

# POVERTY ALLEVIATION IN THE FRAMEWORK OF ZAKAT IMPACT: THE ROLE OF GOOD AMIL GOVERNANCE AND ZAKAT MANAGEMENT WITH PARTIAL LEAST SQUARES-STRUCTURAL EQUATION MODEL (PLS-SEM) ANALYSIS

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## Abstract

This study analyzes the relationship of Good Amil Governance (GAG) to zakat management, zakat management to poverty alleviation in zakat impact recipients (mustahik), and the effect of GAG on poverty alleviation in mustahik with zakat management as a mediation variable. Poverty alleviation in mustahik is assessed based on the CIBEST Welfare Index by combining aspects of mustahik material and spiritual needs, HDI modification by combining mustahik education and health aspects, and mustahik independence by combining aspects of business independence and savings. The indicators used in the assessment of poverty alleviation in mustahik are based on objectives that reflect the success rate of poverty alleviation in mustahik comprehensively. Using the Partial Least Squares-Structural Equation Model (PLS-SEM) method with crosssection data obtained from 20 National Amil Zakat Agencies (BAZNAS) in West Sumatra Province, this study found that GAG has a significant positive effect on zakat management, zakat management has a significant positive effect on poverty alleviation in mustahik, and GAG has a significant positive effect on poverty alleviation in mustahik after mediation by zakat management. This research suggests to BAZNAS and similar organizations to strengthen GAG and zakat management to have a more significant impact, especially in poverty alleviation at the local and national levels.

**Keywords:** Poverty Alleviation In Mustahik; Good Amil Governance; Zakat Management; Partial Least Squares-Structural Equation Model (PLS\_SEM).

## INTRODUCTION

Poverty is a serious problem faced by many countries around the world, including Indonesia. One important aspect of this problem is limited income resources which often make it difficult for individuals to meet the basic needs of food, clothing, and adequate housing. Lack of access to quality education also often hinders individuals from achieving future success (Zuhdiyaty & Kaluge, 2017). Economic instability, such as unemployment, also contributes to poverty by making the poor more vulnerable to financial hardship (Ipmawan et.al, 2022) In addition, social inequality between economic groups exacerbates these problems, limiting access to resources and equal opportunities. Health issues are also an important factor, as expensive service fees are often out of reach for poor families (Wenang et.al, 2021). The government can alleviate poverty by providing sustainable support and providing social services to meet the basic needs of the poor in accordance with Law Number 11 of 2009 Articles 4 and 5 concerning Social Welfare and the 1945 Constitution of the Republic of Indonesia Article 34 paragraph 1 concerning Social Welfare. This includes efforts to meet consumption needs as mentioned in research by Bian & Zhao, (2019), Maintain better health conditions by facilitating access to sanitation and clean water. (Kanungo et.al, 2021; Abanyie et.al, 2023), increased level of education and financial literacy (Gadsden, 2021; Xu et.al, 2023), the enforcement of justice in the legal system, as

well as protection from the threat of criminal acts (Elfindri 2019). All these efforts are expected to meet material needs, build emotional, mental aspects, increase religious beliefs, and prevent criminal acts (Gopal et.al, 2021). These various social supports and services will only be effective when done using the right instruments, one of which is zakat (Hakim, 2020; Miah, 2021).

Zakat, as a social and religious instrument in Islam, has great potential in alleviating poverty, namely by functioning as an instrument of wealth redistribution to create social and economic equality (Ayuniyyah, et.al, 2022; Lawal & Maidoki, 2022; Al Qadarawi, 2023). In the short term, zakat plays a role in helping zakat recipients (mustahik) to meet basic needs and gain better access opportunities to education and health services (Majed & Redzuan, 2023; Muhammad et.al, 2023). In the longer term, zakat contributes to empowering the mustahik economy. Through zakat, mustahik have the opportunity to invest in micro-enterprises, improve their skills, and obtain working capital to develop their micro-businesses. All these things aim to increase their income and savings in the future (Hamidah et.al, 2021). Some indicators that can be used to measure the success of poverty alleviation efforts in this mustahik are the CIBEST Welfare Index, IP Modification, and Self-Reliance. The CIBEST index is concerned with improving the standard of material and spiritual viability of mustahik (Beik 2016), HDI modification is related to improving literacy and education, access to clean water and sanitation, and health. Independence, related to work or business run, and the ability to save (Pusat Kajian Strategis Nasional-Badan Amil Zakat Nasional, 2020, Achmad, 2022) In its capacity as an instrument of wealth redistribution, the effectiveness of the function of zakat as a means of wealth redistribution can be increased by appropriate, productive, structured, and professional zakat management by zakat management institutions. (Wulansari et al., 2021; Septiana & Juliyani, 2022; Hidayatulloh et.al, 2022). In Indonesia, as explained in Law Number 23 of 2011 Articles 1 and 3 concerning Zakat Management, zakat is managed by the National Amil Zakat Agency (BAZNAS), which was formed by the government as a non-structural institution that is independent and authorized to carry out the task of managing zakat nationally. According to Law Number 23 of 2011 Article 7 concerning Zakat Management, BAZNAS' duties include the functions of collecting, managing, distributing, and reporting zakat accountability. These four functions are carried out by BAZNAS by following the principles of Islamic law, trust, benefits, justice, legal certainty, integration, transparency, and accountability, and guided by the concept of Good Amil Governance (Santoso, 2021; Ninglasari, S. Y., et.al, 2023).

Good Amil Governance (GAG) is a set of organizational structures and mechanisms designed to encourage and maintain transparency, integrity, accountability, independence, responsibility, and professionalism in the decision-making process and implementation of zakat management (Beik et al, 2017). GAG is a reconstruction of the concept of Good governance (GG) which examines how an organization manages their resources and policies effectively to achieve desired goals. GG's basic principles such as strong and moral leadership, community involvement, transparency and responsibility, efficiency and effectiveness in the use of resources, fairness and compliance with the law, partnerships between government, non-governmental institutions, and the private sector, superior public services, focus on achieving results, and environmental sustainability efforts (Delyana et al. 2024) reconstructed into GAG principles which contain 6 main principles, namely transparency, accountability, responsibility, independence, fairness, and legal culture (Santoso 2021), which is then

elaborated again with the approach of the core principles of zakat with 15 indicators, (1) regulations related to amil, (2) zakat supervisory bodies, (3) regulations related to the rights and obligations of amils, (4) Good Amil Governance guidelines, (5) assessment and assessment of Good Amil Governance guidelines, (6) special units responsible for the implementation of Good Amil Governance, (7) The role of zakat institution leaders, (8) performance evaluation mechanisms of zakat institution leaders, (9) performance evaluation mechanism of zakat institution management, (10) certification and capacity building of amil, (11) risk mitigation in the implementation of Good Amil Governance, (12) openness and transparency, (13) Compliance with Sharia Law and applicable regulations, (14) Sharia Board/Committee, (15) International cooperation (Beik et al., 2017; Wijayati, 2021; Elvira et.al, 2023). The application of these main principles in GAG practice plays a crucial role in improving the performance of zakat management (Kusumastuti et al. 2019) to achieve poverty alleviation success (Siham & Fattoum, 2020; Ninglasari et.al, 2023) In accordance with Law Number 23 of 2011 Article 5 paragraph 2, and Article 15 paragraph 1 concerning Zakat Management, BAZNAS domiciled in the national capital has the authority to carry out the task of managing zakat at the national level. Meanwhile, the Provincial BAZNAS and District/City BAZNAS are responsible for the management of zakat at the regional level. BAZNAS in West Sumatra Province, like BAZNAS in other regions, is also responsible for the management of zakat and poverty alleviation efforts for mustahik in their respective regions. Based on publication data from the BAZNAS Center for Strategic Studies in 2022 (data presented for 2021) and 2023 (data presented for 2022), the average zakat management index of BAZNAS in West Sumatra Province related to the functions of collecting, managing, distributing, and reporting zakat in these 2 years is 0.55 with the performance category Good Enough (2021), and 0.53 with the performance category also Good Enough (2022). Meanwhile, the poverty alleviation index in mustahik (zakat impact) in 2021 was 0.54 (Good Enough) and decreased in 2022 to 0.46 (Good Enough). Refer to research results (Elvira et.al, 2024) about BAZNAS' Good Amil Governance practice index in West Sumatra Province is 0.42 (Good Enough).

From the information above, it can be seen that there is a relationship between Good Amil Governance (GAG), zakat management, and poverty alleviation in mustahik in West Sumatra Province. Although in general, GAG practices and zakat management are still considered quite good, there has been a decrease in the poverty alleviation index in mustahik from 2021 to 2022. However, this needs more in-depth testing to understand whether there is a relationship between GAG variables, zakat management, and poverty alleviation in mustahik. It is expected that from the results of testing the relationship between Good Amil Governance (GAG), zakat management, and poverty alleviation in mustahik in West Sumatra Province, significant benefits and implications will be obtained. For stakeholders, such as BAZNAS and the government, it is hoped that the results of this study will provide deep insight into the importance of GAG in zakat management for the success of poverty alleviation. Stakeholders can use these findings to improve zakat management policies to focus more on the core principles of GAG, thereby increasing the positive impact of poverty alleviation. In addition, for academics and scientific development, this research will contribute to broadening understanding of the dynamics of the relationship between GAG, zakat management, and poverty alleviation, as well as identifying areas of further research that can be explored further. This will help in the

development of better theory and practice in poverty alleviation efforts through zakat, as well as provide a strong empirical basis for policy decision making.

## METHOD

To examine the relationship between the variables of Good Amil Governance (GAG), zakat management, and poverty alleviation on mustahik used the analysis of the Partial Least Squares-Structural Equation Model (PLS-SEM). PLS-SEM analysis is the most effective SEM analysis in providing informative data, testing existing theories to model complex relationships between variables. The selection of this method is based on the advantages of PLS-SEM analysis which has more tolerance resistance to normality assumptions, easier handling of mediation variables that are an important focus in structural analysis, has faster modeling capabilities due to iterative and convergent approaches, and is suitable for small samples of 200 (Walean, 2022). Theory testing in PLS-SEM follows a 2-step process called the Outer Model and the Inner Model. In the context of this study, the Outer Model is focused on verifying the reliability of research variable instruments through Convergent Validity testing with Factor Loading values, and Average Variance Extracted (AVE) values. Discriminant Validity Testing with Fornell-Larcker Criterion, and Heterotrait-Monotrait Ratio (HTMT), as well as Construct Reliability with Cronbach Alpha (CA) Reability, and and Composite Reability (CR). The inner model focuses on the relationship between latent variables with the Estimated Path Coefficient, Coefficient of Determination, and hypothesis testing with Bootstrap Distribution (Hair et.al, 2021) This study used questionnaire data from 20 BAZNAS in West Sumatra Province. This research path analysis estimation model is adopted from the path analysis model proposed by (Ciavolino & Al-Nasser, 2009)

## RESULT

### A. Outer Model

Outer Model measurement is the first step process that must be done in PLS-SEM analysis. Outer Model measurement is carried out with the approach of Convergent Validity, Discriminant Validity, and as well as Construct Reliability. In the context of this study, the measurement of Convergent Validity is based on the purpose of verifying the validity of the measurement of each indicator (manifest variable) in representing the latent variables of GAG, zakat management, and poverty alleviation in mustahik. Discriminant Validity testing is based on verifying that the latent variables of GAG, zakat management, and poverty alleviation in mustahik in the model can be distinguished from each other well, thus ensuring the structural model built has good quality and interpretation. While the measurement of Construct Reliability is an evaluation process based on verifying the consistency and reliability of the latent variables of GAG, zakat management, and poverty alleviation in mustahik. This procedure verifies how consistent the measurements of latent variables are over time (Hair et.al, , 2021)

#### 1. Outer Model-Convergent Validity

Table 1 describes the measurement results of the Outer Model for Convergent Validity measured based on the value of the Loading Factor with a Cut Of Value of  $> 0.5$  (Michael 2022). In general, the results of measuring Convergent Validity based on the

Loading Factor value show that all manifest variables are valid because they are > 0.5.

**Table 1: Outer Model-Convergent Validity with Loading Factor Value**

Latent Variable Relationship with Manifest	N	Outer Loadings		Conclusion
		Result	Cut Of Value	
XA ← GAG (X)	193	0,562	>0,5	Valid
XB ← GAG (X)	193	0,673	>0,5	Valid
XC ← GAG (X)	193	0,587	>0,5	Valid
XD ← GAG (X)	193	0,808	>0,5	Valid
XE ← GAG (X)	193	0,771	>0,5	Valid
XF ← GAG (X)	193	0,737	>0,5	Valid
XG ← GAG (X)	193	0,706	>0,5	Valid
XH ← GAG (X)	193	0,816	>0,5	Valid
XI ← GAG (X)	193	0,752	>0,5	Valid
XJ ← GAG (X)	193	0,714	>0,5	Valid
XK ← GAG (X)	193	0,814	>0,5	Valid
XL ← GAG (X)	193	0,774	>0,5	Valid
XM ← GAG (X)	193	0,759	>0,5	Valid
XN ← GAG (X)	193	0,799	>0,5	Valid
XO ← GAG (X)	193	0,731	>0,5	Valid
Y1A ← PZ (Y1)	193	0,843	>0,5	Valid
Y1B ← PZ (Y1)	193	0,907	>0,5	Valid
Y1C ← PZ (Y1)	193	0,866	>0,5	Valid
Y1D ← PZ (Y1)	193	0,887	>0,5	Valid
Y2A ← PKM (Y2)	193	0,858	>0,5	Valid
Y2B ← PKM (Y2)	193	0,892	>0,5	Valid
Y2C ← PKM (Y2)	193	0,844	>0,5	Valid

Source : Secondary data processed, 2024

Observing the results of the data processing above, all manifest variables measured for latent variables meet the criteria of Convergent Validity. As in the GAG latent variable, all indicators (XA to XO) have an Outer Loadings value greater than 0.5. It can be concluded that each manifest variable is effective in reflecting the latent variable GAG. The same applies to latent variables of zakat management. All manifest variables for latent variables of zakat management have an Outer Loadings value of > 0.5 so that they can also be declared valid. Likewise, for poverty alleviation variables, all manifest variables are > 0.5 so that they can also be declared valid. Therefore, all manifest variables are declared valid in measuring the latent variables of GAG, zakat management, poverty alleviation in mustahik, so that further testing can be continued.

Table 2 describes the results of the Outer Model measurement for Convergent Validity measured based on Average Variance Extracted (AVE) values with a Cut Of Value > 0.5 (Handayani, 2021). Overall, the AVE measurement results show that all manifest variables are valid because they are greater than 0.5.

**Table 2: Outer Model- Convergent Validity with Average Variance Extracted (AVE)**

Variable	N	AVE		Conclusion
		Result	Cut Of Value	
GAG (X)	193	0,544	>0,5	Valid
PZ (Y1)	193	0,767	>0,5	Valid
PKM (Y2)	193	0,748	>0,5	Valid

Source : Secondary data processed, 2024



The results of the observation of the data above, in general, it can be concluded that all manifest variables measured for latent variables meet the Convergent Validity standard. The AVE value of the GAG latent variable of 0.544 indicates that the variance in the manifest variable used to measure the GAG latent variable(X) can be explained by the latent variable itself by 54.4%. An AVE value of 0.767 indicates that about 76.7% of the variance in the indicator used to measure the latent variable PZ (Y1) is explained by the latent variable itself. An AVE value of 0.748 indicates that approximately 74.8% of the variance in the manifest variable used to measure the latent variable PX(Y1) is explained by the latent variable itself. Overall, all latent variables (GAG, PKM, and PZ) have fairly high AVE values exceeding 0.5. This suggests that their contribution in explaining variation in the manifest variables used to measure it is significant. This indicates good validity of latent variables.

## 2. Outer Model- Discriminant Validity

Table 3 describes the results of measuring the Outer Model for Discriminant Validity with Fornell-Larcker Criterion. The Fornell-Larcker Criterion is based on evaluating the discriminant validity of latent variables in the model. This method compares the correlation of the latent variable with the square root of the AVE latent variable, which is delineated from diagonal matrix data whose value must be greater than the value of the elements outside the diagonal (Michael 2022)

**Table 3: Outer Model-Discriminant Validity with Fornell-Larcker Criterion**

Variable	GAG (X)	PKM (Y1)	PZ (Y2)	Cut of Value	Conclusion
GAG (X)	0,737			AVE value > the value of the element outside the diagonal	Valid
PKM (Y1)	0,547	0,865		AVE value > the value of the element outside the diagonal	Valid
PZ (Y2)	0,759	0,434	0,876	AVE value > the value of the element outside the diagonal	Valid

Source : Secondary data processed, 2024

Observing the results of the Fornell-Larcker Criterion test, it appears that the square root value of the AVE for each latent variable (matrix diagonal) is greater than its correlation with other latent variables (elements outside the diagonal), so that the Fornell-Larcker Criterion criterion is met. This indicates that the latent variables GAG, PZ, PKM.

Table 4 explains the measurement results of Outer Model-Discriminant Validity with Heterotrait-Monotrait Ratio (HTMT) with Cut of Value is HTMT value < 1

**Table 4: Outer Model-Discriminant Validity with Heterotrait-Monotrait Ratio (HTMT)**

Latent variety	HTMT		Conclusion
	Result	Cut of Value	
PKM (Y2) ↔ GAG (X)	0,623	<1	Valid
PZ (Y1) ↔ GAG (Y1)	0,801	<1	Valid
PZ (Y1) ↔ PKM (Y2)	0,494	<1	Valid

Source : Secondary data processed, 2024 (appendix 12)

Observing the data above, the results of HTMT testing for the three latent variables GAG, zakat management, and poverty alleviation in mustahik, resulted in a value lower than 1, this shows that the validity of discrimination among the latent variables

is relatively good, because the correlation between different latent variables is lower than the correlation between the same latent variables. This shows that the measuring instrument is able to distinguish between these latent variables well.

### 3. Outer Model- Construct Reliability

Table 5 describes the results of measuring the Outer Model for Construct Reliability with Cronbach's Alpha (CA) method for each latent variable with a Cut Of Value > 0.7 (Hair et al, 2021).

**Table 5: Outer Model- Construct Reliability with Cronbach's Alpha (CA)**

Variable	Cronbach's Alpha	Cut of Value	Conclusion
GAG (X)	0,939	>0,7	Reliabel
PZ (Y1)	0,899	>0,7	Reliabel
PKM (Y2)	0,832	>0,7	Reliabel

Source : Secondary data processed, 2024

Based on the data in the table above, the GAG latent variable has a better level of internal consistency scale than the latent variable of zakat management, and poverty alleviation in mustahik. However, when compared between the latent variable of zakat management, with poverty alleviation in mustahik, the latent variable of zakat management has a better level of internal consistency on the scale. Overall, the data show that all latent variables have a good degree of internal consistency. This shows that the measurement instruments used are reliable in measuring the variables studied.

Table 6 describes the measurement results of the Outer Model for Construct Reliability with Composite Reliability (rho-a), Composite Reliability (rho-c) methods for each latent variable with a Cut Of Value > 0.7 (Hair et al, 2021). Overall, all of the study's latent variables were reliable.

**Table 6: Outer Model- Construct Reliability with Composite Reliability (rho-a), Composite Reliability (rho-c)**

Variable	Composite Reliability (rho-a)	Composite Reliability (rho-c)	Cut of Value	Conclusion
GAG (X)	0,945	0,946	>0,7	Reliabel
PZ (Y1)	0,908	0,908	>0,7	Reliabel
PKM (Y2)	0,835	0,899	>0,7	Reliabel

Source : Secondary data processed, 2024

Based on the information contained in the table, the hidden variables of GAG show internal consistency of a higher scale than the hidden variables of zakat management and poverty alleviation in mustahik. However, when compared between the hidden variables of zakat management and poverty alleviation in mustahik, the hidden variables of zakat management show a superior level of internal consistency of the scale. Overall, the data shows that all hidden variables show a good level of internal consistency. Therefore, it can be concluded that the measurement instruments used are reliable in measuring the variables under study.

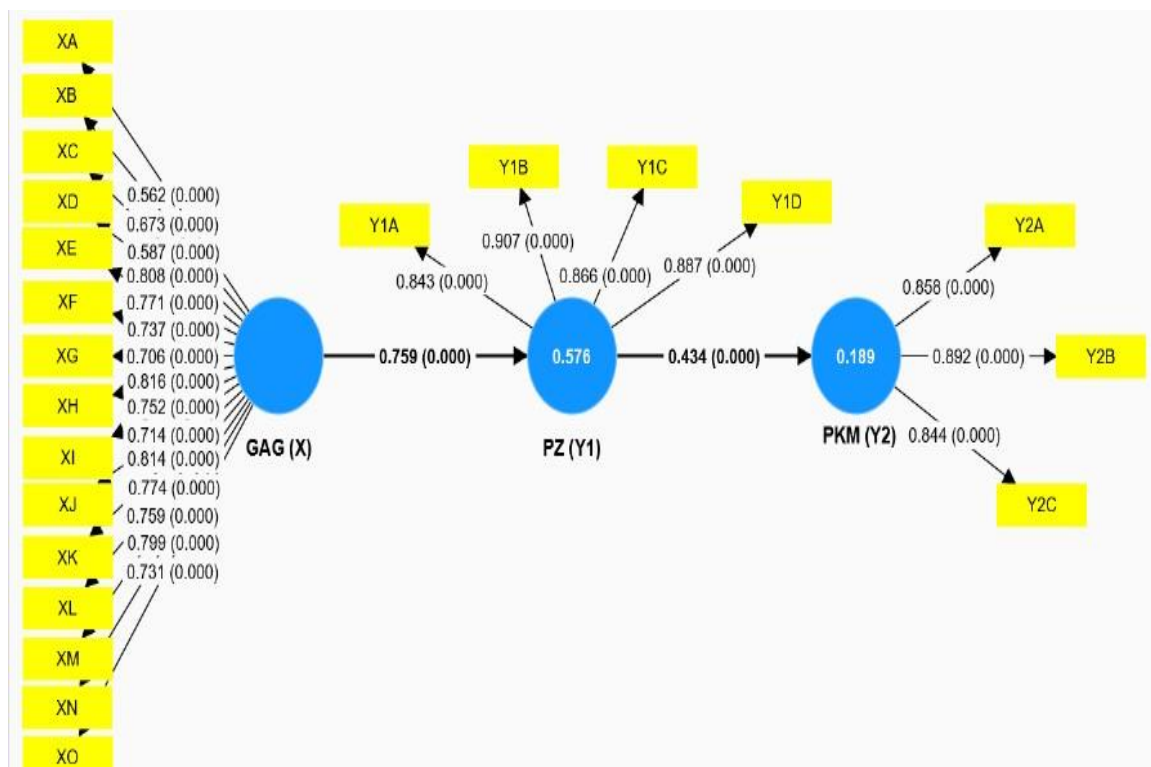
### B. Inner Model

Inner Model measurement is the second step process that must be done in PLS-SEM analysis. Inner model is a testing process on the model structure that aims to

determine the extent to which the model is suitable (goodness of fit) and to explore the relationship between exogenous latent variables with endogenous latent variables as well as for testing research hypotheses. The inner model focuses on the relationship between latent variables by measuring the Estimated Path Coefficient, Coefficient of Determination, and hypothesis testing with Bootstrap Distribution (Hair et.al, 2021)

### 1. Inner Model-Estimated Path Coefficient

Figure 2 describes the results of structural model testing with Estimated Path Coefficient, Coefficient of Determination, and hypothesis testing with Bootstrap Distribution.



**Figure 2: Latent Variable Structural Model of GAG, Zakat Management (PZ), and Poverty Alleviation in Mustahik (PKM)**

Source : Primary data processed, 2024

Testing the inner model at this stage involves testing the significance and strength of the relationships between latent variables in the model. Path coefficients are useful for evaluating direct and indirect influences between latent variables. Statistical analysis is used to assess how statistically significant the value of the path coefficient is and how strong the relationship is. The test results are described below:

**Table 7: Inner Model Estimate for Path Coefficient of GAG Variables, Zakat Management, and Poverty Alleviation in Mustahik**

Variable	Path Coefficient	Nature of Relationships
GAG (X) → PZ (Y1)	0,759	Direct effect
PZ (Y1) → PKM (Y2)	0,434	Direct effect
GAG (X) → PKM (Y2)	0,330	Indirect effect

Source : Secondary data processed, 2024



Based on the table above, it can be explained that there are two path coefficients that describe the direct effects of the latent variable GAG (X) with PZ (Y1), and PZ (Y1) with PKM (Y2), and there is one specific indirect effect that describes the specific indirect effect of the variable GAG (X) on the variable PKM (Y2) through the mediator PZ (Y1) in the structural model.

## 2. Inner Model-Coefficient of Determination

The measurement of the Coefficient of Determination (R Squared) aims to assess how well the exogenous latent variable explains the variation in the endogenous latent variable. The range of Squared R values is from 0 to 1, with the following interpretation: 1) the value of 0 signifies that the exogenous latent variable does not contribute in explaining the variation in the endogenous latent variable at all, while the value of 1 indicates an excellent contribution. A value between 0.67 signifies significant strength, 0.33 indicates a moderate explanation, and 0.19 signifies a weak explanation for variation in endogenous latent variables (Michael et.al, 2022).

The results of R Squared testing in the PLS-SEM GAG structural model, zakat management, and poverty alleviation can be explained in the table below:

**Table 8: Inner Model- Coefficient of Determination (R Squared)**

Variable Laten Endogen	R-Squared	Analysis	Relationship Tightness
GAG (X) → PZ (Y1)	0,576	Approach 0,67	Strong
PZ (Y1) → PKM (Y2)	0,189	Approach 0,19	Weak

Source : Secondary data processed, 2024

**Table 9: Inner Model-Testing Hypotheses with Bootstrap Distribution**

Variable	Nature of Relationships	Path Coefficient	P- Value	Cut Of Value (alpha)	Conclusion
GAG (X) → PZ (Y1)	Direct effect	0,759	0,000	<0,025	Significant, accepted hypothesis
PZ(Y1) → PKM (Y2)	Direct effect	0,434	0,000	<0,025	Significant, accepted hypothesis
GAG (X) → PKM (Y2) (mediated by PZ (Y1))	Indirect effect	0,330	0,000	<0,025	Significant, accepted hypothesis

Source: Secondary data processed, 2024

## DISCUSSION

The findings of this study are that Good Amil Governance (GAG) has a significant and positive relationship with zakat management. This indicates the importance of good governance in zakat management institutions to optimize the collection, management, and distribution of zakat funds efficiently and effectively (Aljedani, Alotaibi, and Taileb 2021; Madah Marzuki, Nik Abdul Majid, and Rosman 2023; Maulina, Dhewanto, and Faturohman 2023).

This is in keeping with the paradigm that good governance practices can improve organizational performance and the results produced (Ghlamallah et al. 2021; Khusna et al. 2023; Nurhayati et al. 2023; Surtee and Alagidede 2023). Therefore, BAZNAS and similar organizations need to pay special attention to strengthening governance

mechanisms in their zakat management, including transparency, accountability, and community participation.

The results also showed that zakat management has a significant impact on poverty alleviation in zakat recipients (mustahik). This confirms the important role of zakat in fighting poverty, which is not only providing direct assistance to mustahik, but also ensuring that zakat funds are managed properly and effectively to have maximum impact in uplifting mustahik welfare (Fuseini and Daniel 2020; Raza Rabbani et al. 2021; Syakir, Risfandy, and Trinugroho 2021). Therefore, this study provides a deeper understanding of the importance of effective zakat management in achieving poverty alleviation goals.

An in-depth interpretation of the results of this study highlights the importance of the linkage between good governance in zakat management (GAG) and effectiveness in poverty alleviation. The finding that GAG is significantly positively related to zakat management shows that aspects such as transparency, accountability, and community participation in zakat fund management play a crucial role in achieving optimal results (Hakim 2023; Rabbani et al. 2021; Revkin and Ahram 2020; Rostam and Malim 2021).

This underlines that it is not only important to raise zakat funds, but also to ensure that they are managed in an efficient and responsible manner to make a real impact in reducing poverty (Lestari et al. 2023; Özdemirci et al. 2023; Rohman et al. 2021). Thus, zakat management organizations, including BAZNAS, must continue to prioritize efforts to strengthen their governance in order to increase effectiveness in poverty alleviation.

This research that zakat management directly contributes to poverty alleviation in zakat recipients highlights the importance of a holistic approach in addressing poverty problems. Not only providing direct assistance to mustahik, but ensuring that zakat funds are used appropriately and effectively to meet their material and spiritual needs.

This illustrates the importance of considering various aspects of essential life, including education, health, and economic independence, in poverty alleviation efforts (Karim, Naeem, and Abaji 2022; Mitra, Bang, and Abbas 2021; Widiastuti, Mawardi, et al. 2022). Therefore, this study not only provides new insights into the role of zakat in reducing poverty, but also confirms the need for an integrated and sustainable approach in efforts to overcome poverty challenges in society.

In the context of data comparison and comparison, this study provides valuable insights into the relationship between Good Amil Governance (GAG), zakat management, and poverty alleviation. In comparison, previous research may have focused on individual aspects of the three concepts, but rarely comprehensively linked them together. For example, some studies may simply examine the relationship between zakat governance and fund management efficiency, without considering its impact on poverty alleviation (Alshater et al. 2022; Nurunnabi, Donker, and Jermakowicz 2022; Widiastuti, Ningsih, et al. 2022).

Conversely, other studies may only focus on the effectiveness of zakat management in reducing poverty without considering the underlying governance factors. Therefore, this study makes a significant contribution by combining several interrelated dimensions holistically to provide a more complete understanding of how effective zakat management can contribute to poverty alleviation.

In addition, through its methodological approach using the Partial Least Squares-Structural Equation Model (PLS-SEM), this research also makes an important contribution in strengthening the analytical framework for understanding the relationship between these variables.

PLS-SEM allows researchers to examine cause-and-effect relationships between complex and multi-dimensional variables, such as in the context of this study, where GAG and zakat management act as mediating variables in the relationship between zakat management and poverty alleviation (Bindabel 2020; Deneulin and Bano 2023). Thus, this study not only provides a deeper understanding of the concepts involved, but also demonstrates an effective analytical method in examining the complex relationships between such variables.

## CONCLUSION

The results of the Partial Least Squares Structural Equation Modeling (PLS-SEM) test have empirically proven that GAG has a significant positive influence both directly and indirectly on zakat management and poverty alleviation in mustahik. Directly, GAG contributes to improving the performance of zakat management, as well as ensuring that zakat funds are properly distributed to those in need.

Indirectly, GAG practices also help in alleviating poverty by creating a more transparent, accountable, and professional environment in zakat management, which in turn can increase the positive impact of poverty alleviation programs. The implication of this finding is the importance of strengthening GAG as a result of a comprehensive strategy in an effort to improve zakat management performance and accelerate poverty alleviation in mustahik. By taking these empirical findings into account, zakat institutions and relevant stakeholders can direct their efforts towards improving better GAG, which in turn can provide greater benefits to communities in need.

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