfully mediates the mentoring variable on mustahik welfare.

With an increase in business competitiveness, MSME mentoring is needed to help MSME players develop their potential (Kurniawan et al., 2023). This means that mentoring can help businesses to improve their capabilities. By getting good mentoring, a business can avoid conflicts that cause setbacks and allow businesses to talk about their problems. Good mentoring can also help businesses face challenges in the business world, so that their growth potential will also increase along with their welfare.

This is in line with research (Nazmi, 2022) and research (Mubarok, 2018) which states that business assistance affects the welfare of mustahik. The more intensive business assistance is carried out, the more income increases and the welfare of the mustahik increases.

The Effect of Islamic Work Ethic on Mustahik Welfare Mediated by Business Development

Based on the results obtained in the Indirect effect hypothesis test, the Islamic work ethic variable has a p value of 0.000 (Sig < 0.05) and t statistics of 4.011 (t table > 1.960). So it can be said that the business development variable successfully mediates the Islamic work ethic variable on mustahik welfare.

The economic improvement of a society is greatly influenced by work discipline and work ethic. It can also be used as a measure of the high and low economic income of a person or group depending on their morals and work habits. According to (Anam & Rifqi, 2019), the influence of Islamic work ethic can strengthen the characteristics of mustahik businesses, thereby increasing the productivity and efficiency of mustahik businesses. Therefore, the Islamic work ethic can encourage good business growth. These businesses usually generate a stable and increasing income, which in turn will enable an increase in welfare.

This is in line with the statement that MSMEs can build a strong work ethic, provide good service to consumers, and gradually increase income and welfare (Hidayatullah et al., 2023). And supported by research (Elza, 2023) which states that work ethic strengthens the significant influence of business characteristics on welfare. This means that by strengthening the characteristics of a business run by mustahik can make the business sustainable and develop, so that the welfare of mustahik also increases.

CONCLUSION

Based on the results of this study, it shows that in the hypothesis test the variables of business capital and training directly have no significant effect on business development.

Meanwhile, the variables of mentoring and Islamic work ethic directly have a significant effect on business development. Likewise, the business development variable also directly affects the welfare of mustahik. Then in the indirect effect hypothesis test, the business development variable did not succeed in significantly mediating the effect of business capital on mustahik welfare. While the influence on the variables of training, mentoring and Islamic work ethic on the welfare of mustahik is successfully mediated by business development significantly. Important implications for YDSF, by showing the need for other methods to increase the effectiveness of the Productive ZIS program in empowering mustahik. To ensure the growth and success of Mustahik's business, YDSF must provide more comprehensive support and supervision. By tailoring this support to the needs of the mustahik, the utilization of Productive ZIS can be optimized. These findings can also be a guide for future research. This study has limitations for respondents who only involve 50 mustahik, and only use four independent variables. By adding research samples and other variables such as the length of business establishment and productive age of mustahik can be considered in future research.

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