

**THE WAQF INSTITUTION FUNDS MANAGEMENT AT PUBLIC
UNIVERSITIES IN PERLIS, MALAYSIA**
(Pengurusan Dana Institusi Wakaf Universiti Awam di Perlis, Malaysia)

¹ UMMI AIDA MAT NOR
¹ HYDZULKIFLI HASHIM OMAR
¹ NORIZA ABD AZIZ
² SOLAHUDDIN ABDUL HAMID

¹ Islamic Business School (IBS), Universiti Utara Malaysia, 06010 Sintok,
Kedah Darul Aman, Malaysia

² School Languages, Civilization and Philosophy (SLCP), Universiti Utara Malaysia,
06010 Sintok, Kedah Darul Aman, Malaysia

ABSTRACT

Waqf was recommended by Prophet Muhammad (PBUH) since the beginning of Islam up until this moment. Even though the term *waqf* is not explicitly mentioned in the Quran, it should be emphasized that the Quran provides clear guidance on the concept of wealth distribution to ensure the realization of social justice. Islam teaches that wealth is a trust from Allah and should be spent as He intends. Concerning the poor, Islam says the poor have their share in the wealth of the rich. Therefore, the role of *waqf* is more in the service of humanity where it brings enhancements to the socio-economic, harmony and prosperity of the Ummah. This research attempts to investigate the acceptance among students on the active roles of *waqf* institutions as well as to encourage Higher Education Institutions (HEIs) to develop their own sources of revenue with *waqf* funds. This study was conducted on 739 respondents comprising undergraduate students from public universities in Perlis in order to test the developed hypothesis to measure the factors that influence the acceptance of *waqf* institutions which include attitude, subjective norm, religiosity, amount of information

and awareness. The results reported in this research may propel the idea of the establishment of *waqf* institutions at selected public universities in Perlis and may eventually at all universities throughout the country. All the data were analysed using Statistical Package for Social Science (SPSS) version 23.0. A conceptual framework is built based on the Theory of Reasoned Action (TRA). The results suggested that only four factors, namely attitude, subjective norm, religiosity and awareness, are factors that influence the acceptance of the establishment of *waqf* institutions among undergraduate students at public universities in Perlis.

Keywords: *waqf*, *waqf* funds, *waqf* institution, wealth distribution, acceptance

ABSTRAK

Wakaf telah dianjurkan oleh Nabi Muhammad (SAW) sejak awal Islam sehingga ke saat ini. Al-Quran tidak menyebut secara khususnya mengenai wakaf, akan tetapi konsep asas pengagihan kekayaan amatlah dituntut di dalam Islam. Islam menyarankan agar masyarakat mengutamakan konsep persaudaraan dan juga keadilan sosial di dalam kehidupan seharian. Islam turut menegaskan bahawa semua kekayaan itu adalah amanah dari Allah, maka ia hendaklah dibelanjakan sebagaimana yang dikehendaki oleh Allah. Justeru golongan yang kurang berkemampuan (miskin) mempunyai hak dalam sesebuah kekayaan yang dimiliki oleh golongan yang kaya. Peranan wakaf memfokuskan kepada perkhidmatan kemanusiaan yang mampu membawa kepada peningkatan sosio-ekonomi, keharmonian dan kesejahteraan umat sejagat. Kajian ini bertujuan untuk mengkaji tahap penerimaan pengurusan dana wakaf dalam kalangan pelajar-pelajar (sarjana muda) terhadap institusi wakaf di universiti awam di negeri Perlis. Kajian ini dilakukan ke atas 739 responden yang merupakan pelajar-pelajar sarjana muda dari universiti awam di negeri Perlis. Terdapat beberapa faktor yang mempengaruhi penerimaan dana institusi dana wakaf di universiti awam yang merangkumi faktor-faktor sikap, norma subjektif, keagamaan, jumlah maklumat dan kesedaran. Hasil daripada kajian ini boleh mendorong idea untuk penubuhan dan pemeraksanaan institusi wakaf di universiti awam terpilih, bahkan ianya boleh dilaksanakan di semua universiti awam dan swasta di seluruh negara. Data yang diperolehi telah dianalisa menggunakan perisian Statistical Package for Social Science (SPSS) versi 23.0. Kerangka konsep dibina berdasarkan Theory of Reasoned Action (TRA). Kajian ini menunjukkan bahawa terdapat empat faktor-faktor utama iaitu faktor sikap, faktor norma subjektif, faktor keagamaan dan faktor kesedaran yang merupakan faktor-faktor yang mempengaruhi penerimaan penubuhan dan pemeraksanaan dana institusi wakaf di kalangan pelajar-pelajar sarjana muda di universiti awam Perlis.

Kata kunci: Wakaf; dana wakaf; institusi wakaf; pengagihan harta; penerimaan

INTRODUCTION

Charitable and alms giving activities are highly appreciated and thus encouraged in Islam. *Waqf* is one type of philanthropic activities in Islam. *Waqf* is the connection between the wealthy and the needy. The role of *waqf* is the same as *zakat* and *sadaqah*. However, *zakat* is compulsory, whereas *sadaqah* and *waqf* are not, but are encouraged in Islam (Ramli, Mohd & Aini 2015). The word *waqf* is derived from the Arabic root verb “*waqafa*”, which etymologically means causing a thing to stop and standstill (Maj al-Dīn Muhammad Ya‘qūb Muhammad Ibn Ya‘qūb al-Fayrūz Ābādī, (1412H). On the other hand, it also takes the meaning of detention, holding or keeping. Under Islamic Law, the word is used in the sense of holding certain assets or belongings whilst preserving them for the confined benefit or certain patronage, forbidding any use or disposal of them outside their specific objective. Toraman and Cengiz (2004) stated that *waqf* applies to non-perishable property, meaning that the benefit of which can be extracted without consuming the property itself. *Waqf* (endowment) according to the current practice in Malaysia is a property given by the owner (al-waqif) to Allah. Malaysian Waqf, Zakat and Hajj Department (JAWHAR) (2006), stated that any sale and purchase transaction, inheritance, grants or wills of these properties is prohibited. The physical resources (waqf) must be maintained.

The perfection of Islam is shown with these great elements of worship. All Muslim activities should be put aside for the sake of the *ummah*, something that they appreciate and value. *Waqf* can be in the form of moveable or immovable assets (Ramli, Mohd & Aini 2015). The *Quranic* verse in Surah Ali Imran indicates the encouragement of philanthropic activities:

You will never achieve righteousness until you donate some of what you cherish. And whatever you give is certainly well known to Allah.

(Surah Ali Imran, 92)

There is also a *hadith* on *waqf*, as narrated by Abu Hurairah that the Prophet (PBUH) said:

“When a person dies, his deeds are cut off except for three: Continuing charity, knowledge that others benefited from, and a righteous son who supplicates for him.”

There are several forms of *waqf*, the most common today being cash *waqf* which is viewed as easier and more flexible and therefore, anybody can contribute or donate as long as they have cash in hand (Antonio 2002). Even those who have intentions to contribute a small amount can do so as well. Cash *waqf* has been proven successful during the era of the Ottoman Caliphate (Cizacka 2013). Cash *waqf* is offered for

various types of activities such as education, food, justice, maintenance of *waqf* buildings and mosques, social services, water and workers.

Nowadays in Malaysia, the Ministry of Higher Education (MOHE) strongly encourages Higher Education Institutions (HEIs) to develop sustainable forms of funding to operate these institutions effectively, consistent with the increase in importance of fundraising for the HEIs sector worldwide (Rohayati, Najdi & Williamson 2016). The government also gives tax exemptions to those who contribute their *waqf* to universities under subsection 44(11D) of the Income Tax Act 1967. The implementation of *waqf* institutions in HEIs is becoming more acceptable using cash *waqf*. Therefore, the researcher decided to identify the acceptance of the establishment of *waqf* institutions among undergraduate students at public universities in Perlis if these universities wish to set up *waqf* institutions. The researcher also wants to explore the factors that influence the acceptance of *waqf* institutions at public universities in Perlis.

ISSUES RELATED TO THE FINANCING OF PUBLIC UNIVERSITIES

Education is becoming more costly due to the rising, which may burden parents and students, as well as impact educational institutions with increasing costs to operate and provide quality education (Wan Kamal, Mohd Syakir & Mohd Khairul Izwan 2016). The firm Ernst and Young in their publication, 'Take 5: Malaysia Budget 2015' provides additional details on the government's allocation of RM56 billion for various educational programmes. Meanwhile, Bank Negara Malaysia in their summary of the 2016 budget released by the Ministry of Finance Malaysia (MOF), revealed that RM41.3b will be allocated. Noteworthy, there was a decrease of RM 14.7b in the government's allocation for the year 2016 compared to the year 2015, in the way of funding from the government to improve the quality of education. In "Malaysia Blueprint 2015-2025 (Higher Education)", Dato' Seri Idris bin Jusoh, the then Minister of Higher Education called upon all public universities to establish their own *waqf* foundations in order to generate incomes while at the same time to reduce their operating costs and to lessen their reliance on the federal government.

Waqf in education financing is not a new practice in Malaysia. *Waqf* institutions in Malaysia are growing with the establishment of *waqf* funds (Najibah Mustafa & Mohd Zamro 2014). Several universities have already established *waqf* funds and are using various methods to generate *waqf* funds. Several public universities that have already established *waqf* institutions are Universiti Kebangsaan Malaysia (UKM), Universiti Putra Malaysia (UPM), Universiti Sains Islam Malaysia (USIM), Universiti Malaysia Pahang (UMP), Universiti Teknologi Malaysia (UTM) and Universiti Sultan Zainal

Abidin (UniSZA). Also, there are private universities and colleges that have set up *waqf* funds such as Kolej Teknologi Besteri and al-Bukhary International University.

TABLE 1 List of the public universities in Malaysia and waqf institutions funds

Public universities	Waqf institutions funds (RM)
University Kebangsaan Malaysia (2007)	364,000
University Putra Malaysia (2011)	7,430,000
University Sains Islam Malaysia (2013)	4,240,000

Source: The Sun Daily on October 20, 2016

Based on the above data, only UKM, UPM and USIM had released the amount in their *waqf* institutions funds. The incomes generated by *waqf* institutions can effectively accommodate financing for education as well as other expenses such as infrastructure development, investment and management (Ahmad et al. 2016). *Waqf* institutions allow universities to achieve their organisational missions by using *waqf* funds. The parties who are important in creating the *waqf* institutions at universities are decision-makers such as the board of trustees, vice-chancellors, staffs, bursars and chief financial officer (MOHE 2016).

SURVEY OF *WAQF* FUNDS AND SELECTED DETERMINANT FACTORS ON THE ACCEPTANCE OF THE ESTABLISHMENT OF *WAQF* INSTITUTIONS

Attitude

In this study, attitude towards acceptance of cash *waqf* is defined as a tendency to respond positively or negatively towards the establishment of *waqf* institutions. If the attitude of an individual is positive, then the chances are high that a person accepts a particular behaviour. Also, attitude toward acceptance is the degree to which an individual has an unfavourable or favourable appraisal or evaluation of behaviour in acceptance (Ndubisi & Sinti 2006). The researcher introduces the concept of attitude in predicting the acceptance of the *waqf* institutions among undergraduate students at public universities in Perlis.

Subjective norm

Subjective norm towards the acceptance of cash *waqf* can be explained as an individual's perception of his important reference. This perception allows him to accept or not accept a certain behaviour (Fishben & Ajzen 1975). Therefore, social influence

is generally positively associated with one's behaviour which is affected by others in motivating them to comply with these expectations that undergraduate students at public universities in Perlis may accept the establishment of *waqf* institutions at their universities.

Religiosity

Religion is an important cultural factor to study because it is one of the most universal and influential social institutions that have significant influence on undergraduate students' attitudes, values and behaviours at both the individual and societal levels. Religiosity is the role of religion in affecting an individual's intentions and acceptance of the *waqf* institutions. Islamic society is significantly affected by Sharia guidelines (Sulaiman 2003). Similarly, Rahim (2014) defined religiosity as the ethical belief and spiritual conduct that reflects in the daily routine of the individuals.

Amount of information

In this study, information is defined as all the flows of data delivered to undergraduate students that will lead them to the acceptance of the establishment of *waqf* institutions. The amount of information on the organisation is continually changing as it actually can be managed in the same way as the people who possess it (Loughridge 1999). For instance, the importance of information available for the cash *waqf* is essential to affect one's decision to accept the establishment of *waqf* institutions. Basically, a person with a huge amount of information will drive them to have a higher level of awareness of *waqf* and also believed to be having a high level of acceptance of the *waqf* institutions.

Awareness

Shirazi et al. (2015) affirmed awareness as referring to either a person is aware or responsive about the existence of certain matters. Therefore, this study shows that the level of acceptance of the establishment of *waqf* institutions among undergraduate students at public universities in Perlis can be described by using awareness towards the existence of the establishment of *waqf* institutions as well as the concept of *waqf* itself.

Acceptance

According to Rogers and Shoemaker (1971), consumers acceptance go through "a process of knowledge, persuasion, decision and confirmation" before they are ready to accept a product or service rendered. In this study, these variables represent the

inclination of undergraduate students at public universities in Perlis on how they accept the establishment of *waqf* institution at their universities. The willingness of the community to accept is one of the central issues that could reflect the successful implementation of the project (Mansor, Che Hamid & Wan Muda 2011).

METHODOLOGY

Research design

This was a quantitative study in which data were analyzed using the Statistical Package for Social Science (SPSS) version 23.0. The method used in this study is based on a cross-sectional survey design. The questionnaire was distributed to the selected respondents for the purpose of data collection. Since this study is concerned with how the variables are related to each other, quantitative research is used to measure the acceptance of the establishment of *waqf* institutions in public universities in Perlis.

Sample

A total of 739 questionnaires were distributed among undergraduate students at public universities in Perlis, namely UNIMAP and UiTM Arau, as respondents for this study. An average of 544 respondents out of 739 respondents have answered the questionnaires. Out of 544 respondents, 152 respondents (27.9 %) are males, while 392 respondents (72.1 %) are females. It shows participation of female respondents was higher than male respondents.

Research instrument

To measure the acceptance of the establishment among undergraduate students at public universities in Perlis, the researcher used instruments that were constructed by past researchers. The question for each factor was adopted and adapted from past studies. The main objective of this research is to determine the acceptance of the establishment of *waqf* institutions among undergraduate students at public universities in Perlis. The acceptance of the establishment of *waqf* institutions among undergraduate students is measured by the following factors, which are attitude (Amin et al. 2011), subjective norm (Amin et al. 2011), religiosity (Abdul Rahim et al. 2011), amount of information (Amin et al. 2014), awareness (Mohd Borhan 2016) and acceptance (Amin et al. 2011). It should be noted that some improvements on the items were made and added to the construction to ensure compatibility with the area of establishment of *waqf* institutions as well as the context of the study. The questionnaires were measured based on a five-point Likert scale ranging from 1 “strongly disagree” to 5 “strongly agree”.

RESULT AND FINDING

The data were analysed using a number of techniques. Descriptive analysis of the acceptance of the establishment of *waqf* institutions in table 5.1 showed that undergraduate students at public universities in Perlis, namely UNIMAP and UiTM Arau, are high in acceptance level (mean score 4.06). This is a good indicator for public universities in Perlis by referring to the mean score that shows that students are ready to accept the establishment of *waqf* institutions. This result may persuade both universities in Perlis to establish their own *waqf* funds to form a source of income for the universities. This result contributes to a positive outcome since the existence of *waqf* institutions is still new and students are aware of this establishment.

Furthermore, table 2 also indicated that attitude, subjective norm, religiosity and awareness factors showed good acceptance by undergraduate students at public universities in Perlis. While the amount of information factor reported a moderate level of acceptance by undergraduate students at public universities in Perlis.

TABLE 2 Descriptive Statistic Analysis

	N	Mean	Std. Deviation	Variance
Mean Attitude	544	4.3192	.58815	.346
Mean Subjective Norm	544	3.7748	.66430	.441
Mean Religiosity	542	4.6067	.54311	.295
Mean Amount of Information	544	3.1852	.83438	.696
Mean Awareness	544	3.9051	.70189	.493
Mean Acceptance	544	4.0684	.73314	.537
Valid N (listwise)	542			

The correlation between attitude, subjective norm, religiosity, amount of information and awareness of the acceptance of the establishment of *waqf* institutions were analysed using Pearson correlation. The result provided the researcher with information on the strength of the relationship and indicated the direction of the relationship, either positive or negative.

TABLE 3 Correlation between the acceptance of the establishment of *waqf* institutions and independent variables

Variables	Acceptance	Attitude	Subjective norm	Religiosity	Amount of information
Attitude	.602*				
Sig. (2-tailed)	.000				
Subjective norm	.634**	.591**			
Sig. (2-tailed)	.000	.000			
Religiosity	.529**	.562**	.375**		
Sig. (2-tailed)	.000	.000	.000		
Amount of Information	.286**	.161**	.363**	.673**	
Sig. (2-tailed)	.000	.000	.000	.000	
Awareness	.621**	.567**	.534**	.445**	.422**
Sig. (2-tailed)	.000	.000	.000	.000	.000

**Correlation is significant at the 0.01 level (2-tailed)

Table 3 showed that the result indicated based on the assumptions of Sekaran (2003), where attitude, subjective norm, amount of information and awareness have strong relationships with the acceptance of the establishment of *waqf* institutions among undergraduate students at public universities in Perlis while religiosity has a weak relationship with the acceptance of the establishment of *waqf* institutions among undergraduate students at public universities in Perlis.

Further analysis using multiple regressions indicated in table 5.3, the test was significant because F value at 135.99, sig at .000 and $R^2 = .559$ showed that the level of influence on the acceptance of the establishment of a *waqf* institution among undergraduate students at public universities in Perlis. The R square value is the statistic that provides some information about the goodness of the model. This indicated that 55.9 % of the variation in the dependent variable was explained by the independent variables which are attitude, subjective norm, religiosity, amount of information and awareness. While the rest 44.1 % was explained by other variables not included in this study.

TABLE 4 Results of Relationship between the Various Determinants and the acceptance of the Establishment of *Waqf* Institutions

Determinant	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.423	.199		-2.124	.034
Attitude	.166	.052	.133	3.194	.001
Subjective Norm	.352	.042	.319	8.383	.000
Religiosity	.284	.047	.213	6.006	.000
Amount of information	.013	.029	.015	.467	.641
Awareness	.280	.041	.270	6.876	.000

F-value = 135.99 with Sig = 0.000, R2 = 0.559

Variance in determinant factors (attitude, subjective norm, religiosity, amount of information and awareness) significantly influenced the acceptance of the establishment of *waqf* institutions among undergraduate students at public universities in Perlis.

CONCLUSION

The study comprised of factors that affect undergraduate students at public universities in Perlis on the acceptance of the establishment of *waqf* institutions. The researcher analysed the students' acceptance of *waqf* institutions at the Higher Education Institutions (HEIs) based on five determinant factors, namely attitude, subjective norm, religiosity, amount of information and awareness. However, the result suggested that only four factors (i.e. attitude, subjective norm, religiosity and awareness) out of the five influenced the acceptance of the establishment of *waqf* institutions among undergraduate students at public universities in Perlis.

The researcher highly recommends, based on the findings of the study, that both public universities in Perlis, which are UNIMAP and UiTM Arau, take initiatives to collaborate with State Islamic Religious Councils in order to actualize the establishment of *waqf* institutions among the public universities in Malaysia. The researcher also suggested that all public universities in Malaysia must establish *waqf* institutions. The Ministry of Higher Education (2016) in "University Transformation Programme, Purple Book" stated that university leaders, especially the board of trustees, vice-chancellors, staff, bursars and chief financial officers, should play their roles in creating the right environment and support the establishment of *waqf* institutions and indirectly allow the university to achieve their organisational mission.

Therefore, the researcher suggested that in order to attract the students' acceptance of the establishment of *waqf* institutions, the universities themselves must contribute to present the ideas and education about the establishment of *waqf* institutions to their students. To deal with this suggestion, the researcher recommends that the university organise programmes as a platform to deliver awareness of the establishment of *waqf* institutions among undergraduate students at public universities in Perlis.

REFERENCES

- Ahmad, W.A.W., Othman, M.M., Wahab, M. H. A. & Shaharudin, N. 2016. Pembangunan wakaf Pendidikan di IPT Malaysia: Satu alternatif untuk mengurangkan kos pengajian, Universiti Sains Islam Malaysia.
- Abdul Rahim et. al. 2016. Islamic financial literacy and its determinants among university students: An exploratory factor analysis. *International Journal of Economics and Financial Issues* 6 (7 Special Issue): 32-35.
- Amin et al. 2011. Determinants of customers' intention to use Islamic personal financing the case of Malaysian Islamic banks. *Emerald Insight* 29 (5): 494-519. <https://doi.org/10.1108/JFM-03-2013-0017>.
- Amin, H. & Chong, R. 2011. Is the theory of reasoned action valid for ar-Rahnu? An empirical investigation. *Australian Journal of Basic and Applied Sciences* 5 (10): 716-726.
- Amin, H., Abdul-Rahman, A. R., Ramayah, T., Supinah, R. & Mohd Aris, M. 2014. Determinants of online waqf acceptance: An empirical investigation. *Electronic Journal of Information Systems in Developing Countries* 60 (1): 1-18.
- Antonio, M. S. 2002. *Cash Waqf dan Anggaran Pendidikan Umat*. Indonesia: Republika.
- Cizacka, M. 2013. Cash waqf of the bursa, 1555-1823. *Journal of Economic and Social History of the Orient* 38 (3): 313-354.
- Ernst and Young. 2016. Take 5: Budget 2015 Malaysia. 2 (1).
- Loughridge, B. 1999. Knowledge management, librarians and information managers: Fad or future? *New Library World* 100 (1151): 245-253.
- Mansor, N., Che Hamid, A. & Wan Muda, W. A. 2011a. The acceptance of proposed tourism development project in newly developed district. *International Journal of Business and Social Science* 2 (20): 106-115.

- Ministry of Higher Education, M. 2016. *The University Transformation Programme (UniTP) Purple Book: Enhancing University Income Generation, Endowment and Waqf*. Putrajaya: Ministry of Higher Education Malaysia.
- Ministry of Finance Malaysia. 2017. Budget 2016: 1-90. <https://doi.org/10.1017/CBO9781107415324.004>.
- Mohd Borhan, Y. 2017. Receptiveness among potential donors towards the establishment of waqf institutions in Malaysian polytechnics. Unpublished thesis Universiti Utara Malaysia.
- Najibah Mustafa & Mohd Zamro. 2014. Pengurusan wakaf pendidikan di institusi pengajian tinggi malaysia: Satu sorotan literature. *International Journal of Islamic and Civilization Study* 1 (1): 45-57.
- Ndubisi, N. O. & Sinti, Q. 2006. Consumer attitudes, system's characteristics and internet banking adoption in Malaysia. *Management Research News* 29 (1/2): 16-27. <https://doi.org/10.1108/01409170610645411>.
- Ramli, N.-M., Mohd, H. & Aini, N. 2015. Discharging accountability through governance: Cases from waqf institutions in Indonesia 2 (1): 1-13. <https://doi.org/10.15364/ris15-0201-01>.
- Shirazi N. S., Obaidullah, M. & Haneef, M. A. 2015. Integration of waqf and Islamic microfinance for poverty reduction: Case of Pakistan, *IRTI Working Paper Series*, WP#1436-05.
- Sulaiman, M. 2003. The influence of riba and zakat on Islamic accounting. *Indonesian Management and Accounting Review* 2 (2): 149-167.
- Wan Kamal Mujani, Mohd Syakir Mohd Taib & Mohamad Khairul Izwan Rifin. 2016. Waqf higher education in Malaysia. *International Conference on Education, e-Learning and Management Technology (EEMT 2016)*, (Eemt): 519-522. Retrieved from http://www.atlantis-press.com/php/download_paper.php?id=25860067 [2 September 2016].