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Beyond Zakat: Unpacking the Drivers of Entrepreneurial Success among Asnaf

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Abstract: Productive zakat programs are intended to support the economic empowerment of asnaf (zakat recipients), including their transition towards sustainable self-employment. However, the individual-level factors associated with entrepreneurial success among asnaf remain insufficiently understood. This study examines the relationships of five psychological entrepreneurial traits—self-efficacy, locus of control, innovativeness, risk-taking propensity, and need for achievement—and religiosity with entrepreneurial success among participants in the Skim Bantuan Jayadiri administered by Lembaga Zakat Negeri Kedah (LZNK). A quantitative cross-sectional survey was conducted with 152 asnaf entrepreneurs across the twelve districts of Kedah, and the data were analyzed using SPSS. Multiple regression results indicate that self-efficacy, locus of control, innovativeness, and religiosity are positive, statistically significant predictors of entrepreneurial success, whereas risk-taking propensity and need for achievement are not statistically significant after the other predictors are considered simultaneously. Religiosity has the largest standardized coefficient in the model. The findings suggest that zakat institutions may complement financial assistance with capability development, practical innovation support, and ethically grounded entrepreneurship training. Because the study is cross-sectional and confined to one state program, the findings should be interpreted as associations within this setting rather than causal effects or evidence of nationwide program effectiveness.

Keywords: *Entrepreneurial Asnaf; Islamic Entrepreneurship; Entrepreneurial Success; Religiosity; Self-Efficacy; Sustainable Poverty Alleviation*

1. Introduction

Poverty and limited economic participation remain persistent socio-economic challenges worldwide. Over recent decades, entrepreneurship has been increasingly recognized as an effective mechanism for promoting inclusive economic growth, generating employment opportunities, and facilitating upward social mobility, particularly among disadvantaged communities. Consequently, governments and development agencies have implemented entrepreneurship-based poverty alleviation initiatives to empower marginalized groups towards sustainable economic self-sufficiency. Within the Islamic economic framework, entrepreneurship extends beyond economic activity and is regarded as a means of fulfilling social obligations and achieving balanced socio-economic development in accordance with the objectives of Maqasid al-Shariah (Mohieldin et al., 2012).

In Malaysia, zakat institutions have progressively shifted from conventional welfare-based assistance towards productive zakat initiatives aimed at empowering zakat recipients (asnaf) economically. Rather than providing temporary financial relief, productive zakat seeks to develop the capacity of asnaf to achieve long-term financial independence and transition from zakat recipients to zakat contributors. Entrepreneurial development has emerged as one of the primary approaches adopted by State Islamic Religious Councils to realize this objective. Through financial assistance, entrepreneurial training, mentoring, and continuous business support, asnaf with entrepreneurial potential are provided opportunities to establish and sustain micro-enterprises (Abdul Halim et al., 2012; Din et al., 2019). Such initiatives closely reflect the broader objectives of Islamic social finance in promoting wealth circulation, poverty alleviation, and the socio-economic upliftment of the Muslim community.

Among these initiatives, entrepreneurial empowerment programs have demonstrated considerable potential in fostering both economic and social advancement among underprivileged groups. However, entrepreneurial success within the context of productive zakat extends beyond financial profitability and encompasses business

sustainability, self-sufficiency, upward social mobility, and positive societal contributions (Afif Muhamat et al., 2013; Fisher et al., 2014). Despite substantial institutional support, achieving sustainable entrepreneurial outcomes among asnaf remains a significant challenge. Previous studies have reported that many participants struggle to sustain their businesses despite receiving financial and structural assistance. Such challenges are frequently attributed to inadequate entrepreneurial competencies, limited psychological preparedness, and difficulties in adapting to the behavioral demands associated with managing a business venture.

Research on asnaf entrepreneurship has often emphasized program-level and external supports, including financial assistance, training, marketing support, and business networks (Afif Muhamat et al., 2013; Hashim et al., 2021). These supports are important, but they do not fully explain why entrepreneurs who receive assistance may experience different business outcomes. Entrepreneurship research indicates that individual-level capabilities and dispositions can also shape how entrepreneurs recognize opportunities, respond to setbacks, and use available resources (Rauch & Frese, 2007; Chatterjee et al., 2019). In the context of Muslim entrepreneurship, religiosity may also provide an important ethical and motivational dimension to entrepreneurial activities (Ali & Al-Owaihan, 2008).

A specific gap therefore remains in understanding how psychological entrepreneurial traits operate alongside religiosity among participants in a productive-zakat program. This study addresses that gap by testing six individual-level predictors against entrepreneurial success among participants in LZNK's Skim Bantuan Jayadiri in Kedah. It does not evaluate the program's causal impact, because the design does not include a comparison group or longitudinal outcome data. Addressing this gap can provide a more nuanced understanding of why entrepreneurial outcomes may differ among beneficiaries who have received program support.

In Malaysia, productive zakat programs have increasingly been used to support the economic empowerment of asnaf through business capital assistance, entrepreneurial training, mentoring, and other forms of institutional support. These initiatives aim to facilitate the transition of zakat recipients towards greater economic independence and, ultimately, the capacity to contribute zakat themselves. However, the provision of financial and institutional assistance alone does not necessarily explain differences in entrepreneurial outcomes among program participants. Understanding the individual-level factors associated with entrepreneurial success is therefore important for strengthening the design of productive zakat initiatives.

Within Muslim communities, entrepreneurial behavior is influenced not only by psychological and economic considerations but also by religious values. From an Islamic perspective, entrepreneurship conducted ethically and in accordance with Shariah principles constitutes an act of worship (ibadah) that embodies accountability, perseverance, honesty, and social responsibility. Religiosity therefore serves as an important moral and motivational mechanism that shapes entrepreneurial attitudes and behaviors. Previous studies have demonstrated that religious commitment positively contributes to entrepreneurial development by strengthening intrinsic motivation and promoting ethical business practices. Nevertheless, empirical studies integrating religiosity with psychological entrepreneurial traits within the context of productive zakat and asnaf empowerment programs remain limited.

The study makes a context-specific contribution by examining the combined associations of five psychological traits and religiosity with entrepreneurial success among entrepreneurial asnaf in Kedah. This focus is relevant because the objective of productive zakat is not limited to immediate relief; it also seeks to support beneficiaries' longer-term economic participation. The study does not assume that all productive-zakat programs fail or that the Kedah program is ineffective. Rather, it examines variation in reported entrepreneurial success among program participants, providing evidence that may inform further assessment and program design. The findings should be generalized cautiously beyond the respondents and institutional setting studied.

Accordingly, this study examines the relationships of self-efficacy, locus of control, innovativeness, risk-taking propensity, need for achievement, and religiosity with entrepreneurial success among asnaf entrepreneurs participating in the Skim Bantuan Jayadiri program in Kedah, Malaysia. By examining these six predictors within a unified empirical framework, the study contributes context-specific evidence to the literature on

Islamic entrepreneurship and productive zakat. The findings may also inform zakat institutions in considering how psychological capability development and religiously grounded ethical guidance can complement existing financial and entrepreneurial support.

2. Literature Review

Theoretical Foundations and Integration

This study draws on three complementary perspectives to explain entrepreneurial success among asnaf entrepreneurs: Psychological Entrepreneurship Traits Theory, Social Cognitive Theory and the Islamic entrepreneurship perspective. Rather than treating these perspectives as separate explanations, the study integrates them to examine entrepreneurial success from individual, capability-related and religious-value dimensions.

Psychological Entrepreneurship Traits Theory serves as the primary theoretical foundation for examining the individual characteristics associated with entrepreneurial success. From this perspective, entrepreneurial outcomes may be related to characteristics such as locus of control, innovativeness, risk-taking propensity and need for achievement. These characteristics provide a basis for investigating why individuals may differ in their approaches to identifying opportunities, making decisions and managing business challenges. In the present study, this perspective provides the overarching rationale for examining psychological characteristics as potential predictors of entrepreneurial success among asnaf entrepreneurs. Entrepreneurs who demonstrate stronger psychological characteristics are generally more resilient, proactive and adaptable in navigating entrepreneurial challenges (Chatterjee et al., 2019).

Social Cognitive Theory complements the trait perspective by providing a more specific explanation of self-efficacy. While the trait perspective focuses on relatively enduring individual characteristics, Social Cognitive Theory emphasizes the role of perceived capabilities in shaping behavior and performance. Self-efficacy concerns individuals' beliefs about their ability to organize and execute actions required to achieve particular goals. In an entrepreneurial setting, these beliefs may be relevant to decision-making, persistence and responses to business difficulties. Accordingly, Social Cognitive Theory provides a complementary theoretical explanation for self-efficacy in the research framework.

The Islamic entrepreneurship perspective provides the religious and ethical lens through which entrepreneurship is examined in the context of asnaf. In this study, it is used as a theoretical lens rather than being presented as a separate, fully developed formal theory. Religiosity is included as an individual-level predictor to examine whether religious values are associated with entrepreneurial success. This perspective is relevant because entrepreneurship among asnaf beneficiaries takes place within a productive zakat context, in which economic empowerment can be considered alongside ethical conduct, responsibility and the broader objective of improving beneficiaries' economic well-being. Nevertheless, the relationship between religiosity and entrepreneurial success remains an empirical question rather than an assumption.

The study of entrepreneurial success has evolved from predominantly economic perspectives towards a greater appreciation of the psychological determinants underlying entrepreneurial behavior and performance. Early entrepreneurship research largely focused on objective measures of success, such as profitability, business growth, and market performance. More recently, scholars have recognized that entrepreneurial outcomes are substantially influenced by individual psychological characteristics that shape how entrepreneurs perceive opportunities, respond to challenges, and sustain business performance over time (Rauch & Frese, 2007).

Within Muslim communities, entrepreneurial activities are influenced not only by psychological and economic considerations but also by religious values. From an Islamic perspective, entrepreneurship conducted ethically and in accordance with Shariah principles constitutes an act of worship (*ibadah*) that promotes both individual prosperity and societal wellbeing. Religiosity therefore functions as an important moral and motivational mechanism that shapes entrepreneurial attitudes, ethical conduct, perseverance, and social responsibility (Mohieldin et al., 2012). Religious values may further strengthen entrepreneurs' commitment towards sustainable business practices, particularly among beneficiaries of Islamic social finance initiatives.

The theoretical framework combines three complementary elements. First, the psychological-traits perspective provides the organizing framework for examining self-efficacy, locus of control, innovativeness, risk-taking propensity, and need for achievement as individual differences associated with entrepreneurial outcomes. Second, Social Cognitive Theory as stated by Bandura (1986, 2001) offers a more specific explanation for self-efficacy: entrepreneurs' beliefs about their capabilities may influence persistence and the way they respond to challenges. Third, the Islamic entrepreneurship perspective is used as a contextual and normative lens—not as a separately tested formal theory—to explain why religiosity may be relevant to entrepreneurial conduct among Muslim asnaf. In this framework, the traits perspective organizes the predictors, Social Cognitive Theory explains the self-efficacy mechanism, and the Islamic perspective contextualizes religiosity and ethical responsibility. These perspectives are complementary, but the present regression model tests the associations of the measured predictors with entrepreneurial success; it does not empirically test interactions among the theories.

Self-Efficacy and Entrepreneurial Success

Self-efficacy is generally considered an important psychological resource for entrepreneurship because it influences individuals' confidence in managing business challenges and pursuing opportunities. However, the strength of its relationship with entrepreneurial outcomes may depend on the context in which entrepreneurs operate. For asnaf entrepreneurs, confidence in one's capabilities may support business decision-making and persistence, but its contribution may also depend on access to capital, business knowledge and market opportunities. Therefore, self-efficacy should be examined as a potential contributor to entrepreneurial success rather than assumed to guarantee it (Bandura, 1986).

Empirical studies have consistently reported a positive relationship between self-efficacy and entrepreneurial outcomes. Rauch and Frese (2007) found that self-efficacy enhances entrepreneurs' abilities to identify opportunities, establish goals, and sustain business performance. Similarly, Chatterjee et al. (2019) demonstrated that entrepreneurs with higher levels of self-efficacy are more likely to achieve superior entrepreneurial performance than their counterparts with lower levels of entrepreneurial confidence. More recently, Caliendo et al. (2023) reported that self-efficacy positively influences business survival and entrepreneurial income, particularly among entrepreneurs pursuing innovation-oriented and growth-focused ventures.

Within the context of entrepreneurial asnaf, self-efficacy assumes even greater importance given the socio-economic challenges frequently encountered by program participants. Limited entrepreneurial experience, financial constraints, and business uncertainties may undermine individuals' confidence in their ability to successfully manage entrepreneurial activities. Consequently, entrepreneurial empowerment programs implemented by zakat institutions are intended not only to provide financial support but also to strengthen beneficiaries' entrepreneurial capabilities and confidence. Asnaf entrepreneurs who possess stronger self-efficacy are expected to utilize available resources more effectively, demonstrate greater perseverance, and exhibit stronger commitment towards sustaining their business ventures over time. Consequently,
H1: *Self-efficacy is positively associated with entrepreneurial success among entrepreneurial asnaf.*

Locus of control and entrepreneurial success

Locus of control is an important psychological characteristic that influences entrepreneurial behavior and business performance. Originally introduced by Rotter (1966), locus of control refers to individuals' beliefs regarding the extent to which they can influence outcomes through their own actions and decisions. Entrepreneurs possessing a strong internal locus of control tend to perceive business outcomes as largely determined by their personal effort, capabilities, and perseverance rather than by external circumstances. Consequently, they are generally more proactive in identifying opportunities, overcoming challenges, and exercising greater control over their entrepreneurial activities.

Consistent with Psychological Entrepreneurship Traits Theory, entrepreneurs with a stronger internal locus of control are more likely to achieve superior entrepreneurial outcomes because they view business-related challenges as manageable and responsive to their actions and decisions (Rauch & Frese, 2007). Such individuals exhibit higher levels of entrepreneurial commitment, opportunity recognition, and persistence when confronted with uncertainty. Mueller and Thomas (2001) similarly reported that entrepreneurs with stronger

internal locus of control demonstrate greater entrepreneurial commitment and are more willing to learn, adapt, and persist in pursuing entrepreneurial goals compared with individuals who attribute outcomes primarily to external factors.

Empirical evidence further supports the positive role of locus of control in entrepreneurial development. Hamzah and Othman (2023) found that internal locus of control positively influences entrepreneurial outcomes through the development of entrepreneurial competencies among small business owners. Their findings suggest that entrepreneurs who believe they can influence business outcomes are more likely to actively develop their competencies and strategically utilize available resources to achieve sustainable business performance. These characteristics are particularly important within entrepreneurial environments that require continuous learning, adaptability, and resilience.

Within the context of entrepreneurial asnaf programs, locus of control assumes even greater importance given the socio-economic challenges frequently encountered by program participants. Productive zakat initiatives are designed not merely to provide financial assistance but to facilitate the long-term economic empowerment of asnaf entrepreneurs. Achieving this objective requires beneficiaries to demonstrate initiative, perseverance, and confidence in their ability to influence their entrepreneurial outcomes. Asnaf entrepreneurs with stronger internal locus of control are therefore more likely to utilize institutional support effectively, proactively develop their entrepreneurial competencies, and sustain their business ventures over time. By perceiving entrepreneurial success as the outcome of their own efforts and commitment, they are better positioned to achieve both economic self-sufficiency and sustainable entrepreneurial performance. Hence,
H2: *Locus of control is positively associated with entrepreneurial success among entrepreneurial asnaf.*

Innovativeness and entrepreneurial success

Innovativeness is an important psychological entrepreneurial trait that reflects an individual's propensity to generate creative ideas, develop novel solutions, and implement improvements that enhance business performance and competitiveness. Mueller and Thomas (2001) define innovativeness as the tendency to introduce and apply new ideas, systems, and processes that enable entrepreneurs to respond effectively to changing market conditions. Within entrepreneurial settings, innovativeness facilitates opportunity recognition, problem-solving capabilities, and strategic adaptability, all of which are essential for sustaining business growth and competitiveness.

Consistent with Psychological Entrepreneurship Traits Theory, innovativeness contributes significantly to entrepreneurial success by enabling entrepreneurs to adapt to dynamic business environments and overcome entrepreneurial challenges (Rauch & Frese, 2007). Entrepreneurs who possess higher levels of innovativeness are generally more capable of identifying emerging opportunities, refining business practices, and introducing value-creating solutions that strengthen their competitive advantage. In increasingly competitive markets characterized by evolving consumer preferences and technological advancements, innovativeness allows entrepreneurs to respond proactively to environmental changes and sustain business performance over time (Chatterjee et al., 2019).

Empirical studies have consistently demonstrated the positive relationship between innovativeness and entrepreneurial performance. Falahat et al. (2018) found that entrepreneurial innovativeness positively influences perceived business growth, competitive performance, and non-financial business outcomes. Their findings suggest that innovative entrepreneurs are better positioned to enhance business sustainability through continuous learning, strategic adaptation, and the effective utilization of entrepreneurial opportunities. In addition, a study by Falahat et al. (2018) revealed that there was a significant positive impact of entrepreneurial innovativeness on three types of business performance, namely perceived non-financial performance, perceived business growth, and perceived performance relative to competitors.

Within the context of entrepreneurial asnaf programs, innovativeness assumes particular importance given that many beneficiaries operate small and micro-enterprises in highly competitive and resource-constrained environments. Productive zakat initiatives are intended not only to facilitate business creation but also to cultivate sustainable entrepreneurial capabilities that promote long-term economic independence. Asnaf entrepreneurs who exhibit stronger innovative capabilities are more likely to adapt their business strategies,

effectively utilize institutional support, and continuously improve their products, services, and operational practices. Their willingness to seek new knowledge, embrace change, and explore entrepreneurial opportunities may further strengthen their capacity to sustain business performance and achieve economic self-sufficiency. Consequently, innovativeness constitutes an important internal entrepreneurial resource that contributes to sustainable entrepreneurial outcomes among entrepreneurial asnaf. Therefore,
H3: *Innovativeness is positively associated with entrepreneurial success among entrepreneurial asnaf.*

Risk-taking propensity and entrepreneurial success
Risk-taking propensity is an important psychological entrepreneurial trait that reflects an individual's willingness to undertake calculated and strategic risks when pursuing entrepreneurial opportunities. Entrepreneurship is inherently characterized by uncertainty arising from fluctuating market conditions, resource constraints, and evolving business environments. Consequently, entrepreneurs are frequently required to make strategic decisions despite possessing incomplete information regarding future outcomes. Individuals with higher levels of risk-taking propensity are generally more willing to evaluate opportunities, commit resources, and implement innovative strategies that may contribute to business growth and sustainability.

Consistent with Psychological Entrepreneurship Traits Theory, risk-taking propensity contributes to entrepreneurial success by enabling entrepreneurs to respond proactively to uncertainty and strategically pursue value-creating opportunities (Rauch & Frese, 2007). Rather than reflecting reckless behavior, entrepreneurial risk-taking involves the ability to make informed and responsible decisions by carefully weighing potential benefits against possible consequences. Entrepreneurs possessing moderate and calculated risk-taking tendencies are more likely to allocate resources strategically, adapt their business approaches, and pursue opportunities that enhance entrepreneurial performance and long-term business sustainability.

Within the context of entrepreneurial asnaf programs, risk-taking propensity assumes particular importance given the financial and operational challenges frequently encountered by program participants. Many asnaf entrepreneurs operate small and nascent businesses that require them to make strategic decisions concerning investment, business expansion, and resource utilization despite operating under resource constraints. Productive zakat initiatives provide institutional support that facilitates entrepreneurial development; however, the effective utilization of such support ultimately depends upon the entrepreneur's willingness to recognize and pursue viable business opportunities. Asnaf entrepreneurs who possess stronger risk-taking tendencies are therefore more likely to make informed entrepreneurial decisions, strategically utilize available resources, and adapt proactively to business challenges. Their willingness to undertake calculated risks may further strengthen their capacity to sustain business performance and achieve long-term economic self-sufficiency. Therefore,
H4: *Risk-taking propensity is positively associated with entrepreneurial success among entrepreneurial asnaf.*

Achievement and entrepreneurial success
The need for achievement is one of the most established psychological determinants of entrepreneurial behavior and motivation. Originally proposed by McClelland (1961), Need Achievement Theory posits that individuals possessing higher levels of achievement motivation are intrinsically driven to pursue excellence, establish challenging goals, and continuously improve their performance. Such individuals derive satisfaction from accomplishing difficult tasks and demonstrate greater perseverance when confronted with obstacles and setbacks. Within entrepreneurial settings, the need for achievement motivates individuals to pursue business goals proactively and sustain their commitment towards long-term entrepreneurial success.

Consistent with Psychological Entrepreneurship Traits Theory, the need for achievement contributes significantly to entrepreneurial outcomes by fostering persistence, self-improvement, and goal-directed behavior (Rauch & Frese, 2007). Achievement-oriented entrepreneurs are generally more willing to develop entrepreneurial competencies, embrace continuous learning, and pursue innovative approaches that strengthen business performance and sustainability. Rather than perceiving failure as an endpoint, they are more likely to interpret entrepreneurial challenges as opportunities for growth and improvement. Consequently, individuals possessing higher levels of achievement motivation are better positioned to sustain entrepreneurial efforts and adapt effectively to dynamic business environments.

Empirical studies have consistently demonstrated the positive relationship between the need for achievement and entrepreneurial performance. Collins et al. (2004) identified achievement motivation as an important determinant of entrepreneurial behavior and success, while Makuya (2024) reported that the need for achievement exerts a direct and significant positive influence on financial performance. Similarly, Akhtar et al. (2020) found that achievement motivation positively influences entrepreneurial intentions both directly and indirectly through entrepreneurial self-efficacy. Staniewski and Awruk (2019) also found significant correlations between entrepreneurial success and achievement motivation (e.g., Flexibility, Courage, Faith in success, Dominance, Preference for difficult tasks, Independence, and Objective orientation), thereby confirming the theoretical accuracy of the Questionnaire of Entrepreneurial Success. Nookazi and Mpiti (2023) also evaluated the relationship between the need for achievement and entrepreneurial performance thereby looking at some personality traits (risk-taking propensity, independence, and motivation) of entrepreneurs in the Chris Hani District Municipality. The findings of this study indicated that the need for achievement has the potential to enhance entrepreneurial performance. Collectively, these findings suggest that entrepreneurs possessing stronger achievement motivation are more likely to demonstrate sustained entrepreneurial commitment and superior business outcomes.

Within the context of entrepreneurial asnaf programs, the need for achievement assumes particular importance given that productive zakat initiatives are intended to facilitate sustainable socio-economic transformation rather than provide temporary financial assistance. The successful transition of asnaf from zakat recipients to financially independent entrepreneurs requires sustained entrepreneurial commitment that extends beyond financial support and technical competencies. Asnaf entrepreneurs possessing stronger achievement motivation are more likely to actively develop entrepreneurial capabilities, pursue continuous business improvement, and utilize institutional support effectively to achieve long-term entrepreneurial goals. Their intrinsic motivation to excel may further strengthen their commitment towards business sustainability, economic self-sufficiency, and meaningful contributions to their communities. Accordingly, entrepreneurial success among asnaf should be understood not only in terms of financial profitability but also in terms of sustainable economic empowerment and self-reliance. Thus,

H5: *Need for achievement is positively associated with entrepreneurial success among entrepreneurial asnaf.*

Religiosity and entrepreneurial success

Unlike conventional entrepreneurship literature, which predominantly emphasizes the psychological and economic determinants of entrepreneurial success, Islamic entrepreneurship recognizes entrepreneurship as a multidimensional endeavor encompassing economic, ethical, and spiritual dimensions. Within the Islamic worldview, entrepreneurial activities conducted in accordance with Shariah principles are not merely economic pursuits but constitute acts of worship (*ibadah*) that contribute to both individual prosperity and societal wellbeing. Consequently, entrepreneurial success extends beyond financial achievement to include ethical conduct, social responsibility, and the fulfilment of broader Maqasid al-Shariah objectives. Within this context, religiosity assumes an important role in shaping entrepreneurs' motivations, values, and business behaviors.

Religiosity refers to the extent to which individuals internalize and practice their religious beliefs and values in their daily lives (Worthington et al., 2003). It influences individuals' attitudes, motivations, and behavioral orientations across various domains, including entrepreneurship. Entrepreneurs possessing stronger religious commitment are generally more likely to demonstrate honesty, accountability, perseverance, and social responsibility in conducting their business activities. Religious values may further strengthen intrinsic motivation by encouraging disciplined entrepreneurial behavior, continuous self-improvement, and commitment towards ethical business practices. Previous studies have consistently reported positive relationships between religiosity and entrepreneurial commitment, business sustainability, and ethical entrepreneurial behavior among Muslim communities (Ali & Al-Owaihan, 2008).

Empirical evidence further highlights the significance of religiosity in shaping entrepreneurial outcomes across diverse contexts. Lim et al. (2025) found that religious values positively influence entrepreneurial orientation dimensions, including autonomy, innovativeness, proactivity, and risk-taking behaviors among restaurant entrepreneurs. Similarly, Sulaiman et al. (2019) reported significant relationships between religiosity, emotional regulation, motivation, and entrepreneurial behavior, while Lehmann and Wiebe (2025) identified

positive associations between religiosity and entrepreneurial performance, although the magnitude of such relationships may vary across cultural and religious contexts. McIntyre. et al. (2023) investigated the impact of religiosity on entrepreneurial intentions. They discovered a significant relationship between religiosity and the intent to participate in social entrepreneurship, but no relationship between religiosity and traditional entrepreneurship intentions. Maviya. et al. (2024) studied the effects of religious practices on entrepreneurship. Their findings indicated that religious cultural practices promote success in entrepreneurship activities. All of these practices are based on faith, which renders it impossible to scientifically prove the claims therein. These religious practices promote some ethics as motivation within the individuals which results in the success of their entrepreneurship activities. Collectively, these findings suggest that religiosity contributes not only to entrepreneurial motivation but also to the development of ethical and sustainable entrepreneurial practices.

Within the context of entrepreneurial asnaf programs, religiosity assumes particular importance given that productive zakat initiatives are inherently grounded in the broader objectives of Maqasid al-Shariah, including poverty alleviation, wealth redistribution, and sustainable socio-economic development. Entrepreneurial empowerment programs are intended not merely to facilitate income generation but to cultivate financially independent and socially responsible entrepreneurs who contribute positively to their communities. Consequently, religiosity may function as an important spiritual resource that strengthens perseverance, self-discipline, and commitment towards sustainable entrepreneurial practices. Religious asnaf are therefore more likely to perceive entrepreneurial activities not solely as mechanisms for financial gain but also as opportunities to fulfil social responsibilities and contribute meaningfully to societal wellbeing.

Religiosity may shape entrepreneurial behavior by influencing individuals' values, ethical judgements, business practices and perceptions of responsibility. In the context of asnaf entrepreneurship, religious beliefs may provide a source of motivation and guidance in conducting business activities. However, the extent to which religiosity translates into entrepreneurial success remains an empirical question, as business outcomes may also depend on entrepreneurial capabilities, financial resources and market conditions. Therefore, examining the association between religiosity and entrepreneurial success is important for understanding the potential role of religious values in the development of asnaf entrepreneurs. Asnaf entrepreneurs possessing stronger religious commitment are therefore expected to demonstrate greater perseverance, ethical consciousness, and dedication towards achieving both economic self-sufficiency and broader social objectives.
H6: *Religiosity is positively associated with entrepreneurial success among entrepreneurial asnaf.*

3. Research Methodology

Research Design

This study adopts a quantitative, cross-sectional research design to examine the determinants of entrepreneurial success among entrepreneurial asnaf participating in the Skim Bantuan Jayadiri program administered by Lembaga Zakat Negeri Kedah (LZNK), Malaysia. Quantitative research is particularly appropriate for examining relationships among multiple constructs and testing hypotheses derived from established theoretical frameworks (Hair et al., 2022). Given that the present study investigates the influence of psychological entrepreneurial traits and religiosity on entrepreneurial success, a quantitative correlational approach provides an appropriate means of assessing the relationships among the study variables.

Consistent with the theoretical framework underpinning this study, Psychological Entrepreneurship Traits Theory explains the role of psychological entrepreneurial characteristics, while the Islamic entrepreneurship perspective highlights the importance of religiosity as a spiritual determinant of entrepreneurial behavior and outcomes. Accordingly, the present study examines the influence of self-efficacy, locus of control, innovativeness, risk-taking propensity, need for achievement, and religiosity on entrepreneurial success among entrepreneurial asnaf.

The unit of analysis comprises entrepreneurial asnaf who participated in the Skim Bantuan Jayadiri program administered by Lembaga Zakat Negeri Kedah (LZNK). This population is particularly relevant because productive zakat initiatives are designed to facilitate the long-term socio-economic transformation of beneficiaries from zakat recipients into financially independent entrepreneurs and, ultimately, zakat

contributors. Examining entrepreneurial asnaf therefore provides valuable insights into the effectiveness and sustainability of entrepreneurial empowerment programs implemented by zakat institutions in Malaysia.

Data were collected between October and December 2024 using a cross-sectional survey. The target population comprised asnaf entrepreneurs who participated in the Skim Bantuan Jayadiri administered by Lembaga Zakat Negeri Kedah (LZNK) between 2020 and 2024. Although program participation covered several years, data were collected from respondents during a single survey period.

Population and Sampling Procedures

The target population of this study comprises entrepreneurial asnaf who participated in the Skim Bantuan Jayadiri program implemented by Lembaga Zakat Negeri Kedah (LZNK) between 2020 and 2024. The program represents one of LZNK's productive zakat initiatives that provides eligible asnaf beneficiaries with business capital assistance, entrepreneurial training, and continuous business development support. Beyond poverty alleviation, the program seeks to promote sustainable economic empowerment by facilitating beneficiaries' transition from zakat recipients to economically self-sufficient entrepreneurs.

A total of 152 entrepreneurial asnaf respondents from all twelve districts of Kedah participated in the study. Respondents were identified using official records provided by Lembaga Zakat Negeri Kedah. Given the specialized nature of the study population, only entrepreneurial asnaf who had participated in the Skim Bantuan Jayadiri program were considered eligible to participate. This selection criterion was necessary to ensure that respondents possessed the entrepreneurial experience required to meaningfully evaluate the constructs examined in the present study.

Simple random sampling was employed to ensure that all eligible entrepreneurial asnaf registered under the program had an equal probability of selection. This sampling technique was chosen because it enhances sample representativeness while reducing the likelihood of selection bias (Sekaran & Bougie, 2019). Furthermore, restricting participation to entrepreneurial asnaf enhances the internal validity of the study by ensuring that the findings are directly relevant to the context of productive zakat entrepreneurial empowerment programs.

From a statistical perspective, the sample size of 152 respondents satisfies the recommended minimum requirements for multiple regression analyses involving six predictor variables (Hair et al., 2022). The sample therefore provides adequate statistical power for testing the proposed hypotheses and evaluating the relative contributions of psychological entrepreneurial traits and religiosity towards entrepreneurial success among entrepreneurial asnaf.

Data Collection Procedures

Primary data were collected using a self-administered online questionnaire distributed through Google Forms between October and December 2024. The questionnaire was administered once to eligible participants across the twelve districts of Kedah. This single-wave collection period is consistent with the cross-sectional design described above.

Participation in the study was entirely voluntary. Prior to completing the questionnaire, respondents were provided with a brief explanation outlining the objectives and purpose of the study together with assurances regarding the confidentiality and anonymity of their responses. Participants were informed that the information collected would be used exclusively for academic research purposes and that no personally identifiable information would be obtained throughout the data collection process. These procedures were implemented to ensure compliance with established ethical principles relating to informed consent, voluntary participation, anonymity, and confidentiality in human subject research.

Given that all variables were measured using self-reported responses collected from a single source at a single point in time, procedural remedies recommended by Podsakoff et al. (2003) were implemented to minimize the potential influence of Common Method Bias (CMB). Respondent anonymity was strictly maintained to reduce social desirability bias, while questionnaire items were carefully constructed using clear, concise, and neutral language to minimize response distortions. Furthermore, the measurement items were organized into distinct sections comprising demographic information, independent variables, and entrepreneurial success to

reduce consistency motif effects and respondents' tendencies to infer relationships among the study constructs. These procedural safeguards are consistent with best practices frequently adopted in behavioral and entrepreneurship research to enhance the validity and reliability of self-reported survey data.

Data Screening Procedures

Prior to hypothesis testing, several statistical assumptions were examined to ensure the robustness and validity of empirical findings. Missing values were treated using listwise deletion procedures, while potential outliers were systematically examined through both univariate and multivariate approaches. Univariate outliers were assessed using standardized Z-scores adopting the threshold value of ±3.29, whereas multivariate outliers were evaluated using Mahalanobis Distance statistics at the significance level of $p < 0.001$ (Hair et al., 2022).

The normality of the data distribution was subsequently examined using skewness and kurtosis statistics together with graphical inspections involving histograms and normal Q-Q plots. Following established recommendations within social science research, skewness and kurtosis values falling within acceptable thresholds indicate that the data are sufficiently normally distributed to support subsequent parametric analyses.

Furthermore, Harman's single-factor test was conducted as a post-hoc statistical assessment of Common Method Bias. The results indicated that no single factor accounted for the majority of the total variance, thereby suggesting that Common Method Bias does not pose a significant threat to the validity of the study findings. Collectively, these screening procedures provide additional confidence regarding the robustness of the dataset prior to hypothesis testing.

4. Results

This section presents empirical findings concerning the determinants of entrepreneurial success among entrepreneurial asnaf participating in the Skim Bantuan Jayadiri Program administered by Lembaga Zakat Negeri Kedah (LZNK). Consistent with the theoretical propositions advanced in this study, the analyses seek to determine whether entrepreneurial success among asnaf entrepreneurs is significantly influenced by psychological entrepreneurial traits and religiosity. The statistical analyses were performed using the Statistical Package for the Social Sciences (SPSS) Version 25 and comprised descriptive statistics, reliability analysis, Pearson's correlation analysis, and Multiple Linear Regression (MLR) analysis.

Table 1: Demographic Analysis

No	Profile	Description	Frequency	Percent
1	Gender	Male	67	44.1
		Female	85	55.9
2	Age	Under 30 years old	16	10.5
		31 – 40 years old	44	28.9
		41 – 50 years old	70	46.1
		51 years old and above	22	14.5
3	Business Type	Food	69	45.4
		Services	33	21.7
		Fishery	8	5.3
		Livestock	12	7.9
		Farming	18	11.8
		Others	12	7.9
4	Monthly Income	< RM1000	35	23.0
		RM1001 – RM3000	89	58.6
		RM3001 and above	28	18.4
5	Marital Status	Single	22	14.5
		Single Parent	23	15.1
		Married	87	57.2

		Divorced	20	13.2
6	Household size	1 – 3	70	46.1
		> 3	69	45.4
		None	13	8.6
7	Current Status	*Asnaf*	79	52.0
		Zakat Payer	73	48.0

Source: Authors' own data from survey

A total of 152 (Table 1) valid responses were retained for the subsequent analyses from entrepreneurial asnaf who participated in the Jayadiri Program between 2020 and 2024 across twelve districts in Kedah. The respondents comprised Muslim entrepreneurs who received productive zakat assistance either in the form of capital or business equipment provided by LZNK. The demographic profile indicates that the majority of respondents were female (55.9%), aged between 41 and 50 years (46.1%), operated businesses within the food industry (45.4%), earned monthly incomes ranging between RM1,001 and RM3,000 (58.6%), and were married (57.2%). Notably, approximately 48 per cent of the respondents had successfully transformed their status from zakat recipients to zakat payers, thereby reflecting the effectiveness of productive zakat initiatives in promoting economic empowerment among entrepreneurial asnaf.

Reliability analysis (Table 2) was conducted to assess the internal consistency of the scales. Cronbach's alpha ranged from 0.582 to 0.901. Entrepreneurial Success (α = 0.901), Self-efficacy (α = 0.889), Innovativeness (α = 0.853), Religiosity (α = 0.725), and Risk-taking Propensity (α = 0.702) showed higher internal consistency than Locus of Control (α = 0.582) and Need for Achievement (α = 0.587). The latter two coefficients fall below the commonly used 0.70 guideline and should therefore be treated as a measurement limitation rather than described as unequivocally acceptable. These values warrant caution in interpreting the findings associated with the two constructs. Accordingly, the coefficients are not treated as unequivocal evidence of adequate reliability. Further assessment of item-total correlations, item wording and scale dimensionality is necessary to determine whether the measurement properties of these constructs can be improved. The relatively low internal consistency also represents a limitation of the study and should be considered when interpreting the corresponding regression results.

Table 2: Reliability Analysis

Variables	Cronbach's Alpha	No of Items
Entrepreneurial Success	.901	10
Self-efficacy	.889	8
Locus of Control	.582	7
Innovativeness	.853	7
Risk-Taking Propensity	.702	5
Need for Achievement	.587	5
Religiosity	.725	6

Source: Authors' own data from survey

Pearson correlation analysis (Table 3) was used to examine bivariate associations among the study constructs. All six predictors were positively correlated with entrepreneurial success at the 0.01 level in the reported matrix. Religiosity showed the strongest bivariate association with entrepreneurial success (r = 0.549), followed by self-efficacy (r = 0.490) and innovativeness (r = 0.445). The largest reported intercorrelation among predictors was between self-efficacy and innovativeness (r = 0.427). These correlations provide preliminary evidence of association but do not, on their own, establish construct validity or rule out all multicollinearity concerns. The regression VIF values are therefore considered separately in the regression results.

Table 3: Correlation Analysis

Variables	1	2	3	4	5	6	7
Self-efficacy	1.00						
Locus of Control	0.126	1.00					
Innovativeness	0.427	0.221	1.00				
Risk-Taking	0.306	0.270	0.379	1.00			
Achievement	0.185*	0.145	0.275	0.343	1.000		
Religiosity	0.328	0.309	0.305	0.277	0.229	1.000	
Entrepreneurial	0.490	0.330	0.445	0.249	0.264	0.549	1.000

**Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).
Source: Authors' own data from survey

Multiple Linear Regression analysis was subsequently employed to simultaneously examine the relative contributions of Self-efficacy, Locus of Control, Innovativeness, Risk-taking Propensity, Need for Achievement, and Religiosity towards Entrepreneurial Success. The overall regression model was found to be statistically significant, producing an Adjusted R^2 value of 0.448. This indicates that approximately 44.8 per cent of the variance in Entrepreneurial Success is collectively explained by the six independent variables examined in this study, whilst the remaining 55.2 per cent may be attributable to other factors not included within the present investigation. The relatively substantial explanatory power of the regression model provides empirical support for the theoretical proposition that entrepreneurial success among productive zakat beneficiaries extends beyond financial capital assistance alone.

The overall regression model was statistically significant ($F = 21.392$, $p < 0.001$; Table 4). The adjusted R^2 of 0.448 indicates that the six predictors collectively account for 44.8% of the observed variance in entrepreneurial success in this sample. This is an in-sample explanatory result and should not be interpreted as evidence that the program caused entrepreneurial success. The reported VIF values range from 1.163 to 1.397, indicating no evident concern based on common VIF screening thresholds.

The regression coefficients indicate that four predictors are statistically significant at the 5% level. Religiosity has the largest standardized coefficient ($\beta = 0.354$, $p < 0.001$), followed by self-efficacy ($\beta = 0.282$, $p < 0.001$), innovativeness ($\beta = 0.189$, $p = 0.009$), and locus of control ($\beta = 0.151$, $p = 0.022$). Risk-taking propensity ($\beta = -0.076$, $p = 0.279$) and need for achievement ($\beta = 0.083$, $p = 0.210$) are not statistically significant when the other predictors are included in the model. The findings indicate context-specific associations within the study sample; however, the non-significant results should not be interpreted as evidence that these traits are irrelevant to entrepreneurial success in other contexts.

Table 4: Multiple Regression Analysis

Model	Unstandardized Coefficients B	Standardized Coefficients Beta	t	Sig.	VIF	Hypothesis Result
(Constant)	.247		.644	.521		
Self - Efficacy	.309	.282	4.066	.000	1.319	Supported
Locus of Control	.125	.151	2.322	.022	1.163	Supported
Innovativeness	.174	.189	2.651	.009	1.397	Supported
Risk Taking Propensity	-.071	-.076	-1.088	.279	1.345	Not supported
Need for Achievement	.076	.083	1.258	.210	1.182	Not supported
Religiosity	.391	.354	5.177	.000	1.275	Supported
R Square		.470				
Adjusted R Square		.448				
F Value		21.392				
R		.685				
*p-value		.000				

Source: Authors' own data from survey

Discussion

This study examined the associations between six individual-level predictors and entrepreneurial success among participants in LZNK's Skim Bantuan Jayadiri program. Four predictors—religiosity, self-efficacy, innovativeness, and locus of control—were statistically significant in the simultaneous regression model, whereas risk-taking propensity and need for achievement were not. These findings suggest that psychological and religious characteristics may help explain differences in reported entrepreneurial success in this setting. Because the study is cross-sectional and uses self-reported measures, the results do not establish causality and should not be interpreted as showing that these characteristics are more important than financial or institutional support, which were not directly compared in the model.

Religiosity emerged as the strongest predictor of entrepreneurial success, indicating a paradigm shift from conventional, profit-centric entrepreneurship to a holistic model grounded in ethics, spirituality, and social responsibility. For *asnaf* entrepreneurs, business performance is intrinsically linked to fulfilling religious obligations and contributing to community welfare (Kamarudin et al., 2013). This aligns with Max Weber's theory of social change, which posits that religious values profoundly influence economic activities (Mayuri, 2018). Specifically, Islamic values such as sincerity (*ikhlas*), trustworthiness (*amanah*), and perseverance bolster business resilience and life satisfaction (Bellu & Fiume, 2004; Fitri Yunus et al., 2019). Ultimately, this spiritual dimension is essential for achieving the broader socio-economic goals of productive zakat—namely, *hifz al-mal* (wealth preservation) and the successful transformation of zakat recipients into financially independent zakat contributors.

Furthermore, self-efficacy exerted a significant positive influence on entrepreneurial success. Consistent with Bandura's (2001) Social Cognitive Theory, *asnaf* entrepreneurs with a robust belief in their capabilities demonstrate greater resilience and persistence when navigating resource constraints and market uncertainties. This corroborates prior studies identifying self-efficacy as a crucial determinant of venture success (Kazumi & Kawai, 2017; Chatterjee et al., 2019). Given that many *asnaf* originate from low-income backgrounds, targeted psychological preparation is vital. Consequently, empowerment initiatives must transcend financial aid to include comprehensive coaching aimed at building entrepreneurial confidence.

Innovativeness and an internal locus of control also significantly drove business success. An internal locus of control fosters a strong sense of personal responsibility, prompting entrepreneurs to attribute business outcomes to their own efforts and skills rather than external circumstances (Mueller & Thomas, 2001; Asante & Affum-Osei, 2019). This proactive mindset is complemented by innovativeness, which enables micro-entrepreneurs to continuously adapt their products and services to survive in highly competitive markets (Razmus & Laguna, 2018). Together, these traits underscore the necessity of integrating practical problem-solving and innovation competencies into zakat training programs.

Risk-taking propensity was not a statistically significant predictor of entrepreneurial success in the present study. This finding suggests that, when the other predictors were considered simultaneously, willingness to take risks did not provide sufficient evidence of an independent association with entrepreneurial success among the sampled asnaf entrepreneurs. The finding is consistent with Gartner and Liao (2012), who reported no significant relationship between risk-taking propensity and successful new-venture formation. Similarly, research on small enterprises in Nigeria found no robust positive effect of willingness to take risks on business performance, highlighting the potential importance of risk perception and risk management rather than risk-taking willingness alone.

One possible explanation is that entrepreneurial success may depend not simply on an entrepreneur's willingness to accept uncertainty, but also on the ability to evaluate risks and make informed business decisions. For asnaf entrepreneurs, the consequences of unsuccessful decisions may be particularly important when financial resources are limited. However, the present study did not directly examine risk-management capability or financial vulnerability; these explanations should therefore be interpreted as possibilities rather than established findings. Overall, the result indicates that risk-taking propensity was not a significant independent predictor in the present regression model, rather than demonstrating that risk-taking is irrelevant to entrepreneurship in general.

Need for achievement was also not a statistically significant predictor of entrepreneurial success in the present study. Although achievement motivation may encourage individuals to pursue goals and improve their performance, the desire to achieve does not necessarily translate into measurable business success. This result is comparable to findings from research on informal micro-enterprises in Kelantan, Malaysia, in which need for achievement was not a statistically significant predictor of enterprise performance. The comparison suggests that the relationship between achievement motivation and business outcomes may vary across entrepreneurial settings.

In the context of asnaf entrepreneurship, achievement motivation may need to be accompanied by practical capabilities and opportunities, such as financial management skills, access to markets and the ability to respond to business challenges. Nevertheless, these factors were not directly tested as explanations for the non-significant coefficient in the present study. The result should therefore be interpreted as a lack of sufficient statistical evidence for an independent association between need for achievement and entrepreneurial success in this sample, rather than evidence that achievement motivation has no value. Future research could investigate whether business competencies, financial resources, or entrepreneurial experience help explain when achievement motivation translates into improved business outcomes.

Consequently, this study validates an opportunity-based, contextual application of Psychological Entrepreneurship Traits Theory intertwined with Islamic principles. The findings unequivocally refute the assumption that financial capital alone dictates entrepreneurial viability. To effectively transition beneficiaries from zakat recipients to self-sustaining, socially productive contributors, future productive zakat programs must be fundamentally redesigned as human and behavioral capital investments, prioritizing psychological readiness, innovativeness, and spiritual development alongside financial assistance.

5. Managerial Implications and Recommendations

The findings provide context-specific evidence on the factors associated with entrepreneurial success among asnaf entrepreneurs participating in the Skim Bantuan Jayadiri administered by Lembaga Zakat Negeri Kedah (LZNK). The results indicate that self-efficacy, locus of control, innovativeness and religiosity were statistically significant predictors in the regression model, whereas risk-taking propensity and need for achievement were not statistically significant. These findings suggest that individual psychological characteristics and religiosity may be relevant considerations when examining entrepreneurial outcomes within this program context. However, given that the sample was drawn from one state, the findings should not be assumed to represent all asnaf entrepreneurs or productive zakat programs in Malaysia. Further research involving different states, zakat institutions and beneficiary groups is needed to assess the broader applicability of these relationships.

The findings offer several practical considerations for LZNK in designing and refining entrepreneurship support initiatives for asnaf beneficiaries. Given the significant associations observed for self-efficacy, locus of control, innovativeness and religiosity, LZNK may consider incorporating activities that strengthen entrepreneurial confidence, decision-making, problem-solving, and responsible business practices into its existing support programs. Such activities could complement financial assistance and business training, although their effectiveness should be evaluated before wider implementation. The findings also suggest that entrepreneurship support should not rely solely on encouraging risk-taking or achievement motivation. Instead, program providers could explore approaches that help beneficiaries assess business risks, identify market opportunities and translate entrepreneurial motivation into practical business activities. These recommendations represent potential applications of the findings rather than interventions whose effectiveness has been established by the present study.

Although collaboration among zakat institutions, government agencies, financial institutions and business support organizations may offer opportunities to strengthen entrepreneurial assistance, the current study did not directly evaluate collaborative ecosystems or compare different program models. Such collaboration is therefore presented as a potential direction for program development rather than a conclusion established by the empirical results. Pilot initiatives, followed by systematic evaluation, would help determine whether these approaches improve business sustainability among asnaf entrepreneurs.

Among the core internal drivers identified by the study, religious commitment emerged as the primary and most robust predictor of entrepreneurial success. This indicates that for *asnaf* entrepreneurs, business ventures transcend strictly economic pursuits; they are deeply intertwined with ethical and religious obligations. Driven by profound Islamic values such as *sabr* (patience) and social accountability, these individuals maintain high integrity in their daily operations. This finding significantly extends Max Weber's Theory of Social Change by confirming that religious conviction acts as a direct catalyst for entrepreneurial activity and economic development. Complementing this spiritual foundation is the vital role of self-efficacy. Given the inherent uncertainties and resource constraints typical of micro-enterprises, *asnaf* with high self-efficacy demonstrate far greater persistence, resilience, and proactive problem-solving capabilities, enabling them to weather economic hardships that might otherwise derail their ventures (Bandura, 2001).

In addition to faith and self-efficacy, an internal locus of control and a capacity for innovativeness serve as critical pillars for long-term sustainability. *Asnaf* possessing a strong internal locus of control naturally attributes their business outcomes to their own efforts, skills, and decisions rather than external forces or sheer luck. This psychological mindset fosters a heightened sense of personal ownership and responsibility, which is absolutely critical for executing business objectives and maintaining a sustainable enterprise (Asante & Affum-Osei, 2019). When this sense of ownership is paired with innovativeness, entrepreneurial outcomes are significantly boosted. Importantly, within the context of micro-enterprises, innovation does not necessarily require high-tech advancements or massive capital disruption. Rather, it involves practical, incremental improvements in everyday problem-solving, product diversification, and customer engagement (Razmus & Laguna, 2018). Flexible and innovative *asnaf* are thus much better positioned to capitalize on shifting market opportunities and remain competitive.

Interestingly, the findings also challenge several conventional entrepreneurial theories by revealing that certain widely accepted traits do not significantly impact the success of *asnaf* entrepreneurs within the productive zakat framework. For instance, aggressive risk-taking—often hailed as a hallmark of the quintessential entrepreneur—was not found to be a significant determinant of success. Because productive zakat programs inherently provide a supportive safety net comprised of financial grants, training, and ongoing mentoring, the necessity for high-stakes risk is substantially diluted. Success in this highly structured context relies far more on psychological preparedness and controlled, calculated risk management than on bold financial gambles (Rauch & Frese, 2007). Similarly, while a high need for achievement generally indicates strong personal motivation, this study found it insufficient on its own to guarantee success among zakat beneficiaries. This compelling result suggests that mere ambition and the desire to succeed must be deeply grounded in self-confidence, creativity, and religious commitment to successfully translate into tangible economic prosperity.

To effectively transition *asnaf* from dependent zakat beneficiaries to empowered, self-sustaining zakat contributors, institutions must urgently implement multidimensional policy strategies. Zakat institutions should pivot from strictly focusing on technical business skills to actively integrating Islamic business ethics, the principles of *maqasid al-Shariah*, and spiritual fortitude into their training modules. Regular mentorship by successful Muslim entrepreneurs and religious leaders is highly recommended to bridge the gap between theory and practice (Fitri Yunus et al., 2019). Furthermore, to combat historically high dropout rates, these programs must include targeted behavioral interventions that actively foster ownership, independent decision-making, and self-efficacy. Incorporating experiential learning, continuous coaching, and post-funding site visits can significantly strengthen an *asnaf*'s business confidence and operational competence (Kazumi & Kawai, 2017).

Finally, training programs should be modernized to incorporate practical micro-innovation skills, such as digital entrepreneurship, social media marketing, and modern customer relationship management, which are essential for enabling beneficiaries to remain competitive in today's economy. Policymakers should also mandate comprehensive entrepreneurial profiling to accurately assess the psychological readiness of beneficiaries prior to program enrollment, ensuring that resources are allocated to those genuinely prepared for the rigors of business. Establishing a collaborative ecosystem—where zakat institutions provide the funding, universities offer innovation mentoring, and industry agencies grant critical market access—will create a robust and impenetrable support network. Ultimately, these findings forcefully advocate for a

paradigm shift: productive zakat initiatives must be fundamentally reframed not merely as short-term poverty reduction schemes, but as comprehensive, long-term human capital development programs.

Conclusion

This study examined the associations of five psychological entrepreneurial traits and religiosity with entrepreneurial success among 152 participants in LZNK's Skim Bantuan Jayadiri program in Kedah. The regression results show significant positive associations for self-efficacy, locus of control, innovativeness, and religiosity, while risk-taking propensity and need for achievement were not significant in the simultaneous model. Religiosity had the largest standardized coefficient, although the cross-sectional design does not establish a causal effect. The results support considering psychological capability development and ethical business guidance alongside financial assistance, while recognizing that the study did not directly test program interventions or compare the relative impact of financial support.

The study's contribution is to bring psychological traits and religiosity together in an empirical model of entrepreneurial success among asnaf in a specific productive-zakat setting. The Islamic entrepreneurship perspective provides contextual interpretation for religiosity, while Social Cognitive Theory helps explain the relevance of self-efficacy. Practical recommendations should remain proportionate to the evidence: LZNK may consider pilot training components focused on confidence, innovation, and ethical practice and assess their outcomes systematically. The findings should not be generalized automatically to all Malaysian asnaf or treated as proof of nationwide program effectiveness.

Several limitations should be considered. First, the sample was drawn from one program administered by LZNK in Kedah, limiting generalizability to other states and institutions. Second, the cross-sectional, self-reported design limits causal interpretation and may be affected by common-method and social-desirability bias despite the procedural safeguards described. Third, Cronbach's alpha was below 0.70 for locus of control and need for achievement, and the current analysis does not report factor-based convergent and discriminant validity evidence. Future research should examine item-level measurement properties, replicate the model in other states, and use longitudinal or mixed-method designs. Financial literacy, digital competencies, and social capital are useful future variables because they represent financial decision-making capability, the ability to access digital markets, and access to resources through relationship factors that may help explain how psychological traits translate into business outcomes. Future studies could also compare program graduates and discontinuers and evaluate specific training interventions.

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