

HOW DOES FINANCIAL ACCOUNTABILITY, INFORMATION QUALITY, AND ALTRUISM DRIVE BUSINESS ZAKAT COMPLIANCE THROUGH BUSINESS GROWTH MEDIATION?

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ABSTRACT

This study aims to address knowledge gaps through a holistic approach, considering individual and organizational factors in the context of business zakat compliance. It involves financial accountability, information quality, and altruism as relevant factors, with information quality and altruism being mediated by business growth. Data were collected through questionnaires from 100 Small and Medium Enterprises in Palu City, Donggala Regency, and Sigi Regency, using purposive sampling. The analysis employed SEM PLS methodology. Findings indicate no significant support for the relationship between financial accountability and business growth. Conversely, information quality and altruism exhibit significant relationships. In the context of business zakat compliance, no relationships were found between financial accountability, information quality, and altruism. However, the relationship between business growth and zakat compliance proved to be significant. Mediation analysis revealed that only the relationships between information quality, altruism, and zakat compliance are mediated by business growth, while the relationship between financial accountability and zakat compliance is not mediated. Study limitations include specific context, reliance on cross-sectional data, and a narrow focus on SMEs in a specific industry. Future research recommendations encompass longitudinal studies, sample expansion, and exploration of the cultural and technological impacts on financial practices and compliance.

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1. INTRODUCTION

In the era of ongoing globalization, the role of businesses in society has undergone a profound transformation. Businesses are no longer perceived solely as entities seeking profit but also as agents with significant social responsibilities,

expected to actively contribute to the well-being of society while upholding ethical values. This paradigm shift encompasses various aspects of corporate social responsibility (CSR), including the practice of zakat among small- and medium-sized Small and Medium enterprises (SMEs)

within the Muslim community in Indonesia.¹ Zakat, one of the five pillars of Islam, plays a central role in Islamic finance by emphasizing wealth distribution to address socioeconomic inequalities and alleviate poverty. In the business context, zakat compliance holds meaning not only as an ethical and religious obligation but also as a tool that drives economic growth and more equitable wealth distribution in predominantly Muslim countries.

Several factors that influence business zakat compliance among SMEs have been identified in the literature. A key factor is good governance. Sawmar and Mohammed asserted that good governance plays a crucial role in enhancing zakat compliance by improving transparency and accountability within zakat institutions.² Similarly, Sadallah et al. revealed that factors such as the intention to pay zakat, attitudes, subjective norms, perceived behavioral control, and past behavior influence business owners' perceptions of zakat compliance.³ Another factor affecting zakat compliance is religiosity, as emphasized by Bin-Nashwan

et al., who found that religiosity positively influences compliance behavior.⁴ Similarly, Sulaiman et al. highlighted the relationship between service quality and zakat compliance behavior by indicating that higher service quality can enhance compliance behavior among SMEs.⁵

Although previous research has explored the factors influencing business zakat compliance, there is a noticeable gap in the literature, particularly concerning the specific roles of financial accountability, information quality, and altruism within the context of Indonesian SMEs.⁶ Previous studies have typically utilized theoretical frameworks, such as the Theory of Planned Behavior (TPB), to explain business zakat compliance. This theory primarily focuses on individual attitudes, subjective norms, and perceived behavioral control, often overlooking the organizational and environmental factors that may influence zakat-related business practices.⁷

While TPB is valuable in understanding the intentions and attitudes of individual business owners, it may not

¹ Melia Famiola and Amia Wulansari, "SMEs' Social and Environmental Initiatives in Indonesia: An Institutional and Resource-Based Analysis," *Social Responsibility Journal* 16, no. 1 (January 7, 2020): 15-27, <https://www.emerald.com/insight/content/doi/10.1108/SRJ-05-2017-0095/full/html>.

² Abdulsalam Ahmed Sawmar and Mustafa Omar Mohammed, "Enhancing Zakat Compliance through Good Governance: A Conceptual Framework," *ISRA International Journal of Islamic Finance* 13, no. 1 (January 1, 2021): 136-154, <https://doi.org/10.1108/IJIF-10-2018-0116>.

³ Mouad Sadallah, Hijattulah Abdul-Jabbar, and Saliza Abdul Aziz, "Promoting Zakat Compliance among Business Owners in Algeria: The Mediation Effect of Compliance Intention," *Journal of Islamic Marketing* 14, no. 6 (January 1, 2022): 1603-1620, <https://doi.org/10.1108/JIMA-11-2021-0366>.

⁴ Saeed Awadh Bin-Nashwan, Hijattulah Abdul-Jabbar, and Saliza Abdul Aziz, "Do Enforcement, Religiosity and Peer Influence Zakah Compliance Behavior?," *International Journal of Financial Research* 10, no. 6 (August 8, 2019): 42-53,

<http://www.sciedupress.com/journal/index.php/ijfr/article/view/16018>.

⁵ Yaty Sulaiman, Maria Abdul Rahman, and Nik Kamariah Nik Mat, "The Conceptual Paper on Service Quality and Business Zakat Compliance Behaviour among SMEs in Kedah," *Journal of Accounting, Business and Finance Research* 5, no. 1 (January 1, 2019): 23-28, <http://scipg.com/index.php/102/article/view/151>.

⁶ Atika R. Masrifah and Furqan Hifdzur Rahman, "Zakat Fund Model In Developing Micro, Small And Medium Enterprises (Msmes) In Ponorogo Through Capital, Human Resource And Religiosity As Mediating Variable," *Journal of Islamic Economics and Philanthropy* 5, no. 2 (March 7, 2022): 87, <https://ejournal.unida.gontor.ac.id/index.php/JIEP/article/view/5927>.

⁷ Abdullah Campong Andam and Ahmad Zamri Osman, "Determinants of Intention to Give Zakat on Employment Income: Experience from Marawi City, Philippines," *Journal of Islamic Accounting and Business Research* 10, no. 4 (January 1, 2019): 528-545, <https://doi.org/10.1108/JIABR-08-2016-0097>.

provide a comprehensive explanation of the complexities surrounding zakat compliance in the Indonesian SME sector. This theory tends to neglect the significant roles played by financial accountability, information quality, and altruism in shaping organizational behavior. Additionally, the mediating role of business growth in the relationship between these factors and zakat compliance has not been adequately explored in existing literature.

Given the existing research gaps, this study aims to fill this knowledge gap using a holistic approach that considers both individual and organizational factors in the context of business zakat compliance. This study extends beyond the TPB framework by incorporating financial accountability, information quality, and altruism as highly relevant factors. This approach provides a more comprehensive understanding of the factors influencing zakat compliance among Indonesian SMEs. Furthermore, this study explores how the influence of these factors is mediated through business growth, offering insights into the potential mechanisms by which zakat compliance can contribute to the development and sustainability of SMEs.

2. LITERATURE REVIEW

2.1. Financial Accountability and Business Growth

Financial accountability, which ensures the responsible and transparent management of financial resources, has been studied extensively in the business management field. Several studies show a positive impact on business growth. Okpara and Wynn identified a lack of financial support and managerial experience as key factors in business growth, emphasizing the importance of financial accountability, including sound financial management and decision-making⁸. Putri et al. found that strong financial performance, closely linked to financial accountability, enhances a company's value, promoting growth.⁹ Additionally, financial literacy, as highlighted by Resmi et al., significantly influences business growth, underlining the importance of managing finances effectively.¹⁰ Moreover, financial accountability helps to mitigate financial distress, as demonstrated by Rahman et al., and contributes to transparency and trustworthiness.¹¹ Overall, practicing financial accountability leads to improved financial performance, reduced distress, and enhanced reputation, ultimately fostering business growth.¹²

⁸ Abdinur Ali Mohamed and Mohamed Ibrahim Nor, "Assessing the Effects of the Mobile Money Service on Small and Medium Sized Enterprises: Study on EVC-Plus Services in Somalia," *American Journal of Industrial and Business Management* 11, no. 05 (2021): 499-514, <https://www.scirp.org/journal/doi.aspx?doi=10.4236/ajibm.2021.115031>.

⁹ Indah Ayu Johanda Putri et al., "Growth, Intellectual Capital, Financial Performance And Firm Value: Evidence From Indonesia Automotive Firms," *International Journal of Science, Technology & Management* 4, no. 1 (January 9, 2023): 139-146, <https://ijstm.inarah.co.id/index.php/ijstm/article/view/723>.

¹⁰ Siti Resmi, Reza Wihdar Pahlevi, and Fran Sayekti, "Financial Literacy as A Determinant Factor In Business Growth For Creative Msmes In Yogyakarta," *Proceedings on Engineering Sciences* 1, no. 2 (June 1, 2019): 59-64, <http://pesjournal.net/journal/v1-n2/7.pdf>.

¹¹ Anafi Alfitra Rahman et al., "The Effect of Sales Growth, Company Size, and Good Corporate Governance on Financial Distress In Trading Companies In The Retail Trade Sub-Sector Listed On The Indonesia Afek Exchange For The 2018-2020 Period," *International Journal of Latest Technology in Engineering, Management & Applied Science* 11, no. 12 (2022): 20-27.

¹² Galyna Azarenkova et al., "Diagnostics Of Transparency Of Ukrainian Banking Institutions Using

H1: Financial accountability has a positive effect on business growth

2.2. Information Quality and Business Growth

High-quality information is crucial for business growth and success, enabling informed decisions, operational efficiency, and customer satisfaction.¹³ Studies by Shen et al., show that top management team (TMT) human capital positively influences sustainable business growth, with decision-making quality mediating this relationship.¹⁴ Fatah et al. found that information culture and effective knowledge management enhance the quality of business insights, promoting growth.¹⁵ Musyafi et al. examined the effect of information quality on supply chain integration and business performance, with mixed results.¹⁶ Cvjetković et al. emphasized that quality contributes to a competitive advantage and improved business performance.¹⁷ Montero & Lind found that information quality influences users' willingness to use business

intelligence systems, indicating its impact on growth. In summary, these studies suggest that prioritizing information quality in systems and processes is essential for business success and growth.¹⁸

H2: Information quality has a positive effect on business growth

2.3. Altruism and Business Growth

Altruism, referring to selfless concern for the well-being of others, has garnered significant attention across various fields, including business and economics. The relationship between altruism and business growth has been examined in multiple studies. One study investigated the impact of employees' career orientation and career growth opportunities on their organizational citizenship behavior, including altruism.¹⁹ The findings indicate that career growth opportunities can mitigate the negative effects of careerist orientation on altruistic behavior. This implies that providing employees with career development opportunities can

Multivariate Analysis Methods," *Scientific Horizons* 25, no. 8 (October 20, 2022): 85-105, <https://sciencehorizon.com.ua/en/journals/tom-25-8-2022/diagnostika-transparentnosti-bankivskikh-ustanov-ukrayini-za-dopomogoyu-metodiv-bagatovimirnogo-analizu>.

¹³ Yaoping Shen et al., "The Influence of Top Management Team Human Capital on Sustainable Business Growth," *Frontiers in Psychology*, 2021, <https://www.frontiersin.org/articles/10.3389/fpsyg.2021.773689>.

¹⁴ Ibid.

¹⁵ Lalu Abdul Fatah, Hamzah M. Mardiputra, and Joko Dewanto, "Impact of Knowledge Management, Data Culture and the Development of Data Innovation on the Quality of the Business Insights Framework," *Linguistics and Culture Review* 6, no. S1 SE- (February 18, 2022): 824-838, <https://lingcure.org/index.php/journal/article/view/2169>.

¹⁶ Roihatul Musyafi, Hamidah Utami, and Arik Prasetya, "The Influence Of Information Sharing And Information Quality Toward Supply Chain Integration And Enterprise Performance (Study Of Shallot Farmers In East Java)," *The International Journal of Accounting and*

Business Society 28, no. 2 (August 1, 2020): 101-120, <https://ijabs.ub.ac.id/index.php/ijabs/article/view/420>.

¹⁷ Milena Cvjetković et al., "Impact of Quality on Improvement of Business Performance and Customer Satisfaction," *Journal of Engineering Management and Competitiveness* 11, no. 1 (2021): 20-28, <https://scindeks.ceon.rs/Article.aspx?artid=2334-96382101020C>.

¹⁸ Javier N. Montero and Mary L. Lind, "Determining Business Intelligence Usage Success," *International Journal of Computer Science and Information Technology* 12, no. 6 (December 30, 2020): 45-67, <https://aircconline.com/ijcsit/V12N6/12620ijcsit04.pdf>.

¹⁹ Ganesh Bhattarai, Dhruba Raj Pokharel, and Prem Bahadur Budhathoki, "Career Development Opportunity Cures for the Impairment Effect of Careerist Orientation on Organizational Citizenship Behaviours: Empirical Evidences Form Project Based Employees Working in Non-Profit Making Organization," *Dristikon: A Multidisciplinary Journal* 10, no. 1 (December 31, 2020): 103-127, <https://www.nepjol.info/index.php/dristikon/article/view/34545>.

foster an altruistic culture within organizations, contributing to business growth.

Another study delved into the relationship between functional irrationality, economic morality, and altruism in small and medium-sized enterprises (SMEs) during the COVID-19 pandemic.²⁰ This study found that altruism mediates the relationship between functional irrationality and economic morality. This suggests that SMEs exhibiting altruistic behavior can have a positive impact on both business growth and economic morality. Leadership also plays a pivotal role in cultivating altruism within organizations. A study explored the connection between leaders' forgiveness attitudes and radical innovation, with altruism as a mediating variable.²¹ The study uncovered empirical evidence of a positive relationship between leaders' forgiveness attitudes and radical innovation, mediated by altruism. This implies that leaders displaying forgiveness attitudes and promoting an altruistic culture can encourage radical innovation, contributing to business growth.²²

Furthermore, the relationship between altruism and organizational learning capability has been examined in a separate study. The findings demonstrate a significant positive influence of altruism on

organizational learning capability. This indicates that organizations prioritizing altruistic behavior can enhance their ability to learn and adapt, thereby contributing to business growth. Beyond these mentioned studies, there are other relevant references discussing the relationship between altruism and business growth. For instance, one study explored the role of organizational resilience as a mediator between altruism and firm performance.²³ The findings suggest that organizational resilience partially mediates the relationship between altruism and firm performance. This implies that organizations nurturing altruistic behavior can enhance their resilience, leading to improved business performance. Additionally, the concept of altruism in the context of consumption has been investigated in a study. The study found that altruism in consumption, such as assisting other consumers in making purchase decisions or providing feedback to businesses, can influence business growth.²⁴ In summary, the relationship between altruism and business growth is multifaceted, with various dimensions to consider. The studies mentioned above offer insights into how altruistic behavior, career growth opportunities, leadership, organizational learning capability, and

²⁰ Hari Wahyono et al., "Irrationality and Economic Morality of SMEs' Behavior during the Covid-19 Pandemic: Lesson from Indonesia," *Heliyon* 7, no. 7 (July 1, 2021): e07400, <https://doi.org/10.1016/j.heliyon.2021.e07400>.

²¹ Francisco Fermín Mallén-Broch and Emilio Domínguez-Escrig, "When Leaders Forgive: Encouraging Radical Innovation in More Altruistic Organizations," *Baltic Journal of Management* 16, no. 5 (October 5, 2021): 712-728, <https://doi.org/10.1108/BJM-02-2021-0068>.

²² Forugh Rudgar Nezhad, Karim Kia Kojouri, and Seyedeh Neda Khalili Nodehi, "Effect of Altruism on Organizational Learning Capability with the Mediating Role of Communication Conflict and Organizational

Trust (Case Study: Staff of Red Crescent Provincial Branches of Gilan and Mazandaran)," *Journal of Rescue and Relief* 12, no. 1 (December 15, 2019): 67-76, <http://jorar.ir/article-1-509-en.html>.

²³ Zina Barghouti, Jacob Guinot, and Ricardo Chiva, "Compassion and Altruism in Organizations: A Path for Firm Survival," *International Journal of Manpower* 44, no. 9 (January 1, 2022): 1-19, <https://doi.org/10.1108/IJM-05-2021-0266>.

²⁴ Yonca Nilay BAŞ, "A Study on The Effects of Experiential Value, Altruism and Self-Efficacy on Customer Engagement Behavior," *Ekonomi İşletme ve Maliye Araştırmaları Dergisi* 4, no. 2 (2022): 103-125.

resilience can contribute to business growth.

H3: Altruism has a positive effect on business growth

2.4. Financial Accountability and Business Zakat Compliance

Financial accountability refers to the Financial accountability refers to the transparency, accuracy, and responsibility in managing financial resources and reporting financial information.²⁵ Business zakat compliance, on the other hand, refers to the adherence of businesses to the obligation of paying zakat, a form of Islamic wealth tax.²⁶ Several studies provide insights into the relationship between financial accountability and business zakat compliance. Khamis et al. found that the length of business operation, which can be seen as an indicator of financial stability and accountability, is positively related to compliance behavior.²⁷ This suggests that businesses with a longer operational history may have a higher likelihood of zakat compliance. Furthermore, Sadallah et al. found that attitude, subjective norm, and perceived behavioral control, which are factors related to financial accountability, significantly influence the intention to

comply with zakat.²⁸ This indicates that businesses with a positive attitude towards zakat, a perception of social norms supporting compliance, and a sense of control over zakat payment are more likely to exhibit compliance behavior.

In addition, Setiyawati highlighted the role of accounting practices and financial reporting in enhancing the accountability of zakat institutions. The study suggests that by improving financial reporting practices and adhering to accounting standards, zakat institutions can increase their accountability and transparency, which may positively influence business zakat compliance.²⁹ Other studies have also explored the relationship between financial management practices and zakat compliance. Anuar et al. found a positive relationship between financial management practices and the financial performance of zakat institutions. This suggests that effective financial management, which includes accountability in financial practices, can contribute to zakat compliance.³⁰ Based on the available literature, it can be hypothesized that financial accountability positively influences business zakat compliance. Businesses that demonstrate

²⁵ Hari Setiyawati, "Analysis of Zakat Accounting and the Role of the Internal Control System Based on Financial Accounting Standards Guidelines (PSAK 109) Zakat Agency in Indonesia," *International Journal of Financial Research* 12, no. 1 (December 25, 2020): 192, <http://www.sciedu.ca/journal/index.php/ijfr/article/view/18305>.

²⁶ Mohd Rahim Khamis et al., "Length of Business Operation and Its Relationship with Compliance Behaviour of Business Zakat among Owners of SMEs," *Journal of Emerging Economies and Islamic Research* 6, no. 3 (September 30, 2018): 69, <http://myjms.mohe.gov.my/index.php/JEEIR/article/view/8789>.

²⁷ Ibid.

²⁸ Sadallah, Abdul-Jabbar, and Aziz, "Promoting Zakat Compliance among Business Owners in Algeria:

The Mediation Effect of Compliance Intention"; Mouad Sadallah and Hijattulah Abdul-Jabbar, "Business Zakat Compliance in Algeria: An Ethical Perspective," *International Journal of Ethics and Systems* 38, no. 2 (January 1, 2022): 338-355, <https://doi.org/10.1108/IJOES-04-2021-0085>.

²⁹ Setiyawati, "Analysis of Zakat Accounting and the Role of the Internal Control System Based on Financial Accounting Standards Guidelines (PSAK 109) Zakat Agency in Indonesia."

³⁰ Fatimah Sakeenah Anuar, Norhayati Mohd Alwi, and Noraini Mohd Ariffin, "Financial Management Practices and Performance of Zakat Institutions in Malaysia," *IPN Journal of Research and Practice in Public Sector Accounting and Management* 9, no. 01 (December 16, 2019): 1-26, <http://jurnal.ipn.gov.my/ipnjv92019-1/>.

transparency, accuracy, and responsibility in financial management and reporting are more likely to comply with business zakat obligations.

H4: Financial accountability has a positive effect on business zakat compliance

2.5. Information Quality and Business Zakat Compliance

Information quality refers to the accuracy, reliability, relevance, and timeliness of information.³¹ Business zakat compliance refers to the adherence of businesses to the obligation of paying zakat, a form of Islamic wealth tax.³² Several studies provide insights into the relationship between information quality and business zakat compliance. Fasiha & Abdullah emphasize the importance of quality assurance in zakat management, which includes ensuring the accuracy and reliability of information. They argue that a quality management approach can improve the overall quality of zakat management, which may positively influence compliance behavior.³³ Sulaiman et al. discuss the concept of service quality and its impact on business zakat compliance behavior among small and medium-sized enterprises (SMEs). They suggest that improving service quality, which includes providing accurate and relevant information to zakat payers, can

enhance compliance behavior³⁴. Furthermore, Sawmar & Mohammed highlight the importance of transparency in financial information in building trust among zakat payers. They argue that disclosing accurate and reliable financial information, including information about zakat collection and distribution, can positively influence zakat payers' trust and, consequently, compliance behavior.³⁵

In addition, the use of digital technology in managing zakat has been explored by Salleh et al.. They suggest that optimizing digital technology can improve the quality and accessibility of information related to zakat, which may enhance compliance behavior.³⁶ Overall, the literature suggests that information quality positively influences business zakat compliance. Businesses that have access to accurate, reliable, and relevant information, and that ensure transparency in financial reporting, are more likely to comply with zakat obligations. This hypothesis highlights the importance of information quality in promoting and enhancing zakat compliance among businesses.

H5: Information quality has a positive effect on business zakat compliance

2.6. Altruism and Business Zakat Compliance

Altruism refers to selfless concern for the well-being of others and a willingness

³¹ Fasiha Fasiha and Muh. Ruslan Abdullah, "Zakat Management Formulation: Improving the Quality of Management with a Quality Assurance Approach," *Technium Social Sciences Journal* 34, no. 1 SE-Economics (August 8, 2022): 374-386, <https://techniumscience.com/index.php/socialsciences/article/view/7138>.

³² Sulaiman, Rahman, and Mat, "The Conceptual Paper on Service Quality and Business Zakat Compliance Behaviour among SMEs in Kedah."

³³ Fasiha and Abdullah, "Zakat Management Formulation: Improving the Quality of Management with a Quality Assurance Approach."

³⁴ Sulaiman, Rahman, and Mat, "The Conceptual Paper on Service Quality and Business Zakat Compliance Behaviour among SMEs in Kedah."

³⁵ Sawmar and Mohammed, "Enhancing Zakat Compliance through Good Governance: A Conceptual Framework."

³⁶ Wan Nur Azira Wan Mohamed Salleh, Siti Zaleha Abdul Rasid, and Rohaida Basiruddin, "Optimising Digital Technology in Managing Zakat," *International Journal of Academic Research in Business and Social Sciences* 12, no. 8 (August 10, 2022): 726-733, <https://hrmars.com/journals/papers/IJARBSS/v12-i8/14355>.

to act in their best interest.³⁷ Business zakat compliance refers to the adherence of businesses to the obligation of paying zakat, a form of Islamic wealth tax. Several studies provide insights into the relationship between altruism and business zakat compliance. Azzahra & Majid highlight the behavior of altruism, such as sharing, cooperation, assistance, philanthropy, honesty, and considering the welfare of others. These behaviors can be seen as indicators of altruistic tendencies, which may positively influence zakat compliance.³⁸ Khalil et al. discuss the concept of Islamic altruism and its impact on compliance behavior. They argue that Islamic altruism, which involves selfless acts of giving and helping others, can play a role in motivating individuals to comply with zakat obligation.³⁹ Furthermore, Sawmar & Mohammed emphasize the importance of good governance in enhancing zakat compliance. They argue that promoting transparency, accountability, and ethical behavior within zakat institutions can foster a culture of altruism and trust, which may positively influence compliance behavior.⁴⁰

In addition, Othman et al. found that motivations such as religious duty, social

responsibility, and helping the less fortunate are significant factors influencing zakat compliance behavior.⁴¹ Overall, the literature suggests that altruism positively influences business zakat compliance. Businesses that exhibit altruistic behavior, such as sharing, cooperation, assistance, and philanthropy, are more likely to comply with zakat obligations. This hypothesis highlights the importance of fostering altruistic values and behaviors in promoting and enhancing zakat compliance among businesses.

H6: Altruism has a positive effect on business zakat compliance

2.7. Business Growth and Business Zakat Compliance

Business growth has been found to have a positive influence on business zakat compliance. Several studies have explored the factors that contribute to zakat compliance in businesses. Setianingsih et al. found that the level of knowledge and self-efficacy significantly influence zakat compliance behavior in businesses.⁴² Additionally, Saad et al. highlighted the importance of knowledge and self-efficacy in influencing zakat compliance behavior.⁴³ Furthermore, Mawardi et al., found that

³⁷ Fathin Azzahra and M. Shabri Abd Majid, "What Drives Muzakki to Pay Zakat at Baitul Mal?," *Shirkah: Journal of Economics and Business* 5, no. 1 (April 30, 2020): 27, <http://shirkah.or.id/new-ojs/index.php/home/article/view/297>.

³⁸ Ibid.

³⁹ Najwa Mohd Khalil, Hanudin Amin, and Nur Shahirah Azman, "Compliance Intention to Pay Zakat on Salary," *International Journal of Zakat* 5, no. 2 (September 30, 2020): 37-50, <https://ijazbaznas.com/index.php/journal/article/view/204>.

⁴⁰ Sawmar and Mohammed, "Enhancing Zakat Compliance through Good Governance: A Conceptual Framework."

⁴¹ Yusuf Haji- Othman, Mohd Sholeh Sheh Yusuff, and Mohd Farid Abd Latib, "Motivations for Paying Income Zakat among UniSHAMS' Employees,"

International Journal of Academic Research in Business and Social Sciences 8, no. 10 (October 31, 2018): 22-24, <http://hrmars.com/index.php/journals/papers/IJARBS/v8-i10/4768>.

⁴² Hesti Eka Setianingsih, Mohamad Irsyad, and Ajib Akbar Velayati, "Exploring the Predictors of Zakat Compliance in the Community of Farmers," *JIFA (Journal of Islamic Finance and Accounting)* 5, no. 1 (November 2, 2022): 15-28, <https://ejournal.uinsaid.ac.id/index.php/jifa/article/view/5295>.

⁴³ Ram Al Jaffri Saad, Abubakar Umar Farouk, and Dzarfan Abdul Kadir, "Business Zakat Compliance Behavioral Intention in a Developing Country," *Journal of Islamic Accounting and Business Research* 11, no. 2 (January 2, 2020): 511-530, <https://doi.org/10.1108/JIABR-03-2018-0036>.

zakat empowerment programs and business assistantships positively impact the growth of businesses, which in turn benefits the well-being of zakat recipients.⁴⁴ This suggests that as businesses grow, they are more likely to comply with zakat obligations. Alam et al. conducted a study in Kartasura, Indonesia, and found that zakat positively impacts micro, small, and medium-sized enterprises (MSMEs) when business owners comply with zakat payment.⁴⁵ This indicates that business growth and zakat compliance are interconnected. Examined business zakat compliance in Algeria and found that political instability, zakat knowledge, and trust significantly influence zakat compliance.⁴⁶ This suggests that as businesses grow and become more stable, they are more likely to comply with zakat obligations. Widiastuti et al. investigated the impact of zakat and non-zakat empowerment programs on the welfare of mustahiqs (zakat recipients) and found a significant and positive effect of non-zakat empowerment programs on the growth of mustahiq businesses.⁴⁷ This

implies that as businesses grow through empowerment programs, they are more likely to comply with zakat obligations. In conclusion, the evidence from these studies suggests that business growth positively influences business zakat compliance. Factors such as knowledge, self-efficacy, political stability, trust, and empowerment programs play a significant role in promoting zakat compliance in businesses. As businesses grow and become more stable, they are more likely to comply with zakat obligations, which ultimately benefits the well-being of zakat recipients.

H6: Business Growth has a positive effect on business zakat compliance

2.8. Business Growth Mediation

Business growth can play a mediating role in the relationship between financial accountability, information quality, altruism, and business zakat compliance. Several factors have been identified in the literature that influence zakat compliance behavior, including service quality⁴⁸, compliance intention⁴⁹, trust in zakat institutions⁵⁰, religiosity⁵¹, transparency of

⁴⁴ Imron Mawardi et al., "Analyzing the Impact of Productive Zakat on the Welfare of Zakat Recipients," *Journal of Islamic Accounting and Business Research* 14, no. 1 (January 2, 2023): 118-140, <https://www.emerald.com/insight/content/doi/10.1108/JIABR-05-2021-0145/full/html>.

⁴⁵ Azhar Alam et al., "Exploring Zakat Payment Awareness and Its Impact among MSMEs in Kartasura, Central Java, Indonesia," *Ziswaf: Jurnal Zakat Dan Wakaf* 9, no. 2 (December 31, 2022): 141, <https://journal.iainkudus.ac.id/index.php/Ziswaf/article/view/16473>.

⁴⁶ Sadallah and Abdul-Jabbar, "Business Zakat Compliance in Algeria: An Ethical Perspective"; Sadallah, Abdul-Jabbar, and Aziz, "Promoting Zakat Compliance among Business Owners in Algeria: The Mediation Effect of Compliance Intention."

⁴⁷ Tika Widiastuti et al., "Does Zakat and Non-Zakat Empowerment Affect Mustahiq Welfare Based on Maqashid Shariah?," *al-Uqud : Journal of Islamic Economics* 5, no. 1 (December 24, 2020): 76-96,

<https://journal.unesa.ac.id/index.php/jie/article/view/10515>.

⁴⁸ Sulaiman, Rahman, and Mat, "The Conceptual Paper on Service Quality and Business Zakat Compliance Behaviour among SMEs in Kedah."

⁴⁹ Sadallah and Abdul-Jabbar, "Business Zakat Compliance in Algeria: An Ethical Perspective"; Sadallah, Abdul-Jabbar, and Aziz, "Promoting Zakat Compliance among Business Owners in Algeria: The Mediation Effect of Compliance Intention."

⁵⁰ Saeed Awadh Bin-Nashwan, Hijattulah Abdul-Jabbar, and Saliza Abdul Aziz, "Does Trust in Zakat Institution Enhance Entrepreneurs' Zakat Compliance?," *Journal of Islamic Accounting and Business Research* 12, no. 5 (January 1, 2021): 768-790, <https://doi.org/10.1108/JIABR-09-2020-0282>.

⁵¹ Mazni Abdullah and Noor Sharoja Sapiei, "Do Religiosity, Gender and Educational Background Influence Zakat Compliance? The Case of Malaysia," *International Journal of Social Economics* 45, no. 8 (January 1, 2018): 1250-1264, <https://doi.org/10.1108/IJSE-03-2017-0091>.

financial reporting⁵², and knowledge and self-efficacy.⁵³ Financial accountability is an important factor in zakat compliance. It refers to the responsibility of businesses to manage their financial resources and ensure transparency in their financial reporting. Studies have shown that the more transparent the financial reporting of zakat managers, the higher the trust of muzakki (those who are obligated to pay zakat)⁵⁴. This trust can lead to increased compliance and willingness to distribute zakat to institutions.

Information quality is another crucial factor in zakat compliance. High-quality information enables businesses to make informed decisions about their zakat obligations and ensures that zakat is distributed to the appropriate recipients. The quality of the information provided by zakat institutions can influence compliance behavior.⁵⁵ Therefore, businesses that receive accurate and reliable information about zakat regulations and requirements are more likely to comply with their zakat obligations. Altruism, or the willingness to act for the benefit of others, can also influence zakat compliance. Studies have shown that religiosity, which includes altruistic values, has a significant influence on zakat compliance.⁵⁶ Individuals who have a strong sense of religious obligation and a desire to help others are more likely to comply with their zakat obligations.

Business growth can mediate the relationship between financial accountability, information quality,

altruism, and zakat compliance. As businesses grow, they may face increased financial responsibilities and obligations, including zakat payments. This growth can lead to a greater need for financial accountability and accurate information to ensure compliance with zakat regulations. Additionally, as businesses expand, they may have a greater impact on society and a stronger sense of social responsibility, which can further motivate them to comply with their zakat obligations. In conclusion, business growth can mediate the relationship between financial accountability, information quality, altruism, and zakat compliance. As businesses grow, they may face increased financial responsibilities and obligations, which can influence their compliance behavior. Additionally, the quality of information provided by zakat institutions and the altruistic values of business owners can also impact zakat compliance. Therefore, businesses need to prioritize financial accountability, ensure high-quality information, and foster a sense of altruism to promote zakat compliance.

H7: Business growth mediates the relationship between financial accountability and business zakat compliance.

H8: Business growth mediates the relationship between information quality and business zakat compliance.

⁵² Nunung Nurhayati, "Accounting Information System Zakat SFAS 109 In Increasing Financial Reporting Transparency," *International Journal of Social Science and Human Research* 04, no. 11 (November 15, 2021): 3203-3207, <http://ijsshr.in/v4i11/18.php>.

⁵³ Eka Setianingsih, Irsyad, and Velayati, "Exploring the Predictors of Zakat Compliance in the Community of Farmers."

⁵⁴ Nurhayati, "Accounting Information System Zakat SFAS 109 In Increasing Financial Reporting Transparency."

⁵⁵ Sulaiman, Rahman, and Mat, "The Conceptual Paper on Service Quality and Business Zakat Compliance Behaviour among SMEs in Kedah."

⁵⁶ Abdullah and Sapiei, "Do Religiosity, Gender and Educational Background Influence Zakat Compliance? The Case of Malaysia."

H9: Business growth mediates the relationship between altruism and business zakat compliance.

3. RESEARCH METHOD

This research employs a quantitative approach with a causal design aimed at providing new evidence and exploring the correlations among financial accountability, information quality, and altruism towards business zakat compliance, mediated by business growth. The data were collected using a questionnaire. The study sample comprises 100 Small and Medium-sized Enterprises (SMEs) from Palu City, Donggala Regency, and Sigi Regency. The sampling technique utilized purposive sampling with the following criteria: SMEs operating for more than 10 years, annual income exceeding IDR 100,000,000, and history of zakat payments to BAZNAS (National Amil Zakat Agency). Based on these criteria, the sample consisted of 60 SMEs from Palu City, 20 from Sigi Regency, and 20 from Donggala Regency.

This study encompasses five primary constructs: financial accountability, information quality, altruism, business zakat compliance, and business growth, each measured using indicators adopted from the literature. The financial accountability construct comprises six indicators developed by Thi Tran et al.⁵⁷ The information quality construct was

based on indicators from Fosso Wamba et al.⁵⁸ Altruism utilizes five indicators adapted from Wang et al.⁵⁹ The business growth construct was derived from the research of Absanto and Elisifa.⁶⁰ Business zakat compliance was adapted and developed based on the study by Bin-Nashwan et al.⁶¹ Each statement based on these indicators will be assessed using a five-point Likert scale, ranging from "strongly agree" to "strongly disagree."

In this research, the partial least squares structural equation model (PLS-SEM) method was employed with the assistance of SmartPLS version 3.2.9 software to analyze complex cause-and-effect relationships within the path model involving multiple constructs. PLS-SEM analysis consisted of two stages: the outer and inner models. The outer model stage involved testing convergent validity, discriminant validity, and construct reliability under specific conditions to assess the validity of each indicator. Meanwhile, the inner model stage includes various criteria such as testing for multicollinearity, effect size evaluation, coefficient of determination testing, prediction relevance testing, and Goodness of Fit testing to measure the research model's quality.⁶²

⁵⁷ Yen Thi Tran, Nguyen P. Nguyen, and Lam Dang Nguyen, "Results-Oriented Culture and Organizational Performance: The Mediating Role of Financial Accountability in Public Sector Organizations in Vietnam," *International Journal of Public Administration* 45, no. 3 (2022): 257-272, <https://doi.org/10.1080/01900692.2020.1841227>.

⁵⁸ Samuel Fosso Wamba et al., "Turning Information Quality into Firm Performance in the Big Data Economy," *Management Decision* 57, no. 8 (January 1, 2019): 1756-1783, <https://doi.org/10.1108/MD-04-2018-0394>.

⁵⁹ Lei Wang, Philip Pong Weng Wong, and Elangkovan Narayanan Alagas, "Antecedents of Green Purchase Behaviour: An Examination of Altruism and Environmental Knowledge," *International Journal of Culture, Tourism and Hospitality Research* 14, no. 1

(February 3, 2020): 63-82, <https://www.emerald.com/insight/content/doi/10.1108/IJCTHR-02-2019-0034/full/html>.

⁶⁰ Gerald Absanto, "Analysis of Business Growth Strategies and Their Contribution to Business Growth," *International Journal of Economics, Commerce and Management* I, no. 1 (2013): 1-14, <https://ijecm.co.uk/wp-content/uploads/2014/01/116.pdf>.

⁶¹ Bin-Nashwan, Abdul-Jabbar, and Aziz, "Do Enforcement, Religiosity and Peer Influence Zakah Compliance Behavior?"

⁶² Marko Sarstedt et al., "Beyond a Tandem Analysis of SEM and PROCESS: Use of PLS-SEM for Mediation Analyses!," *International Journal of Market Research* 62, no. 3 (May 26, 2020): 288-299, <http://journals.sagepub.com/doi/10.1177/1470785320915686>.

4. RESULT AND DISCUSSION

4.1. Result

4.1.1. Respondent Demographic Profile

The demographic profiles of the respondents revealed significant variations in the types of businesses and geographical locations of micro, small, and medium enterprises (MSMEs) included in the study. Regarding business types, 30% of the respondents operate in the service sector, 45% engage in trading, and the remaining 25% focus on manufacturing. Geographically, the distribution of respondents according to the location of MSMEs shows that the majority are situated in Palu City, accounting for 60%. Meanwhile, 20% were located in the Donggala Regency, and another 20% were located in the Sigi Regency. This demographic analysis provides a deeper understanding of the diversity of businesses and the geographical distribution of respondents, laying a strong foundation for comprehending the context and further research outcomes.

4.1.2. Outer Model (Measurement Model)

In this study, a robust model employing reflective indicators underwent rigorous testing to ensure reliable outcomes and adherence to the predefined acceptance criteria. Evaluating construct validity and reliability, the Financial Accountability construct, represented by item FA-2, exceeded the acceptance criteria with an outer loading of 0.853, contributing significantly to an average variance extracted of 0.641 (AVE > 0.5). This construct also demonstrated strong internal consistency, meeting the criteria of Cronbach's alpha and Composite Reliability (CR) values > 0.7, with a Cronbach's alpha of 0.889 and composite

reliability of 0.915. Similarly, the Quality of Information construct, involving items IQ-1 to IQ-5, met acceptance criteria with outer loadings ranging from 0.750 to 0.820 and an AVE of 0.618 (AVE > 0.5). The construct exhibited reliable measurements, satisfying the criteria of Cronbach's alpha and CR values > 0.7, with a Cronbach's Alpha of 0.847 and a composite reliability of 0.890.

The Altruism construct, comprising items AL-1 to AL-5, also met the criteria with outer loadings between 0.719 and 0.802, resulting in an AVE of 0.578 (AVE > 0.5). This construct demonstrated reliability with a Cronbach's Alpha of 0.832 and a composite reliability of 0.872, meeting the criteria of Cronbach's alpha and CR values > 0.7. Examining the Business Growth construct, items BG-1 to BG-5 fulfilled acceptance criteria with outer loadings from 0.738 to 0.808 and an AVE of 0.588 (AVE > 0.5). Demonstrating commendable internal consistency, this construct met the criteria of Cronbach's alpha and CR values > 0.7, with a Cronbach's Alpha of 0.824 and a composite reliability of 0.877. Finally, the Business Zakat Compliance construct, represented by items ZC-1 to ZC-5, met the acceptance criteria with outer loadings between 0.765 and 0.855 and an AVE of 0.640 (AVE > 0.5). Exhibiting a high level of reliability in its measurement, this construct satisfied the criteria of Cronbach's alpha and CR values > 0.7, with a Cronbach's Alpha of 0.859 and a composite reliability of 0.899.

The Heterotrait-Monotrait Ratio (HTMT) analysis further substantiated the model, presenting ratios aligning with acceptance criteria. A notable HTMT ratio of 0.819 between Business Zakat Compliance and Business Growth indicated a strong and dominant relationship (HTMT < 0.9). Additionally,

the ratio of 0.492 between Business Zakat Compliance and Altruism suggested a moderately strong hetero-trait relationship (HTMT < 0.9). The relationship between Financial Accountability and Business Growth, with a ratio of 0.607, signified a sufficiently strong connection (HTMT < 0.9). The lowest HTMT ratio of 0.173 between Financial Accountability and Altruism indicated a significant difference between these constructs (HTMT < 0.9).

Moreover, the Quality of Information exhibited strong relationships with Business Growth (0.812), Business Zakat Compliance (0.704), and Financial Accountability (0.729), aligning with the acceptance criteria. This comprehensive analysis provided valuable insights into the relative strength of relationships between constructs within the study framework, consistently meeting the predefined acceptance criteria.

Table 1. Validity and Reliability Test

Constructs	Item Code	Outer Loading	Average Variance Extracted	Cronbach's alpha	Composite Reliability
Financial Accountability	FA-2	0.853	0.641	0.889	0.915
	FA-3	0.819			
	FA-5	0.811			
	FA-1	0.808			
	FA-4	0.780			
	FA-6	0.728			
Information Quality	IQ-1	0.785	0.618	0.847	0.890
	IQ-2	0.810			
	IQ-3	0.750			
	IQ-4	0.820			
	IQ-5	0.763			
Altruism	AL-1	0.802	0.578	0.832	0.872
	AL-2	0.769			
	AL-3	0.773			
	AL-4	0.734			
	AL-5	0.719			
Business Growth	BG-1	0.808	0.588	0.824	0.877
	BG-2	0.742			
	BG-3	0.738			
	BG-4	0.784			
	BG-5	0.760			
Business Zakat Compliance	ZC-1	0.805	0.640	0.859	0.899
	ZC-2	0.855			
	ZC-3	0.765			
	ZC-4	0.776			
	ZC-5	0.795			

Source: Adapted SmartPLS output

Table 2. Discriminant Validity Output

Constructs	Altruism	Business Growth	Business Zakat Compliance	Financial Accountability
Business Growth	0.513			
Business Zakat Compliance	0.492	0.819		
Financial Accountability	0.173	0.607	0.651	
Information Quality	0.461	0.812	0.704	0.729

Source: Adapted SmartPLS output

4.1.3. Inner Model (Structural Model)

Based on the results of the Inner model test on two models, Model 1 demonstrates the relationship between Altruism, Financial Accountability, and Information Quality with Business Growth. Meanwhile, in Model 2, there is a relationship between Altruism, Financial Accountability, Information Quality, and Business Growth with Business Zakat Compliance in the context of several assessment metrics.

In Model 1, the Altruism construct has a VIF of 1.271, R2 of 0.528, F2 of 0.095, and Q2 of 0.256. Financial Accountability has a VIF of 1.776 and an R2 of 0.049, while Information Quality has a VIF of 2.132 and an R2 of 0.218. The goodness of fit value for Model 1 is 0.579. On the other hand, Model 2 expands its scope with the addition of the

Business Growth construct. Altruism in Model 2 has a VIF of 1.392, R2 of 0.565, F2 of 0.056, and Q2 of 0.354. Financial Accountability and Information Quality have VIFs of 1.864 and 2.596, respectively, with R2s of 0.105 and 0.008. The new construct, Business Growth, has a VIF of 2.183 and an R2 of 0.168. However, with the addition of this construct, the goodness of fit for Model 2 is not provided. The Goodness of Fit (GoF) for this Research Model is 0.579. Since the GoF value of 0.579 is greater than 0.36, it can be concluded that this research model is of high quality.

Overall, this analysis provides insights into the relative performance and effectiveness of each construct in both models, considering the predefined acceptance criteria.

Table 3. Model Quality Criteria

Model	VIF	R2	F2	Q2	Goodness Of Fit
Model 1					
Altruism	1.271		0.095		
Financial Accountability	1.776	0.528	0.049	0.256	0,579
Information Quality	2.132		0.218		
Model 2					
Altruism	1.392		0.056		
Financial Accountability	1.864	0.565	0.105	0.354	
Information Quality	2.596		0.008		
Business Growth	2.183		0.168		

Source: Adapted SmartPLS output

4.1.4. Hypothesis Testing

Based on the results of the hypothesis testing for the ten hypotheses related to the interrelationships among constructs in the research model, the first hypothesis (H1), asserting a relationship between Financial Accountability and Business Growth with a Beta coefficient of 0.200, did not receive significant support with a P value of 0.115, thus considered unsupported. Conversely, the second hypothesis (H2) regarding the relationship between Information Quality and Business Growth obtained significant support with a Beta coefficient of 0.461, T values of 3.629, and a P value of 0.000, indicating high statistical significance. The third hypothesis (H3) associating Altruism with Business Growth also received significant support with a Beta coefficient of 0.236, T values of 2.633, and a P value of 0.009. The fourth hypothesis (H4) concerning the relationship between Financial Accountability and Business Zakat Compliance gained significant support with a P value of 0.023 and a Beta coefficient of 0.285. On the other hand, the fifth hypothesis (H5), stating the

relationship between Information Quality and Business Zakat Compliance, did not receive significant support with a P value of 0.587. The sixth (H6) and seventh (H7) hypotheses, each involving the relationships between Altruism and Business Zakat Compliance, as well as Business Growth and Business Zakat Compliance, obtained significant support with P values of 0.065 and 0.000, respectively. The eighth hypothesis (H8) concerning the one-way relationship between Financial Accountability, Business Growth, and Business Zakat Compliance did not receive significant support with a P value of 0.177.

However, the ninth (H9) and tenth (H10) hypotheses, indicating the parallel relationships between Information Quality, Business Growth, and Business Zakat Compliance, as well as Altruism, Business Growth, and Business Zakat Compliance, gained significant support with P values of 0.038 and 0.016, respectively. Overall, the results from this table provide a detailed overview of the support or lack thereof for the hypotheses in the series of inter-construct relationships tested.

Table 4. Analysis of Path Coefficient

Hypothesis	Construct	Beta	T values	P values	Decision
H1	FA -> BG	0.200	1.578	0.115	Unsupported
H2	IQ -> BG	0.461	3.629	0.000	Supported
H3	AL -> BG	0.236	2.633	0.009	Supported
H4	FA -> ZC	0.285	2.280	0.023	Supported
H5	IQ -> ZC	0.093	0.543	0.587	Unsupported
H6	AL -> ZC	0.181	1.847	0.065	Unsupported
H7	BG -> ZC	0.391	3.621	0.000	Supported
H8	FA -> BG -> ZC	0.078	1.353	0.177	Unsupported
H9	IQ -> BG -> ZC	0.180	2.077	0.038	Supported
H10	AL -> BG -> ZC	0.092	2.407	0.016	Supported

Description: Financial Accountability (FA), Information Quality (IQ), Altruism (AL), Business Growth (BG) and Zakat Compliance (ZC)

4.2. Discussion

In the context of the relationship between Financial Accountability and Business Growth, this study found no significant support (Unsupported) for such a correlation. This finding contrasts with previous literature indicating that sound financial accountability practices can positively influence business growth.⁶³ This phenomenon may suggest that, in the specific context of this research, other factors play a crucial role in influencing this relationship. For instance, Njanike argues that financial issues at certain business stages do not significantly impact business profitability.⁶⁴ Additionally, Roslan et al., underscore potential limitations in the impact of financial accountability on business growth⁶⁵, possibly associated with a lack of financial literacy among SMEs affecting the effectiveness of financial planning and management.⁶⁶

Conversely, the relationship between Information Quality (IQ) and Business Growth is supported by literature, as highlighted by Shen et al. and Bhattarai et al. High-quality information facilitates better decision-making, enhances operational efficiency, and supports

innovation, potentially leading to sustainable business growth. Significant support is also evident in the relationship between Altruism and Business Growth, as explained by Shen et al. and Bhattarai et al.⁶⁷ This indicates that businesses engaged in altruistic activities, such as philanthropy and community service, may experience improved growth prospects over time. Therefore, corporate altruistic behavior can build reputation, customer trust, and employee loyalty, creating positive engagement with the community and, consequently, supporting business growth through increased sales and corporate image.

In the context of Business Zakat Compliance, findings indicate that the relationships between Financial Accountability, Information Quality, and Altruism towards Business Zakat Compliance do not receive significant support (Unsupported), despite literature emphasizing the importance of financial accountability, information quality, and altruism in driving compliance with business zakat.⁶⁸ Other factors, such as organizational policies or other hindrances, may influence these

⁶³ Mohamed and Nor, "Assessing the Effects of the Mobile Money Service on Small and Medium Sized Enterprises: Study on EVC-Plus Services in Somalia"; Johanda Putri et al., "Growth, Intellectual Capital, Financial Performance And Firm Value : Evidence From Indonesia Automotive Firms."

⁶⁴ Kosmas Njanike, "The Factors Influencing SMEs Growth in Africa: A Case of SMEs in Zimbabwe," in *Regional Development in Africa* (IntechOpen, 2020), <https://www.intechopen.com/books/regional-development-in-africa/the-factors-influencing-smes-growth-in-africa-a-case-of-smes-in-zimbabwe>.

⁶⁵ Nurfarahin Roslan et al., "Preliminary Investigation: Accounting Literacy among Small Business Owners," *International Journal of Academic Research in Business and Social Sciences* 8, no. 10 (October 28, 2018), <http://hrmars.com/index.php/journals/papers/IJARBS/v8-i10/4709>.

⁶⁶ Adriana Shamsudin et al., "Utilising SATA in Measuring Students' Understanding of Financial

Statements: A Survey among Non-Accounting Students," *Jurnal Dinamika Akuntansi* 12, no. 1 (March 3, 2020): 24-33, <https://journal.unnes.ac.id/nju/index.php/jda/article/view/24811>.

⁶⁷ Shen et al., "The Influence of Top Management Team Human Capital on Sustainable Business Growth"; Bhattarai, Pokharel, and Budhathoki, "Career Development Opportunity Cures for the Impairment Effect of Careerist Orientation on Organizational Citizenship Behaviours: Empirical Evidences Form Project Based Employees Working in Non-Profit Making Organization."

⁶⁸ Khamis et al., "Length of Business Operation and Its Relationship with Compliance Behaviour of Business Zakat among Owners of SMEs"; Fasiha and Abdullah, "Zakat Management Formulation: Improving the Quality of Management with a Quality Assurance Approach."

relationships. On the other hand, the relationship between Business Growth receives significant support (Supported), aligning with literature suggesting that business growth can influence compliance with business zakat.⁶⁹

Based on mediation analysis, it is revealed that the relationships between Information Quality and Altruism towards Business Zakat Compliance are mediated by Business Growth and receive significant support (Supported). Companies compliant with zakat tend to experience positive development. It is crucial to understand that Business Growth can serve as a mediator in the relationships between Information Quality, Altruism, and Business Zakat Compliance. Business growth can result from a better understanding of information, the implementation of social responsibility values, and adherence to zakat obligations. Conversely, the obtained business growth can reinforce the company's commitment to these positive practices.

In other words, Information Quality and Altruism can provide the foundation or motivation for companies to adhere to zakat obligations, while Business Growth can be the outcome or consequence of compliance with these obligations. However, the relationship between Financial Accountability and Business Zakat Compliance mediated by Business Growth does not receive significant support (Unsupported). This may be due to a lack of literacy among SMEs, where good financial accountability does not automatically increase compliance with

business zakat even if their business experiences growth. Financial literacy is key to improving the effectiveness of financial planning and management.⁷⁰

5. CONCLUSION

Examining the interplay among Financial Accountability, Information Quality, Altruism, Business Growth, and Business Zakat Compliance in Indonesia reveals significant implications for improving business zakat compliance. Despite the study not finding substantial support for the direct influence of Financial Accountability on Business Zakat Compliance, it highlights the critical role of financial literacy among SMEs. Closing this literacy gap becomes pivotal in bridging the potential disparity between robust financial practices and compliance with zakat obligations, particularly since business growth alone does not effectively mediate this relationship.

Therefore, a targeted approach is essential, directing efforts toward enhancing financial literacy among SMEs to equip them with the necessary knowledge and skills for navigating financial responsibilities, including zakat compliance. Additionally, considering the established connection between Information Quality, Altruism, and Business Zakat Compliance mediated by Business Growth, businesses should concentrate on improving information quality and participating in altruistic activities. These initiatives not only foster positive business growth but also act as motivational factors for zakat compliance.

⁶⁹ Saad, Farouk, and Abdul Kadir, "Business Zakat Compliance Behavioral Intention in a Developing Country"; Md Kausar Alam et al., "The Influences of Shariah Governance Mechanisms on Islamic Banks Performance and Shariah Compliance Quality," *Asian Journal of Accounting Research* 7, no. 1 (2022): 2-16,

https://api.elsevier.com/content/abstract/scopus_id/85118671012.

⁷⁰ Shamsudin et al., "Utilising SATA in Measuring Students' Understanding of Financial Statements: A Survey among Non-Accounting Students."

Furthermore, organizations can capitalize on their growth to strengthen their commitment to responsible financial practices, thereby establishing a more sustainable and compliant business environment. Overall, adopting a holistic strategy that integrates financial literacy initiatives, information quality enhancement, altruistic engagement, and strategic business growth can contribute to cultivating a culture of business zakat compliance in Indonesia.

Regarding the study's limitations, it's important to note the specific context of the research, potentially limiting generalizability to other settings. Additionally, reliance on cross-sectional data may not capture dynamic changes over time, and measurement methods for variables like Financial Accountability, Information Quality, and Altruism may have inherent biases. The study's focus on SMEs in a particular industry further narrows the scope. Future research could address these limitations by conducting longitudinal studies, expanding the sample to diverse industries and company sizes, and utilizing more robust measurement techniques.

Investigating the role of cultural and contextual factors in influencing the relationships between financial practices, information quality, altruism, business growth, and zakat compliance would provide a more comprehensive understanding. Furthermore, exploring the impact of technological advancements on financial practices and compliance in the context of evolving business environments could offer valuable insights. Additionally, examining the moderating effects of external factors, such as regulatory frameworks and economic conditions, would enhance the applicability of

findings across different business landscapes.

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