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Research Article

CORPORATE ZAKAT COMPLIANCE BEHAVIOR AND ITS IMPACT ON ENHANCING SOCIAL JUSTICE OUTCOMES

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Abstract

Social justice remains a fundamental objective of sustainable development, particularly in societies facing persistent challenges related to poverty, inequality, and social exclusion. Corporate zakat represents an important Islamic redistributive mechanism with the potential to contribute significantly to equitable socioeconomic development. Variations in corporate zakat compliance behavior, however, continue to affect the effectiveness of zakat as an instrument for promoting social welfare. This study aims to examine the determinants of corporate zakat compliance behavior and evaluate its impact on enhancing social justice outcomes. A quantitative explanatory research design was employed involving 400 corporate executives, financial managers, compliance officers, and zakat administrators from various industries. Data were collected using structured questionnaires and analyzed through Structural Equation Modeling (SEM). Findings indicate that governance quality and institutional trust significantly influence corporate zakat compliance behavior. Results further reveal that compliance behavior exerts a strong positive effect on social justice outcomes, including poverty alleviation, wealth redistribution, and social inclusion. Organizations characterized by higher compliance levels demonstrated greater contributions to community welfare and socioeconomic empowerment initiatives. Governance effectiveness and stakeholder confidence were also found to strengthen the relationship between compliance behavior and social impact. The study concludes that corporate zakat compliance functions as a strategic mechanism for advancing social justice by integrating Islamic ethical principles, organizational accountability, and sustainable development objectives within contemporary Islamic economies.

Keywords: Corporate Governance, Corporate Zakat, Institutional Trust

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INTRODUCTION

Social justice remains a central objective of sustainable economic development and public policy across both developed and developing economies (Osman et al., 2025). Persistent challenges such as income inequality, poverty, social exclusion, and unequal access to economic opportunities continue to hinder societal progress despite substantial economic growth in many regions (Leena Haniffah et al., 2023; Mustaffa et al., 2025). Governments, civil society organizations, and private sector institutions increasingly recognize that achieving equitable development requires collaborative efforts involving multiple stakeholders. Corporate entities, in particular, are expected to contribute not only to economic productivity but also to broader social welfare objectives through responsible and ethical business practices (Kasmon et al., 2024; Meskovic et al., 2023).

Corporate social responsibility has evolved significantly from a voluntary philanthropic activity into a strategic component of contemporary business governance. Stakeholders increasingly demand greater accountability, transparency, and commitment to social welfare from corporations (Al Mustofa et al., 2025; Andespa, Md Razak, et al., 2024). Organizations are expected to integrate ethical values into their operational and financial decisions while contributing positively to community development (Khamisu et al., 2024). Within Islamic economic systems, corporate responsibility extends beyond legal compliance and profitability to encompass obligations rooted in religious principles, moral accountability, and social justice. These obligations create a distinctive framework through which corporations participate in wealth redistribution and social development initiatives (Boudawara et al., 2023; Shi et al., 2025).

Zakat represents one of the most important redistributive mechanisms within Islamic economics and serves as a fundamental instrument for promoting social justice. Corporate zakat, as an institutional form of zakat obligation, possesses substantial potential to contribute to poverty alleviation, wealth redistribution, and community empowerment (Maulina et al., 2023; Wadhwa & Sahoo, 2025). Growing expansion of Islamic business sectors and corporate participation in Muslim-majority economies has increased attention toward the role of corporate zakat in advancing socioeconomic welfare. Effective compliance with corporate zakat obligations may strengthen social solidarity, enhance economic inclusion, and contribute to more equitable development outcomes. Understanding the factors influencing corporate zakat compliance behavior has therefore become increasingly important for both scholars and practitioners (Bahara et al., 2025; Cherni & Ben Amar, 2024).

Corporate zakat possesses significant theoretical potential for supporting social justice objectives; however, actual compliance levels vary considerably across organizations and jurisdictions (Rofiqo, 2025). Many corporations continue to face uncertainties regarding zakat calculation methods, governance procedures, reporting standards, and compliance requirements. Differences in institutional frameworks and regulatory environments further contribute to inconsistencies in corporate zakat implementation (Sumi et al., 2024). These challenges limit the effectiveness of zakat as a strategic instrument for socioeconomic development and wealth redistribution (Bin-Armia et al., 2024).

Behavioral dimensions of corporate zakat compliance remain insufficiently understood despite increasing recognition of their importance. Organizational decisions concerning zakat payment may be influenced by factors such as governance quality, religious commitment, institutional trust, regulatory support, stakeholder expectations, and corporate culture (Megat et al., 2024; Shah, 2025). Existing practices frequently emphasize technical compliance without adequately examining the motivations and behavioral mechanisms underlying corporate zakat decisions. Limited understanding of these influences restricts efforts to improve compliance rates and maximize the social impact of zakat contributions (Grassa et al., 2025; R.V. et al., 2024).

Questions also remain regarding the extent to which corporate zakat compliance contributes to measurable social justice outcomes (Ramachandran et al., 2023). While zakat is widely recognized as a mechanism for reducing poverty and promoting equitable wealth distribution, empirical evidence linking corporate compliance behavior with broader social development indicators remains fragmented (Ali et al., 2025; Shome et al., 2024). Insufficient examination of this relationship creates uncertainty regarding the effectiveness of corporate zakat policies and governance strategies. Comprehensive investigation is therefore required to understand how compliance behavior influences the realization of social justice objectives within contemporary Islamic economies (Junaidi et al., 2025).

This study aims to examine corporate zakat compliance behavior and identify the factors influencing organizational decisions to fulfill zakat obligations (Abojeib et al., 2023). Particular attention is directed toward understanding how governance structures, ethical values, institutional trust, regulatory environments, and organizational characteristics shape compliance behavior (Al-Otaibi et al., 2024; Wu et al., 2025). The study seeks to provide a comprehensive explanation of the determinants of corporate zakat practices within modern business environments (Sofyan et al., 2024).

Another objective of the study is to evaluate the relationship between corporate zakat compliance and social justice outcomes. Investigation focuses on how compliance behavior contributes to poverty reduction, wealth redistribution, social inclusion, community empowerment, and equitable economic development (Maksum et al., 2025). Analysis of these relationships is expected to generate evidence regarding the effectiveness of corporate zakat as a tool for achieving broader societal objectives.

The study further aims to develop an integrated conceptual framework linking compliance behavior and social justice outcomes within the context of Islamic economics (Andespa, Yeni, et al., 2024). Findings are expected to provide practical recommendations for policymakers, zakat institutions, corporate leaders, and regulators seeking to strengthen compliance mechanisms and enhance the developmental impact of corporate zakat initiatives (Ahmad et al., 2024). Achievement of these objectives may contribute to the advancement of both Islamic economic theory and contemporary corporate governance practices.

Previous studies have extensively examined zakat from theological, legal, economic, and institutional perspectives (Jaradat & Oudat, 2024). Existing literature has explored zakat collection mechanisms, governance frameworks, compliance determinants, and socioeconomic impacts (Menne et al., 2024). Research has consistently emphasized the role of zakat in poverty alleviation, wealth redistribution, and social welfare enhancement. Valuable insights have also emerged concerning the administration and effectiveness of zakat institutions in various national contexts (Taufik Syamlan et al., 2025).

Current scholarship concerning corporate zakat has primarily focused on compliance determinants, reporting practices, accounting treatments, and governance issues (Zakiy et al., 2023). Several studies have examined the influence of religiosity, corporate governance, financial performance, and regulatory support on compliance decisions (Tahat et al., 2024). Limited attention has been directed toward understanding how corporate compliance behavior translates into broader social justice outcomes. Existing investigations frequently analyze compliance and social impact as separate domains rather than examining their interconnected relationships (Hatem Falih et al., 2025).

Comprehensive frameworks linking corporate zakat compliance behavior with measurable indicators of social justice remain relatively scarce. Insufficient empirical evidence exists regarding the mechanisms through which compliance decisions contribute to poverty reduction, economic inclusion, and community development (Hamsyi et al., 2025; Sheikh & Hussain, 2024). Limited integration of behavioral theories and social justice perspectives creates a significant gap within the literature. Addressing this gap can contribute to a more holistic understanding of the strategic role of corporate zakat in advancing equitable and sustainable development (Nakpodia et al., 2025).

The novelty of this study lies in its integrated examination of corporate zakat compliance behavior and its direct implications for social justice outcomes. Existing research frequently evaluates compliance determinants without fully considering the broader developmental consequences of corporate zakat implementation. This study extends current scholarship by investigating how organizational compliance behavior influences social welfare, economic inclusion, and wealth redistribution simultaneously. Such an approach provides a more comprehensive understanding of the societal significance of corporate zakat.

Innovative value is further reflected in the proposed conceptual framework that combines behavioral compliance theory, Islamic economic principles, corporate governance perspectives, and social justice dimensions within a single analytical model. Integration of these perspectives enables a multidimensional analysis capable of explaining both organizational decision-making processes and societal outcomes. Examination of the pathways connecting compliance behavior to social justice achievements contributes new theoretical insights to the literature on Islamic social finance.

The significance of this research extends beyond academic inquiry to encompass practical and policy relevance. Policymakers and zakat institutions increasingly seek evidence-based strategies for enhancing corporate participation in zakat programs and maximizing developmental impact. Corporate leaders require a clearer understanding of how zakat compliance contributes to organizational legitimacy, stakeholder trust, and social responsibility objectives. Findings from this study are expected to provide valuable guidance for strengthening compliance systems, improving zakat governance, and advancing social justice outcomes through more effective corporate engagement in Islamic redistributive mechanisms.

RESEARCH METHOD

Research Design

This study employed a quantitative research design using an explanatory approach to examine corporate zakat compliance behavior and its impact on social justice outcomes. The explanatory design was selected because the study sought to investigate causal relationships among organizational, behavioral, and governance factors influencing corporate zakat compliance, as well as the subsequent effects of compliance on social justice dimensions. Emphasis was placed on understanding how corporate behavior regarding zakat obligations contributes to broader socioeconomic outcomes within contemporary Islamic economies.

A conceptual framework was developed by integrating Behavioral Compliance Theory, Islamic Economic Theory, Stakeholder Theory, and Social Justice Theory. The framework assumes that corporate zakat compliance behavior is influenced by factors such as governance quality, religiosity, institutional trust, regulatory support, and organizational commitment. Social justice outcomes were conceptualized through indicators related to poverty alleviation, wealth redistribution, social inclusion, community empowerment, and equitable economic participation. Integration of these perspectives enabled a comprehensive examination of both organizational behavior and societal consequences.

Structural Equation Modeling (SEM) was adopted as the primary analytical technique because it allows simultaneous evaluation of multiple latent constructs and complex causal relationships. Application of SEM facilitated the assessment of direct and indirect effects among the study variables while providing a rigorous statistical basis for validating the proposed theoretical model. This design ensured a comprehensive evaluation of the mechanisms through which corporate zakat compliance contributes to social justice enhancement.

Research Target/Subject

The population of the study consisted of corporate executives, financial managers, compliance officers, corporate social responsibility managers, zakat administrators, and senior decision-makers working in corporations that are eligible to pay zakat. Organizations included Islamic financial institutions, manufacturing companies, service-sector firms, trading enterprises, and other corporate entities operating within Muslim-majority economic environments. These participants were selected because they possess direct involvement in corporate financial decisions, governance processes, and zakat implementation activities (Adznan et al., 2023).

Sample selection was conducted using purposive sampling techniques. Respondents were required to satisfy several criteria, including active involvement in financial management, corporate governance, zakat administration, or strategic decision-making processes. A minimum of three years of professional experience was established as an additional requirement to ensure that respondents possessed sufficient knowledge regarding corporate zakat policies and organizational compliance practices.

A total of 400 respondents participated in the study. Sample size determination followed recommendations for Structural Equation Modeling, which require adequate observations to estimate latent variable relationships accurately and reliably. Inclusion of respondents from diverse industries and organizational contexts enhanced the representativeness of the sample and strengthened the generalizability of the findings.

Research Procedure

The research process commenced with an extensive review of literature related to zakat compliance behavior, Islamic economics, corporate governance, stakeholder theory, and social justice outcomes. Relevant theoretical concepts and empirical findings were synthesized to establish the conceptual framework and formulate research hypotheses. Questionnaire items were subsequently adapted and refined based on the theoretical constructs identified in the literature.

A pilot study involving 40 respondents was conducted to evaluate the clarity, relevance, and reliability of the questionnaire. Feedback obtained during the pilot phase was used to revise ambiguous items and improve instrument quality. Ethical considerations were addressed by informing participants regarding the purpose of the study, ensuring confidentiality, and obtaining voluntary consent before data collection commenced.

Data collection was conducted through both online and direct survey administration. Preliminary analysis included data screening, assessment of missing values, outlier detection, normality testing, and descriptive statistical analysis. Confirmatory Factor Analysis was subsequently performed to evaluate measurement validity and reliability. Structural Equation Modeling was then employed to test the hypothesized relationships among governance quality, institutional trust, corporate zakat compliance behavior, and social justice outcomes. Interpretation of the results focused on identifying the behavioral and organizational mechanisms through which corporate zakat contributes to the achievement of equitable and sustainable social development (Ud Din & Nazneen, 2024).

Instruments, and Data Collection Techniques

Data were collected using a structured questionnaire developed from validated instruments reported in previous studies concerning zakat compliance, corporate governance, Islamic social finance, and social justice outcomes. The questionnaire consisted of two principal sections. The first section gathered demographic and organizational information, including age, professional experience, educational background, organizational sector, and position within the company. The second section measured the latent constructs included in the conceptual framework (Jan et al., 2023).

Measurement items utilized a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). Corporate zakat compliance behavior was measured through indicators related to compliance commitment, zakat reporting practices, payment consistency, and organizational support for zakat implementation. Governance quality included transparency, accountability, ethical leadership, and compliance monitoring. Social justice outcomes were assessed through indicators associated with poverty reduction, wealth redistribution, social inclusion, community welfare improvement, and economic empowerment.

Validity and reliability assessments were conducted before hypothesis testing. Content validity was evaluated through expert review involving scholars in Islamic economics, zakat management, corporate governance, and social finance. Construct validity was examined using Confirmatory Factor Analysis (CFA), while reliability was assessed through Cronbach's alpha and composite reliability coefficients. Acceptance thresholds exceeding 0.70 were applied to confirm satisfactory measurement quality and internal consistency.

RESULTS AND DISCUSSION

The study involved 400 respondents representing corporate executives, financial managers, compliance officers, corporate social responsibility managers, and zakat administrators from various industries. Respondents were drawn from Islamic financial institutions (27.5%), manufacturing companies (24.3%), service-sector organizations (21.8%), trading enterprises (16.4%), and other corporate entities (10.0%). Average professional experience was 9.5 years, indicating that participants possessed substantial knowledge regarding corporate governance, financial management, and zakat implementation practices. These characteristics provide a strong empirical foundation for evaluating corporate zakat compliance behavior and its social implications.

Descriptive statistical analysis revealed favorable perceptions regarding corporate zakat compliance and its contribution to social justice outcomes. Corporate zakat compliance behavior achieved a mean score of 4.28 (SD = 0.54), governance quality recorded 4.22 (SD = 0.58), institutional trust obtained 4.17 (SD = 0.60), poverty alleviation indicators achieved 4.25 (SD = 0.55), wealth redistribution scored 4.21 (SD = 0.57), and social inclusion recorded 4.19 (SD = 0.61).

Table 1. Descriptive Statistics of Corporate Zakat Compliance and Social Justice Outcomes

Variable	Mean	SD
Corporate Zakat Compliance Behavior	4.28	0.54
Governance Quality	4.22	0.58
Institutional Trust	4.17	0.60
Poverty Alleviation	4.25	0.55
Wealth Redistribution	4.21	0.57
Social Inclusion	4.19	0.61

The descriptive findings indicate that participating organizations generally demonstrate strong commitment toward fulfilling corporate zakat obligations. High compliance scores suggest that many corporations have integrated zakat implementation into their governance structures and social responsibility strategies. Respondents emphasized the importance of ethical accountability, religious obligation, and stakeholder expectations in motivating compliance behavior.

Positive scores on social justice dimensions suggest that corporate zakat is perceived as an effective mechanism for promoting equitable socioeconomic outcomes. Poverty alleviation achieved the highest score among the social justice indicators, reflecting the perceived contribution of zakat funds to supporting vulnerable populations and community welfare initiatives. Wealth redistribution and social inclusion outcomes further indicate the broader developmental significance of corporate zakat practices.

Assessment of the measurement model demonstrated satisfactory psychometric properties across all constructs. Factor loadings ranged from 0.736 to 0.924, exceeding the recommended threshold of 0.70. Composite reliability values varied between 0.864 and 0.939, while Cronbach's alpha coefficients ranged from 0.821 to 0.928. Average Variance Extracted (AVE) values exceeded 0.50 for all latent variables, confirming acceptable convergent validity.

Discriminant validity analysis demonstrated adequate differentiation among governance quality, institutional trust, corporate zakat compliance behavior, and social justice outcomes. Cross-loading examination and Fornell-Larcker criterion assessment confirmed that each construct represented a distinct conceptual dimension. These findings indicate that the measurement model possesses strong reliability and validity characteristics suitable for structural model evaluation.

Structural Equation Modeling results revealed significant positive relationships among the study variables. Governance quality demonstrated a strong positive influence on corporate zakat compliance behavior ($\beta = 0.653$, $p < 0.001$), while institutional trust also significantly affected compliance behavior ($\beta = 0.487$, $p < 0.001$). Organizations characterized by stronger governance systems and higher stakeholder trust exhibited greater commitment to fulfilling zakat obligations. These findings indicate that organizational and institutional factors play a critical role in shaping compliance behavior.

Corporate zakat compliance behavior demonstrated a substantial positive effect on social justice outcomes ($\beta = 0.714$, $p < 0.001$). The structural model explained 68.4% of the variance in compliance behavior and 73.1% of the variance in social justice outcomes. Goodness-of-fit indicators demonstrated satisfactory model performance, including CFI = 0.955, TLI = 0.948, RMSEA = 0.042, and SRMR = 0.038. These results support the proposed theoretical framework linking compliance behavior with broader societal impacts.

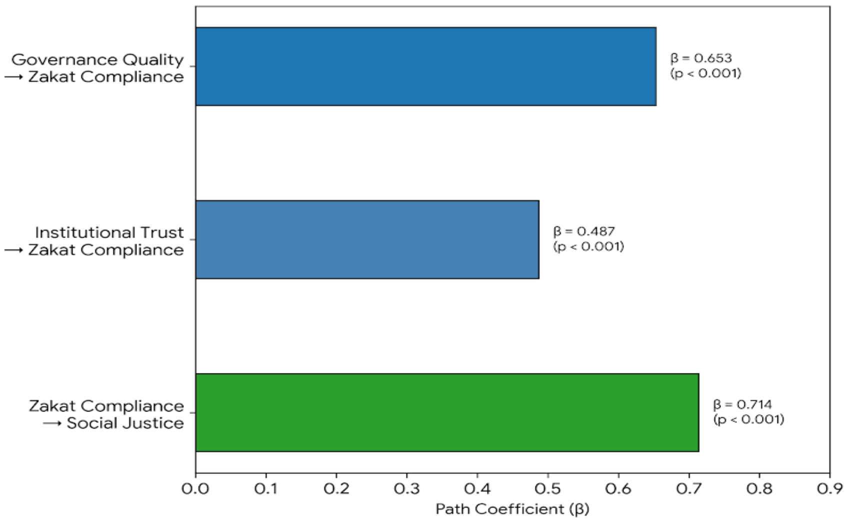

Figure 1. Direct Relationships (Standardized β)

Analysis of structural relationships revealed that corporate zakat compliance behavior partially mediated the relationship between governance quality and social justice outcomes. Organizations with effective governance systems were more likely to demonstrate strong compliance behavior, which subsequently contributed to poverty alleviation, wealth redistribution, and social inclusion. Governance quality therefore functions as an important enabling mechanism that strengthens the social impact of zakat implementation.

Relationships among institutional trust, compliance behavior, and social justice outcomes were also particularly strong. Stakeholders demonstrated greater confidence in organizations that consistently fulfilled zakat obligations and maintained transparent reporting practices. Enhanced trust contributed to stronger support for zakat initiatives and improved perceptions regarding organizational social responsibility. These interconnected relationships suggest that compliance behavior generates both direct and indirect societal benefits.

A representative case study involved a large Islamic financial institution that implemented a comprehensive corporate zakat program integrated within its governance and social responsibility framework. Prior to implementation, zakat contributions were managed through fragmented initiatives with limited coordination and impact assessment. Management subsequently adopted a structured compliance system emphasizing transparency, accountability, and strategic allocation of zakat resources (Razak et al., 2025).

Institutional reports documented substantial improvements following implementation. Zakat contributions increased by 32% over a three-year period, while the number of beneficiary households supported through poverty alleviation programs expanded by 28%. Community development initiatives funded through zakat resources contributed to educational support, microenterprise development, and healthcare accessibility. These outcomes demonstrate the practical effectiveness of structured compliance systems.

A second case study involved a manufacturing corporation operating in a region characterized by significant socioeconomic disparities. The company established a formal zakat governance framework incorporating compliance monitoring, stakeholder engagement, and periodic impact evaluation mechanisms. Corporate leadership viewed zakat as a strategic instrument for advancing social welfare objectives rather than merely fulfilling regulatory requirements.

Performance evaluations indicated a 24% increase in social inclusion indicators and a 19% improvement in community empowerment outcomes within four years of implementation. Beneficiary communities reported greater access to entrepreneurial opportunities, vocational training, and financial assistance programs. Enhanced transparency and stakeholder engagement further strengthened public trust in the organization’s social responsibility initiatives.

The Islamic financial institution case demonstrates how structured governance mechanisms can enhance both compliance behavior and social impact. Increased zakat contributions and expanded beneficiary coverage suggest that organizational commitment and effective management systems play critical roles in maximizing developmental outcomes. Transparent allocation and monitoring practices contributed significantly to program effectiveness.

Observations from the manufacturing corporation illustrate the importance of integrating zakat within broader corporate governance strategies. Social justice outcomes improved when zakat initiatives were aligned with organizational objectives, stakeholder engagement processes, and impact assessment mechanisms. Such alignment appears essential for transforming compliance behavior into sustainable developmental benefits (Ali et al., 2025; Ramachandran et al., 2023).

Evidence from both case studies reinforces the quantitative findings obtained through Structural Equation Modeling. Positive relationships among governance quality, compliance behavior, institutional trust, and social justice outcomes were reflected in practical organizational experiences. Consistency between statistical and case-based evidence strengthens confidence in the proposed conceptual framework.

Broader explanatory patterns indicate that corporate zakat compliance generates greater societal impact when supported by strong governance systems, stakeholder trust, and strategic management practices. Compliance behavior therefore functions as more than a religious or regulatory obligation; it serves as a mechanism for advancing equitable and sustainable development.

The findings indicate that corporate zakat compliance behavior significantly contributes to enhancing social justice outcomes. Governance quality and institutional trust emerged as important determinants of compliance, while compliance behavior itself demonstrated a strong positive influence on poverty alleviation, wealth redistribution, and social inclusion. Effective zakat implementation therefore appears capable of generating meaningful socioeconomic benefits.

Overall evidence suggests that corporate zakat should be viewed as a strategic instrument for promoting social justice within modern Islamic economies. Organizations that integrate zakat compliance into governance frameworks and social responsibility initiatives are better positioned to contribute to equitable development and stakeholder welfare. These findings highlight the importance of strengthening compliance systems and governance structures to maximize the transformative potential of corporate zakat.

The findings demonstrate that corporate zakat compliance behavior plays a significant role in enhancing social justice outcomes within contemporary Islamic economic environments. Structural analysis revealed that governance quality and institutional trust significantly influence compliance behavior, while compliance behavior itself exerts a strong positive impact on poverty alleviation, wealth redistribution, and social inclusion. These results indicate that corporate zakat functions not only as a religious obligation but also as an effective mechanism for promoting equitable socioeconomic development.

Corporate zakat compliance emerged as a strategic organizational behavior shaped by both internal and external factors. Organizations characterized by strong governance structures demonstrated greater commitment to fulfilling zakat obligations in a transparent and accountable manner. Such commitment strengthened organizational credibility and increased the effectiveness of zakat distribution programs. Compliance behavior therefore appears closely linked to the broader governance environment within which corporations operate.

Institutional trust also demonstrated a substantial influence on compliance outcomes. Organizations enjoying higher levels of stakeholder confidence were more likely to implement consistent zakat practices and disclose zakat-related activities transparently. Trust strengthened cooperation between corporations, zakat institutions, and beneficiary communities, thereby improving the efficiency and reach of social welfare programs (Junaidi et al., 2025; Shome et al., 2024). These findings highlight the importance of relational and institutional factors in shaping compliance behavior.

Social justice outcomes represented the most significant consequence of effective corporate zakat implementation. Increased compliance was associated with improvements in community welfare, enhanced access to economic opportunities, and stronger support for vulnerable populations. These outcomes suggest that corporate zakat contributes to both immediate welfare enhancement and long-term socioeconomic development objectives.

The findings are consistent with previous studies emphasizing the role of zakat as an instrument of wealth redistribution and social welfare enhancement. Existing literature has repeatedly demonstrated that zakat contributes to poverty reduction, economic inclusion, and community empowerment. Similar patterns emerged in the present study, where compliance behavior significantly influenced multiple dimensions of social justice. These results reinforce the argument that zakat remains a vital component of Islamic socioeconomic development strategies.

Results also support earlier research concerning the importance of governance quality in promoting organizational compliance. Previous investigations have demonstrated that transparency, accountability, and effective monitoring mechanisms contribute to stronger adherence to financial and ethical obligations. Comparable evidence was identified in this study, where governance quality emerged as one of the strongest predictors of corporate zakat compliance behavior.

Differences become apparent when comparing the present findings with studies that focus exclusively on compliance determinants. Earlier research frequently examined religiosity, legal obligations, and financial performance as primary drivers of zakat compliance. Findings from this study extend existing knowledge by demonstrating that compliance behavior should be understood not only as an organizational outcome but also as a mechanism generating measurable social justice impacts. This broader perspective strengthens the developmental relevance of corporate zakat.

Variations were also observed regarding the role of institutional trust. Several previous studies treated trust as a contextual factor influencing organizational behavior. Findings from the present research indicate that trust operates as a strategic resource capable of enhancing both compliance effectiveness and social impact. This perspective contributes a more comprehensive understanding of the interconnected relationships among governance, compliance, and societal outcomes.

The findings signify that corporate zakat possesses greater developmental potential than is often recognized within contemporary economic discourse. Compliance behavior generates consequences extending beyond organizational obligations and contributes directly to broader societal welfare. Corporate zakat therefore functions as both a financial mechanism and a social institution capable of supporting equitable development.

Figure 2. Corporate Zakat: Form Obligation to Sustainable Develpoment

Evidence also signifies the importance of integrating ethical responsibility into corporate governance systems. Organizations demonstrating strong compliance behavior were characterized by greater commitment to transparency, accountability, and stakeholder welfare. Such characteristics indicate that ethical governance and social justice objectives are mutually reinforcing rather than competing organizational priorities.

Patterns identified throughout the analysis further signify that social justice outcomes are influenced not only by the amount of zakat collected but also by the quality of governance surrounding its implementation. Effective governance structures enhance resource allocation efficiency, strengthen stakeholder confidence, and improve program effectiveness. Social impact therefore depends upon both compliance commitment and institutional capacity.

Results additionally signify the relevance of Islamic economic principles in addressing contemporary socioeconomic challenges. Zakat continues to provide a practical framework for reducing inequality, supporting vulnerable populations, and promoting inclusive development. These findings suggest that Islamic redistributive mechanisms remain highly relevant within modern economic systems characterized by persistent disparities and social exclusion.

Implications for policymakers involve the need to strengthen regulatory frameworks supporting corporate zakat implementation. Clear guidelines, reporting standards, and governance requirements may enhance compliance rates and improve the effectiveness of zakat distribution programs. Policy interventions promoting transparency and accountability could further maximize social justice outcomes.

Implications for corporate leaders concern the strategic integration of zakat within organizational governance and sustainability initiatives. Zakat should not be viewed solely as a financial obligation but as an integral component of corporate social responsibility and stakeholder engagement. Organizations adopting such perspectives may achieve stronger legitimacy, reputation, and societal impact.

Implications for zakat institutions involve the necessity of strengthening governance practices and stakeholder communication strategies. Enhanced transparency, monitoring systems, and impact assessment mechanisms may increase public trust and encourage greater corporate participation. Strong institutional capacity is essential for translating compliance behavior into meaningful developmental outcomes.

Implications for society extend beyond immediate welfare benefits. Effective corporate zakat programs may contribute to poverty reduction, social cohesion, economic inclusion, and community resilience. Strengthening compliance systems therefore has the potential to generate broader societal benefits that support sustainable and equitable development objectives.

The observed outcomes can be explained by the dual nature of zakat as both a religious obligation and a socioeconomic institution. Corporate compliance behavior is influenced by ethical values, governance structures, and stakeholder expectations simultaneously. Such multidimensional influences encourage organizations to fulfill zakat obligations in ways that generate both organizational and societal benefits.

Positive effects associated with governance quality arise because transparent and accountable systems reduce uncertainty and improve resource management. Effective governance strengthens compliance monitoring, enhances reporting accuracy, and increases stakeholder confidence. Organizations possessing stronger governance structures are therefore more capable of implementing zakat programs effectively.

Institutional trust emerged as an important determinant because zakat implementation depends heavily on confidence in organizational intentions and management practices. Stakeholders are more likely to support zakat initiatives when they perceive institutions as credible, transparent, and committed to social welfare objectives. Trust therefore functions as a critical factor linking compliance behavior with social impact.

Social justice outcomes were strongly influenced by compliance behavior because zakat directly targets issues related to poverty, inequality, and social exclusion. Consistent and effective zakat implementation increases resource availability for developmental programs, thereby enhancing opportunities for disadvantaged populations. Such mechanisms explain the strong relationships observed between compliance and social justice indicators.

Future research should investigate the long-term effects of corporate zakat compliance on community development, economic mobility, and poverty reduction. Longitudinal studies may provide deeper insights into how social justice outcomes evolve over time and contribute to sustainable development objectives. Such evidence would strengthen understanding of the enduring impact of corporate zakat programs.

Comparative studies involving different countries, regulatory environments, and corporate sectors would further enrich the literature. Institutional diversity may influence compliance behavior and social outcomes in different ways. Broader comparative evidence could support the development of more context-sensitive governance and policy frameworks.

Emerging technologies such as blockchain, artificial intelligence, digital zakat platforms, and advanced impact measurement systems deserve greater scholarly attention. Integration of technological innovations may enhance transparency, accountability, and efficiency in zakat collection and distribution processes. Exploration of these opportunities may contribute to the modernization of zakat governance systems.

Practical initiatives should focus on strengthening governance quality, enhancing stakeholder trust, and improving collaboration among corporations, zakat institutions, regulators, and community organizations. Comprehensive efforts combining regulatory support, institutional capacity building, and technological innovation are likely to maximize the contribution of corporate zakat to social justice and sustainable development in modern Islamic economies.

CONCLUSION

The most important finding of this study is that corporate zakat compliance behavior significantly contributes to the enhancement of social justice outcomes through its positive influence on poverty alleviation, wealth redistribution, and social inclusion. Governance quality and institutional trust emerged as the primary determinants of compliance behavior, while compliance itself functioned as a strategic mechanism linking corporate responsibility with broader societal welfare. This finding extends conventional perspectives on corporate zakat by demonstrating that compliance is not merely an organizational obligation or regulatory requirement but a transformative instrument capable of generating measurable social and economic benefits. Corporate zakat therefore serves as an effective bridge between Islamic ethical principles and sustainable development objectives within modern Islamic economies.

The principal contribution of this research lies in both its conceptual and methodological dimensions. Conceptually, the study integrates Behavioral Compliance Theory, Islamic Economic Theory, Corporate Governance perspectives, and Social Justice frameworks into a single analytical model. This integration provides a more comprehensive understanding of how organizational behavior influences the effectiveness of Islamic redistributive mechanisms. Methodologically, the application of Structural Equation Modeling offers robust empirical evidence regarding the direct and indirect relationships among governance quality, institutional trust, compliance behavior, and social justice outcomes. Such an approach advances the literature by moving beyond the traditional focus on compliance determinants and examining the broader societal consequences of corporate zakat implementation.

Several limitations should be acknowledged. The study relied on cross-sectional data, limiting the ability to observe changes in compliance behavior and social justice outcomes over time. Data collection focused primarily on corporate stakeholders, which may not fully capture the perspectives of zakat beneficiaries and community recipients. Variations in regulatory frameworks, governance systems, and cultural contexts may also influence the generalizability of the findings across different jurisdictions. Future research should employ longitudinal designs to assess the long-term impact of corporate zakat on socioeconomic development, conduct comparative studies across countries and industries, and explore the role of emerging technologies such as blockchain, digital zakat platforms, artificial intelligence, and impact measurement systems in strengthening compliance effectiveness and social justice outcomes. Such investigations may further enhance understanding of the strategic role of corporate zakat in promoting equitable and sustainable development.

DECLARATION OF AI AND AI ASSISTED TECHNOLOGIES IN THE WRITING PROCESS

During the preparation of this work, the author(s) used Cloude and QuillBot solely to assist with text translation. After using these tools/services, the author(s) reviewed and edited the content as needed and take full responsibility for the content of the publication.

AUTHOR CONTRIBUTIONS

Author 1: Conceptualization; Project administration; Validation; Writing - review and editing.
Author 2: Conceptualization; Data curation; In-vestigation.
Author 3: Data curation; Investigation.

DECLARATION OF COMPETING INTEREST

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

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