

## **Key Success Factors of a Waqf University**

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### **ABSTRACT**

Waqf is a social instrument that offers an avenue for the affected people such as the poor and orphans in the health and education sectors. The successful implementation of Waqf University in other countries like Indonesia, Turkey and Egypt has given the inspiration to the management of International Islamic University College Selangor (KUIS) to transform this university as a Waqf University in the years 2025. This paper aims to study factors that can contribute to the success of KUIS as a Waqf University. Data were gathered through structured questionnaires by using a sample of 110 academicians in KUIS. The results of Pearson Correlation and Regression model suggest that administration factor is the most important factor which posted significant relationship with the success of KUIS as a Waqf University. While other factors (awareness and expert management) are also important but with less profound effect.

*Keywords: Waqf University, Academician, Awareness, Administration, Expert Management.*

### **INTRODUCTION**

Waqf is defined literally as ‘detention’. In the language of law, waqf means detention of a property whereby the ownership of dedicated property is taken away from the person making waqf and then transferred and detained by God. Thus, its produce or income may always be available for religious or charitable purposes (Madhubala Solanki, 2017). Waqf supported so many social and economic sectors that the evolution of Islamic civilization is incomprehensible without taking account of them. Waqf is a noble and sacred activity which brings many benefits to human being. Yediylldlz (1990) as cited by Timur Kuran (2001) highlighted on the prodigious development of the waqf institution during the Ottoman Empire:

*“a person could be born in a house belonging to a waqf, sleep in a cradle of that waqf and fill up on its food, receive instruction through waqf-owned books, become a teacher in a waqf school, draw a waqf-financed salary, and, at his death, be placed in a waqf-provided coffin for burial in a waqf cemetery. In short, it was possible to meet all one's needs through goods and services immobilized as waqf.”*

According to Ahmad Zaki et.al. (2008), history has proven that waqf practice has given birth to institutions of education which lasted and has produced over thousands of well-known and renowned scholars worldwide. Among them are the University of Cordova in Andalus, Al-Azhar in Egypt, Madrasah Nizamiyah in Baghdad, Islamic University of Indonesia, Pondok Pesantren Darunnajah, Indonesia, Madrasah AlJunied, Singapore, and Al-Jamiah al-Islamiah in Medina. The excellence example of figures and educational institutions on the golden age of Islam are the result of the encouragement from Hadith Rasulullah S.A.W (narrated by Muslim) which means:

*"When the son of Adam dies he will leave only three things: charity jariah (waqf), the beneficial knowledge (the taught), and the righteous son Pray for him"*

## **PROBLEM STATEMENT**

The current economic crisis in Malaysia has caused currency of the country to decline. The depreciation of Malaysia's currency since 2014 makes it to become less capable of acting as a measure of existing value of goods and services. In conjunction, the purchasing power is getting low and people's capability to purchase is affected. Due to that, prospective students tend not to pursue study in private universities since they consider private universities too expensive in comparison to public universities. In addition, the ringgit's depreciation puts pressure on students who are furthering studies in the country or abroad because they will have the possibility of spending more than what they are supposed to cover expenses during their studies. It is hard for students who self-finance their studies, especially in the Middle East, which is one of the countries that demand a high cost of living (Farhan, 2015).

KUIS positively sees the current economic climate as an opportunity and the right time to initiate waqf institution. In addition, the successful implementation of Waqf University in other countries like Indonesia, Turkey and Egypt has also given the inspiration to the management of KUIS to transform this university as a Waqf University in the years 2025. In fact, KUIS has taken several initiatives ever since April 2014 in order to realize the noble vision. Among the initiatives are; firstly by studying and benchmarking successful Waqf Universities like Al-Azhar University, Gontor University (Indonesia), and Vakif University (Turkey), secondly, by engaging in several programs and events with main aim to create awareness among the staff, students, parents, and the local community on the importance of Waqf, and last but not least by developing KUIS Foundation as a steering body towards waqf development (MARCOM Buletin, KUIS, 2014).

In order to achieve the vision, they are several factors that need to be taken care of. They are awareness of community and public, administration of waqf funds, and professionals/expert management. Therefore, the objective of this research is to examine the key success factors for KUIS to become a Waqf University.

## **LITERATURE REVIEW**

### **Waqf**

The practice of waqf has a long tradition in Islamic history and is considered a devotional act to draw nearer to God (Hoexter, 1998). There are many factors that drive the society especially Muslims to donate their property; looking for Allah's blessing, the spread of

Islamic religion, the purpose of nation's education and encouraging the development of economy (Latiff Azhar (2013).

Waqf is one of the important elements in the development and empowerment of an institution in producing first class human capital. With the increasing education fees nowadays, the role of waqf in higher education is important in society. Waqf is one of the ways to assist higher education institutions in generating income and benefits that can be used for the purpose of improving and advancing the education of the nation (Siti Zakiah Ali & Hairunnizam Wahid, 2014).

### **Awareness**

The understanding of Malaysian community regarding waqf is still low and mostly not clearly understands the concept of waqf. Mostly perceive that the concept of waqf is only confined to the cemetery and the mosque while in fact the concept of waqf is wider which involves property, premises, and houses, residential and also in cash (Wan Kamal Mujani et. al., 2014)

The history of waqf in the education sector has started from traditional educational institutions based on religious school such as Sekolah Agama Rakyat (SAR), the School of Religious Affairs (SAN), and madrasah (Asmak, 2009). During that time, Muslims are encouraged to give away their land for the construction of religious school and the development of waqf expanded when their properties are also used to build residences or hostel for teachers. The traditional waqf for education is in a form of asset such as land, houses, buildings, books, mosques and others that give fully benefit for the purpose of studying (Najibah Mustaffa & Mohd Zamro Muda, 2014).

People must aware that waqf is a crucial investment to produce ulama' who can be the community leaders. This is due to the fact that the graduates are not only excellent in academic but most of them have become important figures who had contributed to the development of the country. The graduates of waqf educational institution had proven that they are not only excellent in academic but often become people who are highly righteousness and ethical (Latiff Azha 2013).

### **Administration**

According to Ali Gom'ah (2012), the challenge of Waqf University is lack of management and administrative system to manage the waqf fund. The weak of management system caused waqf fund to be generated inefficiently and the fund not rise but still the same. Sait et. al. (2006) in the same manner highlighted that efforts at capacity building by manager and enhancing transparency and accountability are important, but the real challenge lies in improving and rendering the structures of waqf administration in more efficient manner. In addition, the management of waqf property is very costly as it involves many individuals to develop the property (Latiff Azha 2013).

Ahmad Zaki (2008) in his study of the management and contributions of waqf in the field of Islamic education lists five challenges faced by waqf education institutions in Malaysia. There are administration, financial resources, expert management, information and marketing. These factors if not well managed can inhibit the development of waqf education institutions in Malaysia.

## **Expert Management**

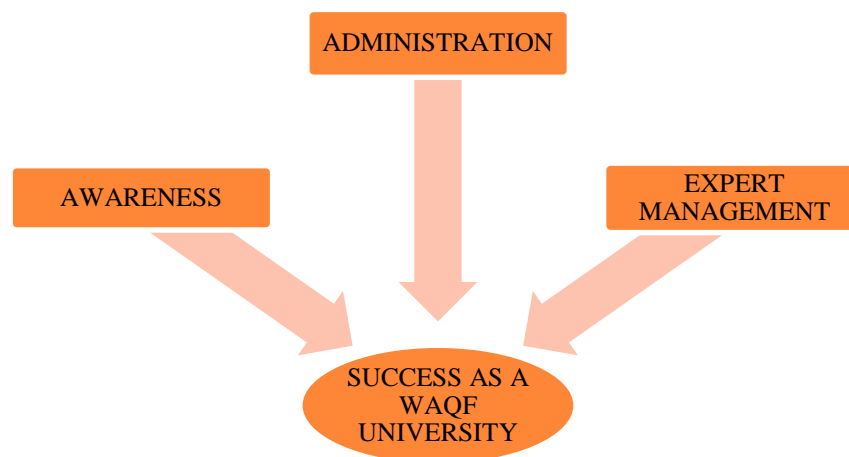
According to Ahmad Zaki (2008), waqf instruments have the potential to develop education if they are managed by an independent, professional, reliable, and focused welfare organization. Faishal Muhammad (2012) in his study also emphasized that management of waqf will be more efficient and transparent if implemented by professionals who are committed to Islam. Meanwhile Latiff Azha (2013) in similar notion agreed that waqf in the education sector needs professional management to ensure the survival of students' education.

## **METHODOLOGY**

### **Research Variable**

This study consists of two variables; dependent and independent variables. Dependent variable is the success of KUIS as a Waqf University, while the independent variables are awareness of the community and public on the importance of waqf, administration system, and expert management.

**Figure 1: Theoretical Framework**



(Sources: Adapted from Najibah Mustaffa & Mohd Zamro Muda, 2014 and Abdul Halim Sunny, 2007)

## **Hypothesis**

This study attempts to test the following hypotheses:

H1: Awareness exerts a significant influence on success of KUIS as a Waqf University.

H2: Management system exerts a significant influence on success of KUIS as a Waqf University.

H3: Expert management exerts a significant influence on success of KUIS as a Waqf University.

## **Data Collection**

Primary data were collected by questionnaire distribution. While secondary data were gathered by referring to other sources of evidence, such as the organization's documents and records, articles, and journals on the subject matter under study.

## **Research Instrument**

This study is a quantitative study which used structured questionnaire as an instrument. The questionnaire consists of three sections, whereby Section A consists of questions regarding demographic background of respondents, Section B consists of questions regarding the three independent variables (awareness, administration, and expert management), and Section C consists of questions related to the dependent variable (success of KUIS as a Waqf University). Four-Point Likert scale was used in order to measure the data in Section B and C.

## **Population and Sample**

There is a total of 363 academic staff in five faculties in KUIS; Faculty of Management and Muamalah (FPM), Faculty of Science and Information Technology (FSTM), Faculty of Islamic Studies and Civilization (FPPI), Faculty of Laws and Syariah (FSU), and Faculty of Education (FP). From the population, 110 academic staff was derived as samples (Krejcie and Morgan, 1970).

## **ANALYSIS AND FINDINGS**

### **Demographic Profile**

Of the academic staff surveyed, 66% are females and 34% are males. Majority of them are in the age of 26 to 35 years old (40%). In terms of faculty, majority of them are staff in FPM (45%). Of the 110 respondents, 3% has been working in KUIS for less than 1 year, 23% has been working in KUIS for 1 to 3 years, 29% 3 to 5 years, 19% 5 to 7 years, and 26% has been working in KUIS for 8 years and above. The summary of the demographic analysis is shown in table 1.

**Table 1: Demographic Profile of Respondents**

<b>Variables</b>	<b>Categories</b>	<b>Percent (%)</b>
Gender	Male	33.6
	Female	66.4
Age	25 and below	5.5
	26 – 35	40.0
	36 – 45	33.6
	46 and above	20.9
Faculty	FPM	44.5
	FSTM	25.5
	FPPI	14.5
	FSU	8.2
	FP	7.3

Employment Tenure (in KUIS)	Less than 1 year	2.7
	1 – 3 years	22.7
	3 – 5 years	29.1
	5 – 7 years	19.1
	8 years and above	26.4

### Correlation Analysis

Correlation analysis were employed to analyze the data and test the hypothesis in this study.

**Table 2: Corelation Result**

Factors	Pearson Corelation	Significant Value
Awareness	0.641	0.000
Administration	0.856	0.000
Expert management	0.696	0.000

Dependent Variable: Motivation of academic staff

**Table 3: Strength of Relationship**

Correlation	Strength of Correlation
0.8 – 1.0	Very strong
0.6 – 0.8	Strong
0.4 – 0.6	Moderate
0.2 – 0.4	Weak
0.0 – 0.2	Very weak

Source: Fauzi Hussin et. al (2014)

Table 2 above shows the Pearson Correlation result between dependent and independent variables under study. The result showed that all the three factors significantly contribute towards success of KUIS as a Waqf University. Therefore, all the three hypotheses were supported. In terms of influence of the factors, results revealed that administration factors poses a very strong influence towards KUIS success (0.856), while the rest two factors have strong level of influence only (awareness 0.641, expert management 0.696).

### Regression Analysis

Table 4 below shows the strength of relationship between awareness, administration, and expert management with success of KUIS as a Waqf University. The R Square for the overall model is 0.8508 indicating that all the three factors exert a strong influence towards success of KUIS as a Waqf University at 85.08%. Meanwhile, the results of the regression model in table 5 suggest that generally academic staff of KUIS perceive that administration factor is the most important factor that can highly contribute towards success of KUIS to become a Waqf University (Beta 0.743), while awareness factor (Beta 0.423) and expert management factor (0.290) have lesser effect compared to administration factor.

**Table 4: Regression Model Summary**

Model	R	R Square
1	0.899 <sup>a</sup>	0.8508

Predictors: (Constant), Awareness, Administration, Expert Management

**Table 5: Regression Result**

<b>Model</b>	<b>Beta</b>	<b>t</b>	<b>Sig.</b>
Awareness	0.423	6.162	0.000
Administration	0.743	8.569	0.000
Expert management	0.290	2.308	0.023

## DISCUSSION AND CONCLUSION

The results of Correlation analysis suggest that all the three factors exert a significant influence towards success of KUIS as a Waqf University. However, when compared the three factors, administration factor proved to provide higher level of influence than awareness and expert management factors. Regression analysis further enhances the findings which showed that all the factors strongly explain the dependent variable, but administration factor found to provide higher contribution towards KUIS success than the other two factors.

Findings on the significant influence of awareness, administration, and expert management factors towards success of KUIS as a Waqf University are consistent with findings by previous researchers. In terms of awareness, Abdul Halim Sunny (2007) in his study highlighted that the economic strength of the society which is formed as a result of the wealth of waqf is closely related to the awareness of Islam in a place. Meanwhile, in terms of administration, Sait et. al. (2006) stated that efforts at capacity building by manager and enhancing transparency and accountability are important, but the real challenge lies in improving and rendering more efficient the structures of waqf administration. Ahmad Zaki Latiff et. al. (2008) in his study highlighted the importance of expert management in Waqf institutions. He stated that waqf instruments have the potential to develop education if they are managed by a self-reliant, professional, reliable and focused welfare organization.

Findings from the regression analysis which indicate administration factor as the most important factor that can highly contribute towards success of KUIS to become a Waqf University is supported by Najibah Mustaffa & Mohd Zamro Muda (2014) which stated that if the administration and management of waqf institution is not well done, it can give negative perception to waqf education.

In conclusion, all of the factors greatly play a significant role as key success factors of a waqf institution's development. However, awareness of the community and public on the importance of Waqf in education, and recruitment of highly effective and efficient expert management/professional in managing Waqf institutions will not bring great success if the administration system (particularly the collection and distribution of waqf fund) are not well managed. An effective and efficient administration can produce positive impact on the community and inspire other institutions. While the expert management is needed to craft a structured learning system over a long period of time to ensure the sustainability of waqf education.

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