



Waqf Commitment for Higher Education: Does Religious Value Matter?

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1 ABSTRACT

This paper discusses the importance of religious value in *waqf* commitment. We surveyed 323 respondents of the Kolej Poly-Tech MARA (KPTM) alumni to examine the relationship between religious value and *waqf* commitment for higher education. Although religious value is one of the important factors in donating and doing charity in literature, our study finds religious value has no significant relationship with *waqf* commitment. Meanwhile, factors such as personal characteristics, self-image, psychological benefits, personal satisfaction, trust and social norm are found to be significant.

Key Words: *Waqf*, Higher Education, Religious value

2 1. INTRODUCTION

Religiousness is one of the important elements in relation to the act of making charitable donations. Majority of the literature studied suggest that those who are more religious are also more likely to donate to charity (Gittel and Tebaldi, 2006; Jackson et.al, 1995). Religious donation is one of the fundamental aspects of religious thought (Schlegelmilch et al.,1997). It includes donating to other religious organisations as well as donating to places of worship such as mosques and churches. Religious individuals tend to contribute higher donations to the charitable foundations (Berger, 2006).

Reitsma et.al (2006) for instance, discovered that religion is one of the factors that influence an individual in donating to poorer countries. Meanwhile, Greene and McClland (2001) stated that, among those with low earnings, religion is a factor that increases their

motivation to donate. Many religions in the world urge their worshippers to donate around ten percent of their wealth to the poor.

Bekkers and Wiepking (2011) stipulated that there are four categories of religious value namely, religious membership, religious participation, religious preference and religious belief. It has been found that religious members and active participants are more likely to engage in charitable giving. They usually donate higher amounts of money and participate actively in religious activities.

Studies find those who are affiliated with religious tradition or places of worship including high attendance at religious service are more likely to be religious (Lasby, 2004; Lwin & Phau, 2010).

In Islam, *waqf* is known to be an instrument used in the implementation of Islamic economics which has received increasing attention as it an instrument that can ensure provision for the needs of the Muslim community (Ismail, Razak & Muhammad, 2015). Allah s.w.t mentioned *waqf* in al-Quran in chapter Ali-Imran 3:92.

لَنْ تَنَالُوا الْبِرَّ حَتَّى تُنْفِقُوا مِمَّا تُحِبُّونَ وَمَا تُنْفِقُوا مِنْ شَيْءٍ فَإِنَّ اللَّهَ بِهِ عَلِيمٌ ٩٢

By no means shall you attain to righteousness until you spend (benevolently) out of what you love; and whatever thing you spend, Allah surely knows it.

(Ali-Imran 3:92)

The Hadith also mentioned the importance of charity, sadaqah Jariah (continuous charity) which motivates a person to be continually rewarded until the day of Judgement (Kayadibi et al, 2016). The Prophet (pbuh) said that:

"when a man dies his acts come to an end, except for three things, recurring charity, knowledge (by which people benefit), and pious offspring, who pray for him").

Waqf is derived from an Arabic term. In plural, it is known as awqaf which means 'stopping', 'binding' or 'keeping' in custody, detaining, closing or imprisoning (Bearman, 2003; Bulut & Korkut, 2016). In other words, it is a charity or widely illustrated by "sadaqa". According to Imam Abu Hanifa (Ibrahim, Amir, & Masron, 2013) *waqf* can also be defined as:

'the confinement of land or even cash in the possession of the appropriator and allocating its benefits for the needy with good intentions.'

However, there are several new definitions of *waqf* which are not discussed in classical literature. *Waqf* of financial rights and *waqf* of usufruct, for example, are the new forms of *waqf* in the modern era. *Waqf* may be defined as holding a mal (an asset) that includes the consumption of mal for 'the purpose of repeatedly extracting its usufruct for the benefit of another party in which its objective is representing righteousness or philanthropy' (Aziz and Yusof, 2014).

Waqf is an instrument used by Muslims to sustain their assets for years and transfer it through generations of elders for the welfare of new generations (Yalawae and Tahir, 2003). In the west, this inter-generational transfer is known as an endowment. Through *waqf*, the elders or the contributors have their own obligation to ensure all assets dedicated for this endowment purpose could be sustained from one generation to another. Hence, *waqf* is used to prominently improve the Muslim world and plays a significant role in social, political, and economic life in the Muslim society.

During the Ottoman caliphate, the *waqf* institution played a very important role in the economic development of a country, particularly in providing for numerous facilities such as education, health centres, places of worship and many others (Sefian, 2016).

However, the scope of *waqf* in the Muslim world is still limited to mosques, schools, cemeteries, agricultural land (orchards and paddy fields), abandoned land, building, rental (houses and shops), cash, stocks, corporate, insurance *waqf*, and other movable equipment such as haemodialysis machine (Mahmood, 2007).

Waqf has now become a culture and traditionally practiced by many Muslim countries which include education. It has been traced since the earliest days of Islamic education, such as Al-Azhar Islamic University, the world-famous Islamic university. The establishment of the university, which was formerly a mosque was funded from the *waqf* property financing.

Therefore, the objective of this study is to examine the relationship between religious value towards *waqf* commitment for higher education among KPTM alumni. This study uses another seven attributes as control variables namely, altruism, personal characteristics, self-image, psychological benefits, personal satisfaction, trust and social norm.

This study is important as the Al-Quran and Sunnah should be the basic guideline for the spirit of charitable giving among Muslim (Man and Abdulwaheed, 2011). The spirit of Muslim donors who are involved in charitable giving must be based on several elements namely to seek the pleasure of Allah, general welfare contribution (Tabarru'), for self-purification of the wealth and soul, and for self-contentment. Thus, charitable giving among Muslim donors need to be extensively spread, although there is no time limit. In addition, altruism, and moderating spirit should also be supported by a high standard of intention and quality, proactiveness, purposefulness, sufficiency, and secrecy. Charitable giving behaviour is a good habit to be practiced thus the benefit of giving should be spread to everyone at home. In addition, charity should be given to those in need, regardless of their background whether they are good or bad, Muslim or non-Muslim.

3 2. WAQF IN HIGHER EDUCATION

Ahmad and Aziz (2015) mentioned that, higher education *waqf* as an act of giving or donating something valuable for the purpose of education. The donation includes donating land

for the purpose of building a university, the building itself, the equipment's as well as the infrastructure of the university as well as establishing funds to finance and support the student's fees and scholarships.

The implementation of *waqf* in the higher education in Malaysia is driven by financial constraints due to increasing costs and the ever larger number of student intake each year. In addition, there is the need for more sophisticated and modern educational facilities to enhance the quality of teaching and learning vis á vis better graduates produced by the higher education institutions. Meanwhile, the business contributions in terms of corporate social responsibility (CSR) is non-perpetual and may only suffice for the immediate usage of the current and immediate future generations (Shamsudin et al, 2015). Therefore *waqf* is essential, as *waqf* is a sustainable tool for socio-economic development of the ummah (Shamsudin et al, 2016). The government has granted autonomy to most of the public universities to generate their own income including active contributions of the alumni particularly their assets to their former university (Muhammad et al, 2014).

Waqf is the holding a mal (an asset) for the prevention of it to be consumed for a certain purpose by repeatedly extracting its usufruct for the benefit that represents righteousness or philanthropy (Aziz & Yusof ,2014). Allah s.w.t mentioned in al-Quran Chapter Al-Baqarah 2:261 the reward for who is giving or donating to help other as the philanthropic attributes.

مَثَلُ الَّذِينَ يُنْفِقُونَ أَمْوَالَهُمْ فِي سَبِيلِ اللَّهِ كَمَثَلِ حَبَّةٍ أَنْبَتَتْ سَبْعَ سَنَابِلٍ فِي كُلِّ سُنْبُلَةٍ مِائَةُ حَبَّةٍ وَاللَّهُ يُضَعِفُ لِمَنْ يَشَاءُ وَاللَّهُ وَاسِعٌ عَلِيمٌ ۚ ٢٦١

The parable of those who spend their property in the way of Allah is as the parable of a grain growing seven ears (with) a hundred grains in every ear; and Allah multiplies for whom He pleases; and Allah is Ample-giving, Knowing (Chapter Al-Baqarah 2:261)

Waqf in higher education is not new in Malaysia. It has been implemented with the initiative from both public and private institutions of higher learning. The IIUM ENDOWMENT FUND (IEF) for example, was established on 15th March 1999 under the IIUM *Waqf* Rules 1999 (International Islamic University Malaysia, 2016). Funds for IEF are raised from various sources including organization and companies, zakat collection and campaigns. The main objective of the IEF is to help poor students and those who are academically qualified and need financing for the cost of education in IIUM (Ahmad & Hassan, 2015; Ahmad & Aziz, 2015; International Islamic University Malaysia, 2016). Table 1 below summarises the *waqf* initiatives by public and private higher learning institutions in Malaysia (refer Ahmad, 2016 for detail).

Table 1: *Waqf* initiatives by public and private higher learning institutions in Malaysia

Higher Institutions	<i>Waqf</i> Initiatives/Programs
International University of Malaysia	IIUM Endowment Fund (IEF)
Universiti Teknologi MARA	Wakaf UiTM
Universiti Kebangsaan Malaysia	Yayasan Canselor (Tabung Pemberian Islam)
Universiti Putra Malaysia	Dana Wakaf Ilmu
Universiti Sains Islam Malaysia	Centre for Awqaf Financing Development
Universiti Tenaga Nasional	Yayasan Canselor

4 3. DATA AND METHODOLOGY

The purpose of this study is to estimate the effect of religious value on *waqf* commitment in higher education. Commitment is defined as a state of being loyal to certain things. Moreover, commitment is always related to the obligation of performing the job and attitude in contributing or giving support for something. In addition, commitment is the intention or desire to establish and uphold a longstanding relationship (Sargeant & Woodliffe, 2007). Meanwhile religious value is defined as the aspect of belief in religious doctrine. The term religiosity is defined as an individual's devotion towards a divinity and it more or less refers to the religious values or some dedication to the religious ritual. Religious value is the main variable in this study.

There were 323 respondents which are KPTM's alumni from the government sectors, semi-government sectors, GLC, private sectors, NGO and self-employed aged between below 20 years old and above 60 years old¹. This study employed convenient sampling. The respondents were randomly selected from KPTM's alumni database from 2003 until 2015. The total number of KPTM's alumni covered was 32,487. Data collection method was through questionnaires that were personally administered, sent through the mail, or electronically administered. The questionnaires were disseminated between August 2016 and November 2016.

The questionnaires consisted of multiple items, which were divided into three sections and each section was designed to gain specific insight. The questionnaire for this study was mainly adopted from the previous study, Opaku (2013) with several amendments and adjustments to suit our research objectives. Table 2 presents the outline of our questionnaire.

Table 2: Section of Questionnaire²

Part	Items	Scale
Part A	Factor Motivating in <i>Waqf</i>	Likert Scale
	A.1 Religious Value	Likert Scale
	A.2 Altruism	Likert Scale
	A.3 Personal Characteristics	Likert Scale
	A.4 Self-Image	Likert Scale
	A.5 Psychological Benefits	Likert Scale
	A.6 Personal Satisfaction	Likert Scale
	A.7 Trust	Likert Scale
	A.8 Social Norm	Likert Scale
Part B	<i>Waqf</i> Commitment	Likert Scale
Part C	Demographic of Respondents	Nominal Scale

4. ANALYSIS AND RESULTS

4.1 Correlation Analysis

Correlation analysis is a well-known method to gauge the strength and direction of a linear relationship between two variables (BMJ). Person correlation of 1 or -1 indicates that the value of one variable can be established precisely by knowing the value of the other variable (Cokes, 2013 & Pallant, 2013).

From Table 3 below the correlation coefficient shows the relationship between independent variables (religious value, altruism, personal characteristics, self-image, psychological benefits, personal satisfaction, trust and social norm) and the dependent variable (*waqf* commitment). This indicates that the correlation between the independent variables and dependent variables is one, self-image is a weaker independent variable (-.210). The three independent variable with medium strength indicators are altruism (.395), personal characteristics (.448) and trust (.466). The rest of independent variables indicates a much stronger relationship, there are religious value (.542), social norm (.568), personal satisfaction (.636), and psychological benefits (.675). On the other hand, a correlation of 0 indicates no relationship between the two variables. While, interpretations of strength of the relationship between two variables, following that guidelines: weak ($r = .10$ to $.29$), average ($r = .30$ to $.49$) and strong ($r = .50$ to 1.0) (Pallant, 2013).

¹Detail demographic profile of respondents which includes gender, sex, religion, education, profession and monthly income is available upon request.

²The value of Cronbach alpha is above 0.7 for all variables which are considered reliable. Detail is available upon request.

Table 3: Summary of Correlation Coefficient

Measurement	Person Correlation	Sig. (2-tailed)
Religious Value	.542**	.000
Altruism	.395**	.000
Personal Characteristics	.448**	.000
Self-Image	-.210**	.000
Psychological Benefits	.675**	.000
Personal Satisfaction	.636**	.000
Trust	.466**	.000
Social Norm	.568**	.000

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

* . Correlation is significant at the 0.05 level (2-tailed).

As shown in Table 3, the highest variable that shows high r value is a psychological benefit (.675) where here can be interpreted as psychological benefit having the strongest relation with the dependent variables among the other independent variables. The variable that shows the lowest r value is self-image (-.210) which is it can be interpreted as self-image having the weakest relationship with the dependent variables among the other independent variables.

Generally, the result of Pearson Correlation above shows that all independent variables are significant and positively correlate with *waqf* commitment. This is due to the value of correlation coefficients which are positive and the p-values significance at 0.01 levels.

4.2 Multiple Regression Analysis

Hair (1998) defines regression as a statistical method that can be used to analyse the association between a set of independent variables and a single dependent variable. Multiple regression is widely used to address multiple of research questions. It can measure the strength of a set of variables to predict a particular outcome, determine the best predictor of an outcome and the ability to predict an outcome when the effects of another variable are controlled (Pallant, 2013). This study used the multiple regression to examine the objective of the study.

Multiple regression method is the best method used to determine how good is the independent variables in explaining the variance of the dependent variable. It also identifies the best and most accurate independent variables that could explain the dependent variable. The independent variable with the highest Beta (β) value will confirm that the particular independent variable is the main factor which influences the dependent variable.

Table 4 shows that the religious value has no significant relationship with *waqf* commitment. The result is not in line with the previous studies particularly in *waqf* commitment. Shamsuddin et al (2016), for instance, finds religious value has a significant relationship with *waqf* contribution. Similarly, Ismail et al (2015) also noted that religious value has a significant relationship with *waqf* commitment where the lack of religious value in an individual causes the commitment in *waqf* to be low. Furthermore, Yao (2015) and Mesch et al (2014), also find a significant relationship between religious value and charitable donations.

Moreover, Teah and Cheah (2014) also finds that religious belief has a significant relationship between attitudes towards charities and motivate them to donate more.

However, this finding is actually not new, particularly in other Islamic financial products. Gerrard & Cunningham (1997) and Haron et al (1994) for example, came out with the same finding, that religious motivation to be a non-significant factor in determining patronage of Islamic finance products. Matsawali et al (2012) also reported an insignificant relationship between religiosity and Islamic insurance patronage. Erol et al (1989), however, found that religious factors play a small role in the overall patronage of Islamic finance products.

Table 4: Summary of Findings

Model	Standardized Coefficients		t	Sig.
	Beta			
(Constant)			1.358	.176
Religious Value	.030		.581	.562
Altruism	-.017		-.335	.738
Personal Characteristics	.200		4.822	.000***
Self-Image	-.067		-1.661	.098*
Psychological Benefits	.317		4.852	.000***
Personal Satisfaction	.189		3.107	.002***
Trust	.079		1.713	.088*
Social Norm	.204		4.629	.000***
R-squared	.595			***significant at 1% level (0.01)
Adjusted R ²	.585			**significant at 5% level (0.05)
F-Statistic	55.562			*significant at 10% level (0.1)

The result is not in line with the previous studies of *waqf* commitment. Shamsuddin et al (2016), for instance, finds religious value has a significant relationship with *waqf* contribution. According to Ismail et al (2015), religious value has a significant relationship with *waqf* commitment where the lack of religious value in an individual causes the commitment in *waqf* to be low. Furthermore, Yao (2015) and Mesch et al (2014), also find a significant relationship between religious value and charitable donations. Moreover, Teah and Cheah (2014) also finds that religious belief has a significant relationship between attitudes towards charities and motivate them to donate more.

5. CONCLUSION

This paper examines the relationship between religious mechanism (religious value) towards *waqf* commitment for higher education among KPTM alumni. While religious value is one of the factors of donating and doing charity in literature, our study shows religious value has no significant relationship with *waqf* commitment for higher

education among the KPTM alumni. It means that religious value is not important in motivating people to participate in *waqf*. It shows that participation in Islamic financial product including *waqf* is not mainly driven by religious motives. Other factors such as personal characteristics, self-image, psychological benefits, personal satisfaction, trust and social norm are more important.

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