UNIVERSITI TEKNOLOGI MARA

UNDERSTANDING POLITICAL ENGAGEMENT IN HIGHER EDUCATION WAQF GOVERNANCE: A GROUNDED THEORY STUDY OF ACCOUNTABILITY AND SUSTAINABILITY IN MALAYSIAN PUBLIC UNIVERSITIES

HISHAM BIN HJ YAACOB

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ABSTRACT

Over centuries, the waqf (endowment) system has significantly contributed to the establishment and growth of Islamic educational institutions. However, it suffers from weak, dysfunctional governance, leading to a lack of accountability and sustainability. The primary objective of this study is to understand the management, governance, accountability, and sustainability of higher education waqf in Malaysian public universities by building upon existing nonprofit theories. This research examines current practices in these areas and highlights the challenges faced by public universities regarding higher education waqf. This study applies the qualitative interpretive approach and grounded theory methodology, specifically the Straussian variant, due to its flexibility and structure, which suit the research questions and help achieve the research objectives. Purposive sampling is used to select interviewees for a preliminary study and proceed with theoretical and snowball sampling. Data collection and analysis are undertaken concurrently; however, the interviews were divided into batches due to time, location, and cost constraints. Interviews were recorded and transcribed in batches. Data collection and analysis ended at 32 interviews, as theoretical saturation was reached. This study found three governance models applied by the higher education waqf. The 'political engagement theory' emerged from the empirically grounded data based on concepts, themes, and categories derived from the data. It was formulated based on five core categories of 'robust financial management,' 'legal framework,' 'waqf efficient management and administration,' 'governance and accountability,' and 'sustainable growth and development.' The two sub-core categories are 'political power and connection,' and 'push factors for education waqf creation.' Political engagement plays a vital role in the management and governance of the higher education waqf. There are multiple actors in the higher education waqf context. The complexities of the relationship nexus between public universities and the state Islamic religious councils, as waqf guardians, reflect the interwoven connections between the federal and state governments. The theory of political engagement helps public universities' higher education waqf understand their context. Waqf directors and managers must manage and govern carefully. This theory expands on the nonprofit's policy, social origin, and supply-side theories. It lays a foundation for future research to explore and refine strategies for waqf management, governance, and accountability in public universities. This study is among the first to use the grounded theory method to develop a substantive theory, offering a pioneering framework for future research and practical application. Future research may validate the theory of political engagement using different contexts and theoretical samples.

Keywords: accountability, higher education waqf, grounded theory, public universities, qualitative, sustainability, waqf governance

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CHAPTER ONE
INTRODUCTION

1.1 Preamble

"The joy of understanding is the noblest pleasure."
Da Vinci, Leonardo di ser Piero

Corruption, governance, and accountability issues have increasingly drawn public attention in recent years. These issues have impacted not just corporations, but also nonprofit organizations. (Yadav, 2022; The NonProfit Times, 2022; Reuters, 2015). Financial scandals, mismanagement, and fraud arising from inadequate governance practices and lack of accountability pose risks to both sectors (Baten, 2022; DOJ, 2023; Xue and Niu, 2019). For nonprofit organizations, the consequences are particularly damaging because they depend heavily on public trust and donors' confidence. Among such organisations, waqf institutions hold a distinctive position in Muslim societies as entities entrusted with managing charitable donations. Poor governance can erode public trust (Hyndman et al., 2021), discourage waqf contributions (Muda, 2025; Saad et al., 2019; Salman et al., 2021), and threaten the long-term sustainability of these institutions. A decline in confidence among waqif (donors) due to reputational damage (Greenlee et al., 2006) further hinders waqf organizations from achieving their social objectives. Waqf (plural: *awqaf*) is an Islamic endowment where the contributors (*waqif*) donate their properties, or cash (assets), as a waqf (endowment). The waqf manager (*mutawwali*) is responsible for managing the waqf according to the waqf deeds. Although research on corporate and public sector governance is well documented, there is a dearth of governance and accountability studies on religious nonprofit organisations, especially education waqf, albeit receiving much attention recently (Pilon and Brouard, 2022).

The study argues that it is crucial to address fraudulent activities (Liceran-Gutierrez et al., 2022; Parsa et al., 2022), particularly in nonprofits and charities (Blevins et al., 2022), faith-based institutions, and, more specifically, endowments (waqf) (Mohaiyadin and Aman, 2021). This is imperative as Ohalehi (2019) finds evidence that fraud is high in charities with weak governance structures. Rosenman