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Challenges of Management Practices in Institutional *Mutawalli* to Achieve Utilisation of Waqf Property: An Exploratory Study

Hasyeilla Abd Mutalib^{ab*}, Selamah Maamor^a

* Corresponding author: Hasyeilla Abd Mutalib, hasyeilla798@perlis.uitm.edu.my

^aIslamic Business School, Collage of Business, Universiti Utara Malaysia 06010 Sintok Kedah, Malaysia, hasyeilla798@perlis.uitm.edu.my

^bFaculty of Business Management, Universiti Teknologi MARA Perlis 02600 Arau Perlis, Malaysia,

Abstract

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Waqf is one of the benevolent charities that are highly encouraged in Islam. The utilization of waqf property is able to bring great contribution to the development of the community. However, most of the waqf institutions or institutional *mutawalli* are facing challenges in their management practices, hence these properties are not being utilised to achieve their full impact on the beneficiaries. Therefore the purpose of this study is to explore the challenges being faced by the institutional *mutawalli* to achieve the utilization of waqf property in their management practices. A qualitative method was employed to obtain the data. A purposive sampling with formal and semi-structured interview has been conducted to the representative of the institutional *mutawalli*. This study revealed that institutional *mutawalli* is facing problems with the management practices in the institution namely, personal experience in waqf area, training and development in understanding their functions and responsibilities in managing tasks associated with waqf property. These factors become major challenges in achieving the effective utilization of waqf properties in institutional *mutawalli*. Thus, findings from this study would contribute to the understanding of challenges in utilization of waqf property. It will also contribute to the betterment of waqf property for the benefit of *Ummah*.

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Keywords: waqf property; utilization; institutional mutawalli; waqf management; qualitative approach.

1. Introduction

Management structure of waqf property is the most crucial as it occupies an important part in the scheme of waqf institution. A well-managed and structured management of waqf property definitely gives a huge implication directly or indirectly to all the stakeholders. In addition, an effective



management can also make the waqf property to be beneficial to the *ummah* through economic development, education sector, religious matter and also community facilities.

Words of waqf originally come from Arabic word *waqafa* which means to hold, to stop or to refuse the property (Siti Alawiah, 2012). However from the Islamic perspective, it is understood that it is for charitable property where the properties were detained and the benefit can only be applied for the charitable purposes either for the community or specific beneficiaries. Waqf property can be divided into two types. The first being movable properties such as cash waqf, share waqf and *sukuk* waqf and the second being immovable waqf properties such as land and building (Sanep & Nur Diyana, 2011). Thus, waqf property should be managed, administered and developed effectively in order to generate desired benefit and wealth that will assist the *ummah*. Moreover, the benefits of the properties could also be beneficial to other entitled parties.

Recently, most of the waqf institutions are alert to the importance of waqf property development. Thus, lots of effort are used in order to boost the development of the property (Chowdhury, Chowdhury, Mohd Zulkifli, & Modh. Rushdan, 2012). Even though the construction is carried out successfully, some of the waqf properties are still not fully utilized as proofed by Chowdhury et al., (2012); Hidayatul, Shahul Hameed, Ihsan, & Ibrahim, (2011); Sanep & Nur Diyana, (2011) . Therefore the purpose of this study is to explore the challenges being faced by the institutional *mutawalli* to achieve the utilization of waqf property in their management practices.

2. Literature Review

Mutawalli also known as a waqf manager can be defined as a person, a group of people or institution who are appointed by the sole trustees or other trustee board to manage and develop the waqf property (Hidayatul et al., 2011; Muhammad Yusuf, 2009). There are various terms that can be related to the meaning of *mutawalli*. However, Muhammad Yusuf, (2009) have classified the term of *mutawalli* into four major categories which bring a similar meaning of *mutawalli*. In the first category are the keeper, organizer and superintendent while the second category comprises of the Nazir and the sole trustees. The third are the waqf manager and *mutawalli* and the final category are the waqf institution, waqf managerial board and corporate *mutawalli*. The forth category was any specified institution, organization, corporation, private or public that becomes *mutawalli* (Mohamad Salleh, 2010).

The institutional *mutawalli* are responsible not only to manage, administer the property, but also need to develop the waqf property as it can bring benefit to the society. Therefore, the waqf property must be handed to the right *mutawalli* as the property can be managed and be developed accordingly (Magda Ismail, 2013). This aligns with Sanep & Nur Diyana, (2011) where the *mutawalli* has the right authority and responsibility to manage and administer the waqf property in order to fulfill the *waqif* objectives. Currently in the Malaysian perspective, there are several types of institutional *mutawalli* such as government *mutawalli*, private *mutawalli*, corporate *mutawalli* and NGO *mutawalli* (Hidayatul Ihsan et al., 2011).

Utilization means that a person utilizes something practically (*Federal-Chamber advance english dictionary*, 2009). Developing the property is a major task and responsibility of institutional *mutawalli*.

The development is not meant anything if the property is not fully utilised (Zulkifli, 2008). This issue is also supported by Hari Chandra & Asmak, (2010) where the waqf property needs to be developed, then invested as it can generate income and produces returns that can be utilized to fulfill the needs of the community. In addition Haneef, Pramanik, Mohammed, Dahiru, & Amin, (2013), found that the institutional *mutawalli* should ensure the utilisation of the waqf property by combining the resources in order to reduce the poverty level. Indeed, if those assets were utilized properly, it can help the poor and the needy as well.

According to Rabitah Harun, Zuraidah Mohamed Isa, & Norhidayah Ali, (2012) unsystematic management is due to the inefficient management. Thus in order to improve the management practices, there must be an improvement in the management procedure and the internal control of waqf administration. Moreover (Rabitah Harun et al., 2012) also suggested that the institution needs to educate the Muslim community in order to make them conscious of the importance of waqf. In reality, the institutional *mutawalli* needs to be transparent in their responsibility to the community by showing how they utilised the waqf property. However Abdullaah & Asharaf, (2008) stated that there are diversity of management practices among institutions that are managing *waqaf* in Malaysia. Even with different practices, the final intentions are to fully develop the waqf property. Thus, effective and efficient management will lead to the right strategies of development and will equally assist in utilizing the property appropriately. Additionally, structure and management practices were the main pillars to the institutional *mutawalli*. Efficient structure and well management practices will describe the level development of waqf property (Chowdhury et al., 2012). Furthermore, this statement was also supported by Hasyeilla, Rohayati, Nur Aqidah, & Norhana Aziani, (2014) where good management practices and structure will ensure the distribution of the resources effectively and efficiently. Hence, it is also a starting point to maintain a good quality towards the development and the expansion of the waqf property. Therefore, the utilization of waqf property will be at full capacity without any wastage on the resources.

3. Methodology

This study applies a qualitative design approach. Qualitative method is appropriate for this study because such approach is practical and useful for inquiring, exploring, and gaining an understanding of a fundamental phenomenon (Creswell, 2013).

The research data were collected by using formal semi-structured interviews and related documentation. Purposive sampling technique was used where the participants were the waqf manager and administrator for that institutional *mutawalli*. Total populations for the government institutional *mutawalli* in Malaysia are 14 with their presence in 14 states in Malaysia. For northern region there are four governments institutional and this study only selected one government institutional *mutawalli*. The data collected are based on the themes that were related to the management aspect, administration procedure, waqf property management, waqf property utilization and the contribution of the property. The collection of the data was possible after the visitation and interview session with a selected officer of the waqf institution in the northern region on October 2014.

However, the instruments used for the semi-structured interview questions were developed from the literature review as well as self-developed questions. Interview method was used in order to get rich information from the selected respondents. The interview was conducted within one and half hour at the respondent's setting venue. This was done in order to give some level of comfort to the respondent while responding to the question. The data was coded into specific themes and analysed using Altas.ti. The specific themes are described in the following section.

4. Findings

This section will discuss on the finding based on the in-depth interview done with waqf manager as a participant in one of government institutional *mutawalli* in northern region. This section will be divided into three sub topics which are 1) personal experience in waqf area; 2) training and development in understanding their functions; and 3) responsibilities in managing tasks associated with waqf property.

4.1 Personal experience in waqf area

The first finding from the study is related to the personal experience of the participant in the waqf related knowledge. This experience is very crucial as human capital and man power play important roles in realizing the institution's objective. Thus, as a waqf manager and administrator for the institution *mutawalli*, personal experience can portray good management practices. The participant has seven years' experience in the management of the property and other related areas such as Baitulmal and Sumber Am. The experience is substantiated with two of waqf projects being handled previously. The participant has educational background in *shariah* and Islamic studies. This background helps to simplify day to day matters relating to the waqf management and administration.

4.2 Training and development in understanding their functions

Success of each institution is more or less depends on how the managers know their tasks and responsibilities. Thus, with a good training and development, the skills and knowledge in the respective area can be enhanced. The importance of training and training cannot be overemphasized as it assists the waqf manager in understanding their functions in managing the waqf properties. From the interviews, it was found that the participants still lack in training and development on how to manage the waqf property since they have been able to attend only three courses per year. The courses are related to the management and administration on the Baitulmal.

4.3 Responsibilities in managing tasks associated with waqf property

The main purpose of waqf institutions is to achieve their objectives, vision and mission with respect to the wishes of the *waqif* and the *mauquf alaihi* in managing and developing their waqf property. As a waqf manager, the participant is responsible to manage and administer the waqf property as to fulfill the *waqif* wishes. Apart from being the waqf manager, the participant is also responsible to other department such as the Baitulmal, Sumber Am, and other relevant task as requested by the institution. Meaning that, the participant is not only responsible to the waqf

department, but also to other related tasks and equally to other officers such as ceremonial officer. At the same time, the participants are also required to sign oath of secrecy as they are not allowed to reveal some of the information since is regarded as a secret matter for the institution and the state. So, the participant must ensure that the information given does not violate the established rules and regulation. If the participant needs to reveal certain information, it is necessary to ask for permission from the top management or higher authorities.

5. Conclusion and Recommendation

As a conclusion, the institutional mutawalli has implemented basic management practices in managing and developing the waqf property. However, the implementation is not being covered holistically in this study since there are secret matters that cannot be revealed to the public. This prohibition is to ensure that some of the information cannot be misused by other third party to gain benefit and profits on the waqf property. Thus, the waqf manager should be more aware in various aspect especially as it relates to their own development such as training and development, skills and experiences, knowledge and exposure to the relevant current issues in the waqf property management. However, greater efforts should be undertaken by the waqf institutional mutawalli in Malaysia to adopt the comprehensive concepts of good management practices. Waqf institutional mutawalli needs to maintain its credibility and reputations as a professional religious institution in managing, developing and utilising the waqf property so that other beneficiary can get the equal prosperity for the socio-economic development.

Based on the interview, there are few challenges that the participant faced in managing the waqf property. First, is related to the personal experience in waqf area. Level of education is an important determinant to the working experience. Level of educational background will enhance the personal experiences in managing the waqf properties. Although the participant lacks experiences and knowledge in management perspectives, the participant still needs to be trained and consult in order to gain more experience and knowledge in management perspectives. Having gained more experience and knowledge in management, it will enhance more skill in managing the waqf properties. Thus, waqf institutions is the best place where the participants can gain more experiences, knowledge and to polish the talent in managing the waqf properties.

The second challenge relates to the training and development which can help in understanding their functions. This becomes a challenge due to lack of fund by the institution to send the participant to the related courses. Most of the courses are handed by external training centers or other external waqf institutions such as private or corporate institution where the fees are quiet expensive and almost unaffordable. This definitely makes the institution to incur more expenses while sending their waqf manager to attend the selected training. Thus, the waqf manager has been unable to attend training frequently thereby preventing them from gaining new knowledge and expanding their networking.

Importantly, the waqf managers need to attend more training in order to upgrade their skills and experiences in managing the waqf property. A well-structured, consistent and periodic training will expose them to the current issues and knowledge which are related to the management of the waqf property. As a result, more new techniques, strategies and technology can be implemented in the

management of the waqf property. With the new input during the training, the managers and institutional *mutawalli* will gain a lot of insight on how to develop the waqf property suited with the current demand. Successful development of waqf property will ensure the utilization of the waqf property at the maximum level. Thus, this will ensure that the waqf wishes are being fulfilled and at the same time the roles of *mutawalli* accomplished.

The Third challenge is related to the responsibilities in managing waqf property. Thus, the main function and responsibility of the management is to implement good management features such as more transparency, accountability, trustworthiness and professionalism so that the institutional *mutawalli* can be accomplished. Moreover, the finding revealed that the waqf manager runs multiple tasks at the same time. Thus, the waqf manager has been challenged to fulfill his responsibilities in managing task that is related to the waqf property professionally by using Islamic work ethics and best management practices. This aspect is to ensure the development of high management practices in the institutional *mutawalli*. However, as a matter of policy, there is still some information which relates to the regulatory procedure of the institution that the waqf manager cannot reveal to the members of the public. This poses a big challenge that should be overcome in the future.

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