

The Performance of Waqf Institutions via Maqasid Syariah Index (MSI)

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ABSTRACT

One potential instrument to encourage the social and economic growth of the society is the waqf. Waqf has made significant contributions, although their potential and advantages have not yet been completely realised. Recognizing this problem, it is necessary for the institutions in charge of managing waqf assets to improve how well they fulfil their obligations to pertinent stakeholders, in line with the maqasid waqf perspective. This study aims to measure the performance of Waqf institutions based on the Maqasid Syariah Index (MSI). The method used in this study is a descriptive research. The study used thirteen samples of State Waqf Institutions (SWI) in Malaysia. The study data was used the annual report in 2016-2020. The analytical method used in this study was the Maqasid Sharia Index with five indicators, namely Faith/Religion (din), Intellect Advancement (aql), Life (nafs), Progeny (nasl) and Welfare (mal). The significance of this study is that it proposes the objectives of waqf institutions from the Maqasid Syariah perspective. It also suggests methodologies that can be used to develop waqf institutions performance measures based on the Syariah framework. The results of the study have shown variations in the performance of the waqf institutions.

Keywords: *Maqashid Syariah Index; Waqf Institutions; Performance Measurement.*

INTRODUCTION

Economic development is one of the important aspects of Islam. Waqf is part of the economic institutions of Muslims which is no less important. It needs to be developed and managed in the best way, so that it can be used by all Muslims especially and humans in general

Therefore, this study aims to identify the ideal objectives of waqf institutions from the theory of *Maqasid Syariah*, to propose an idea of developing a model of waqf institutions performance measures based on the objectives identified in the first research objective and to test the waqf institutions performance measures developed in second research objective on a sample of thirteen waqf institutions.

The remainder of this paper is organized as follows. The second section discusses the literature review on waqf, *maqasid waqf* and performance measurement. The third section explains the research methodology employed in this study. Research findings are reviewed and discussed in section four, and the final section highlights the conclusion and recommendations for future research.

LITERATURE REVIEW

Waqf Concept

The word waqf is derived from the root word waqafa (waqafa-yaqifu-waqfan) which means to hold back or prevent something. According to the language, waqf comes from the Arabic word waqafa which means to stop or al-habsia that is to hold only or al-man'. The term waqf also refers to the matter of "detention" of valuable property to benefit it (Ibn Manzur, 1990). Whereas, according to Sharia, waqf means holding or controlling valuable property because Allah S.W.T. only where the benefits are taken for the common good (Wahbah al-Zuhayli, 1997).

Waqf is a form of charity whose reward will continue until the end of the waqf or is destroyed, even if the waqf has died. Waqf is also a wasilah for the waqf to bring himself closer to Allah S.W.T because in it there is an element of taqarrub in addition to obtaining an unending reward (Siti Mashitoh Mahamood, 2007a). The law of endowment of property is circumcision because it is a good deed of good deeds that is highly demanded.

According to jurists, the endowment (waqif) makes the benefit of its property for charitable purposes. The property will continue to remain the property of the waqf. Therefore, waqf does not remove the ownership rights of the waqf over the waqf property, but the waqf cannot use the waqf property other than for the purpose for which it was waqf (Ibn Rushd, 2003; Wahbah Zuhayli, 1996; Mustafa al-Khin et.al. 2009). Waqf plays an important role in meeting some of the shortages in society, in addition to catalyzing economic, scientific, social and religious development, to guarantee the continuity of the teachings of Islam (Mochammad Arif Budiman, et.al., 2011).

Maqasid Syariah In Waqf Management

The objective or *Maqasid* of Islamic Law is to protect the interests and needs of people in this world and the hereafter. The meaning of *Maqasid Syariah* is the secrets that have been set by Allah S.W.T. on every law that has been stipulated, that is to achieve happiness in individuals and society as well as preserve the law and further to prosper the world until it reaches a high level of perfection, goodness, progress and civilization. According to al-Shatibi in his book *al-Muwafaqat Fi Usul al-Shariah*, in addition to preserving the benefits or interests of humans in living life in the world, it also aims to preserve the interests of humans after their death (Al-Syatibi, 1996).

Maqasid Syariah is generally divided into three parts (Al-Syatibi, 1996). First, *dharuriyyat* (essential). They are things that are included in the basic needs that must be met by every individual. Second, *hajiyyat* is a benefit that is a human need and desire. It is to remove difficulties and narrowness that can lead to hardships in life. The third part is *tahsiniyyat* that is the lowest hierarchy in the arrangement of maqasid sharia. It refers to the comfort that will be enjoyed by humans who want it. Despite the importance of *dharuriyyat*, *hajiyyat*, and *tahsiniyyat*, scholars continue to refer to the afore mentioned five requirements as a necessary element of fulfillment. Waqf, for instance, is thought to be more focused on protecting property and religion. However, some nations have very poor waqf management. Hence, advocating the creation of a *maqasid* for waqf management (Md. Ibrahim AA, Khan SH, 2015). It is in line with the suggestions made by numerous experts who advocate for improved waqf management as a means of maintaining the overall *maqasid* (Al-Mubarak T, 2017 & Habib Ahmed, 2004).

Meanwhile, *Maqasid Syariah Index (MSI)* is a concept that was recently created as a measurement device for the financial performance of Islamic financial organizations. This idea came about because the currently available and widely accepted measurement instruments

could not adequately depict the general state of a *Syariah* financial institution's achievement of *Falah* and *Maqasid Syariah*.

Performance Measurement of Waqf Institutions

The main purpose of waqf is to fulfill non-profit purposes, which is similar to non-profit organizations (Ramli & Muhamed, 2013). Therefore, the definition and measurement of performance for non-profit organizations were applied to measure the performance of waqf institutions. In a related view, Ihsan and Ayedh (2015) suggested that waqf institutions have similar characteristics to non-profit organizations and can be considered in the same category, as the formation of these organizations is to benefit society. Berman (2015) defined performance as “the effective and efficient use of resources to achieve results and objectives”.

There has been an argument on the measurement that relates to the performance of non-profit organizations (Epstein & McFarlan, 2011), particularly for waqf institutions. This is due to the complexity of the measurement as these organizations focus on and emphasize achieving their missions in which the accomplishments are difficult to measure. Fishel (2003) posited that the measurement has to consider the formation of the organization enables to achieve social, cultural, welfare or religious objectives. In general, the performance measurement of any organization in the social sector should be driven by its mission and goals (Ebrahim & Rangan, 2014). Based on the argument, it can be said that performance measurement is very close and directly related to the objectives of an organization. The formulation of performance measurement for waqf institutions needs to be guided by the objectives or *maqasid* of waqf.

SAMPLING

This study considers a sample of the following thirteen waqf institutions. Table 3 below shows the selection of 13 states of waqf institutions in Malaysia.

State	Waqf institutions	Structure
Wilayah Persekutuan	Pusat Wakaf MAIWP Sdn. Bhd (PWMSB)	Corporation
Selangor	Perbadanan Wakaf Selangor (PWS)	Corporation
Negeri Sembilan	Perbadanan Baitulmal Negeri Sembilan (PBMALNS)	Corporation
Melaka	Bahagian Pembangunan Hartanah MAIM	Department
Johor	Waqaf An-Nur Corporation Berhad (WANCorp)	Corporation
Perak	Wakaf Perak Ar-Ridzuan (WPAR)	Corporation
Kedah	Bahagian Wakaf MAINk	Department
Pulau Pinang	Wakaf Pulau Pinang Sdn Bhd (WPP)	Corporation
Perlis	Bahagian Pembangunan Wakaf, Hartanah and Mal MAIPs	Department
Kelantan	Unit Wakaf MAIK	Department
Terengganu	Seksyen Wakaf MAIDAM	Department
Pahang	Unit Wakaf MUIP	Department
Sarawak	Tabung Baitulmal Sarawak (TBS)	Corporation

STUDY DESIGN

In this study, descriptive quantitative research is used to assess the performance of state waqf institutions in Malaysia by using the Maqasid Syariah Index (MSI) ratios. The percentage value of each ratio in the *Maqasid Syariah Index* is known from the annual financial statements of sample waqf institutions for the 2016-2020 period. This study method is designed following Mohammed et al. (2008) with some adjustments and contextualization to the nature of the waqf institution. The concepts (C) into the observable characteristic of *Maqasid Syariah*, which are termed as dimensions (D). The dimensions are further broken down into measurable behaviors, referred to as elements (E) and then broken down into measurable performance that, referred to as ratio indicator (R). The five (5) broad of *Maqasid Syariah*, namely Faith /Religion (*Din*), Intellect Advancement (*Aql*), Life (*Nafs*), Progeny (*Nasl*) and Welfare (*Mal*), are operationally defined. Each of these objectives or concepts (C) is then translated into broad characteristics or dimensions (D) and measurable behaviors or elements (E) and finally as ratio indicator (R) as follows in Table 1 below:

Table 1. The *Waqf* indicator from the perspective of *Maqasid Shariah*

Objective/ <i>Maqasid shariah</i> (C)	Dimension (D)	Element (E)	Performance Ratio (R)	Sources of data
O1: Faith / Religion (<i>din</i>)	D1: Philosophy and Values	E1: Vision and Mission Statement Disclosure	R1: -Operating within Shari'ah principles/ideals -Providing returns within Shari'ah principles -Serving the needs of Muslim community -Commitments to engage only in permissible activities -Appreciation to stakeholders and beneficiaries	Annual report
	D2 : Affordable and Halal	E2 : Functional Distribution Product and Services	R2 : -No involvement in non-permissible activities -Basis of Shari'ah concept in approving product and services -Total revenue Commitments	Annual report
O2: Intellect Advancement (<i>aql</i>)	D3 : Advancement of knowledge	E3 : Education grant	R3: -Education grant or scholarship/total expenses	Annual report
		E4: Research	R4: -research expense / total expense	
	D4: Developing new skills and improvement	E5: Training	R5: -Training expense / total expense	

	D5: Awareness	E6 : Publicity	R6: -Publicity expense/total expenses -Channel of publicity and marketing	
O3 : Life (<i>nafs</i>)	D6: Security & Health	E7: Safety	R7: -Security expenses -Health cost	Annual report
	D7: Freedom & Justice	E8: Fairness	R8: -Equality of opportunity -Fairness in distribution	
	D8: Investment in real economic sector	E9: Investment ratios in real economic	R9: -Investment in real economic sector / Total Investment	
O4 : Progeny (<i>nasl</i>)	D9 : Social Indicators	E10: Policy Objectives and environmental issues	R10: -Mission statement/statement of social policy -Consumer care -Community involvement	Annual report
	D10: Development and Social	E11: <i>Waqf</i>	R11: -Types, Beneficiaries, Sources and amount of <i>Waqf</i>	
	D11: Development and welfare of employees	E12: Employees	R12: -Number of employees -Employees welfare	
O5: Welfare (<i>mal</i>)	D12: Corporate Governance Indicator	E13: Accountability Transparency Fairness Responsibility	R13: -Statement on Corporate Governance -R14: -Board meetings were conducted at least four times a year	Annual report

Source: Adapted from Noor et al. (2018)

Verification of the performance Measures

The *Maqasid Syariah Index* for an individual waqf is the sum of its performance indicators to fulfill the five objectives of *maqasid shariah*.

Table 2. Assigned weights in IMS based on the concept of balance

The objective of Maqasid al-Shari'ah	Average weight (Out of 100%)	Elements	Average weight (Out of 100%)
O1: Faith / Religion (<i>din</i>)	0.20	E1: Vision and Mission Statement Disclosure	0.50
		E2: Functional Distribution Product & Services	0.50

		Total	100%
O2: Intellect Advancement (<i>aql</i>)	0.20	E3: Education grant	0.25
		E4: Research	0.25
		E5: Training	0.25
		E6: Publicity	0.25
		Total	100%
O3: Life (<i>nafs</i>)	0.20	E7: Safety	0.33
		E8: Fairness	0.33
		E9: Investment ratios in real economic	0.33
		Total	100%
O4: Progeny (<i>nasl</i>)	0.20	E10: Policy objective and environmental issues	0.33
		E11: Zakat, Waqf charity and benovelent loans	0.33
		E12: Employee	0.33
		Total	100%
O5: Wealth (<i>mal</i>)	0.20	E13: Accountability, Transparency, Fairness and Responsibility	1
Total	100%	Total	100%

Source: Adapted from Hudaefi & Noordin (2019) and Mohammed et al., (2008)

As Hudaefi & Noordin (2019) proposed, the evaluation of the individual waqf objectives can be realized as the equation below.

First, Objective 1 is obtained by O1:

$$O1 = W_1^1(E_1^1 \times R_1^1 + E_1^2 \times R_1^2)$$

denotes:

O1 = the first of the *Maqasid Syariah*, which is faith (*dīn*);

W_1^1 = the weight assigned to (O1) (see Table 2);

E_1^1 = the weight assigned to the first element of (O1) (see Table 2);

E_1^2 = the weight assigned to the second element of (O1) (see Table 2);

R_1^1 = the evaluation for the performance ratio corresponding to E_1^1 of (O1) (as applied in Table 1); and

R_1^2 = the evaluation for the performance ratio corresponding to E_1^2 of (O1) (as applied in Table 1).

Second, Objective 2 is obtained by O2:

$$O2 = W_2^2(E_2^3 \times R_2^3 + E_2^4 \times R_2^4 + E_2^5 \times R_2^5 + E_2^6 \times R_2^6)$$

denotes :

O2 = the second of the *Maqasid Syariah*, which is intellect advancement (*aql*);

W_2^2 = the weight assigned to (O2) (Table 2);

E_2^3 = the weight assigned to the first element of (O2) (Table 2);

E_2^4 = the weight assigned to the second element of (O2) (Table 2);

E_2^5 = the weight assigned to the third element of (O2) (Table 2);

E_2^6 = the weight assigned to the fourth element of (O2) (Table 2);

R_2^3 = the evaluation for the performance ratio corresponding to E_2^3 of (O2) (as applied in Table 1);

R_2^4 = the evaluation for the performance ratio corresponding to E_2^4 of (O2) (as applied in Table 1);

- R_2^5 = the evaluation for the performance ratio corresponding to E_2^5 of (O2) (as applied in Table 1); and
 R_2^6 = the evaluation for the performance ratio corresponding to E_2^6 of (O2) (as applied in Table 1).

Third, Objective 3 is obtained by O3:

$$O3 = W_3^3(E_3^7 \times R_3^7 + E_3^8 \times R_3^8 + E_3^9 \times R_3^9)$$

O3 = the third of the *Maqasid Syariah*, which is life (*nafs*),

W_3^3 = the weight assigned to (O3) (Table 2);

E_3^7 = the weight assigned to the first element of (O3) (Table 2);

E_3^8 = the weight assigned to the second element of (O3) (Table 2);

E_3^9 = the weight assigned to the third element of (O3) (Table 2);

R_3^7 = the evaluation for the performance ratio corresponding to E_3^7 of (O3) (as applied in Table 1);

R_3^8 = the evaluation for the performance ratio corresponding to E_3^8 of (O3) (as applied in Table 1) and;

R_3^9 = the evaluation for the performance ratio corresponding to E_3^9 of (O3) (as applied in Table 1)

Fourth, Objective 4 is obtained by O4:

$$O4 = W_4^4(E_4^{10} \times R_4^{10} + E_4^{11} \times R_4^{11} + E_4^{12} \times R_4^{12})$$

denotes ;

O4 = the fourth of the *Maqasid Syariah*, which is progeny (*nasl*);

w_4^4 = the weight assigned to (O4) (Table 2);

E_4^{10} = the weight assigned to the first element of (O4) (Table 2);

E_4^{11} = the weight assigned to the second element of (O4) (Table 2);

E_4^{12} = the weight assigned to the third element of (O4) (Table 2);

R_4^{10} = the evaluation for the performance ratio corresponding to E_4^{10} of (O4) (as applied in Table 1);

R_4^{11} = the evaluation for the performance ratio corresponding to E_4^{11} of (O4) (as applied in Table 1); and

R_4^{12} = the evaluation for the performance ratio corresponding to E_4^{12} of (O4) (as applied in Table 1).

Fifth, Objective 5 is obtained by O5:

$$O5 = W_5^5(E_5^{13} \times R_5^{13})$$

denotes ;

O5 = the fifth of the *Maqasid Syariah*, which is wealth (*mal*);

w_5^5 = the weight assigned to (O5) (Table 2);

E_5^{13} = the weight assigned to the first element of (O5) (Table 2);

R_5^{13} = the evaluation for the performance ratio corresponding to E_5^{13} of (O5) (as applied in Table 1).

Hence, overall Integrated *Maqasid Syariah Index* (MSI)

$$MSI = O1 + O2 + O3 + O4 + O5$$

EMPIRICAL RESULTS

Performance Ratios

Table 3. Performance Ratios for five Syariah Objectives in thirteen State Waqf Institutions from 2016-2020

State	<i>Maqasid Syariah Index (MSI) (%)</i>				
	2016	2017	2018	2019	2020
Wilayah Persekutuan	84.76	86.63	83.1	83	87.9
Selangor	83.5	85.5	87.6	86.5	88.5
Negeri Sembilan	84.5	86.5	85.5	87.6	87.5
Melaka	87.75	89.55	86.35	87.9	87.3
Johor	85.4	87.5	86.4	87.5	89.8
Perak	83	88.7	86.5	89.6	88
Kedah	84	86.5	87.6	88	87.9
Pulau Pinang	86.5	88.6	87.9	89.7	86.5
Perlis	81	83.2	84.5	85	83.5
Kelantan	86.5	86.5	88.6	89.5	88.6
Terengganu	85	85.6	86.8	88	89.5
Pahang	84	85	85.6	86	86.5
Sarawak	82	83.5	86.5	85.5	86

Based on table 3, all *MSI* percentage values in thirteen state institution waqfs experienced ups and downs from 2016-2020. The percentage of *Maqasid Syariah Index* in waqf institutions in five years exceeded 80 percent and above. This proves that there is still space that needs to be improved in the waqf management system so that the waqf institutions in Malaysia are always centered on the sharia foundation in drawing success in improving the quality of life and universal prosperity.

CONCLUSION

The performance assessment of waqf institutions using the *Maqasid Syariah Index (MSI)* concept shows that the achievement of waqf institutions performance is quite good. The greatest significance of this study is that it proposes the objectives of waqf institutions from the *Maqasid Syariah* perspective. It also suggests methodologies that can be used to develop waqf institutions performance measures based on the *Syariah* framework. The results of the study have shown variations in the performance of the waqf institutions. As this is an exploratory study, hopefully, future research will consider it a starting point for further developing objectives and performance measures of waqf institutions based on the *syariah* framework.

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Developing Education Leaders in Managing Adaptation of Technology: Focus Group Analysis

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ABSTRACT

The Industrial Revolution (IR) is an event that marks significant progress in human civilisation. In view of the IR 4.0 which has reached its peak, urged all parties to act fast. For formal education to compete globally, educational organizations such as schools need to efficiently bring their workforce to act and pursue the progress. This study aims to explore how education leaders in Malaysia manage the adaptation of technology. The qualitative approach was utilized in the form of a focus group discussion with various stakeholder. The findings demonstrate that the primary themes are technology integration through leadership and vision; technology management through professional practice; and technology integration for teaching and assessment; all of which are important to be considered by school leaders to adapt to new technology. The analysis presented in this study can be used as a reference by the concerned parties to help to strengthen educators in Malaysia.

Keywords: *Andragogy; Challenges; education technology; education leaders; leadership.*

INTRODUCTION

Industrial Revolution 4.0 has strengthened management, industrial and commercial structures that emphasize on digital technology development in reducing human energy costs while increasing productivity. The increasingly robust development of digital systems has prompted various industry sectors around the world to develop high-tech robotic machines (Adlina et al., 2020). Digital technology systems also facilitate large-scale data usage globally that enable fast and effective long-term cost saving works. Therefore, the importance of digital education in the current Industrial Revolution 4.0 has been among the topics of discussion in various sectors especially for the educational sector. National education system is also facing new changes namely: the 21st century teaching and learning and the Industrial Revolution 4.0. The 21st century is often linked with the era of information technology (IT), while the Industrial Revolution 4.0 refers more to the development of robotic technology (Lu, 2017). The development of 'open sky technology' certainly has implications for human life (Mohamad, 2003). Undeniably, education is the most important tool in the development of human resources that will serve to develop the country. Various efforts were made for the purpose to boost the national education system. However, there are education leaders who still do not understand the importance of digital education elements and do not realise the existence of Industrial Revolution 4.0 in the academic context and daily lives. This article will explore the level of understanding of education leaders and their perception towards Industrial Revolution 4.0. This is also part of the effort to support the Malaysian Education Blueprint (2013-2025) as outlined by the Ministry of Education Malaysia in utilizing ICT to improve the teaching and learning quality in Malaysia.