

Penang Waqaf Management: A Galbraith Approaches

**Muhammad Yusri Yusof @ Salleh^{1*}, Paiz Hassan²,
Mohd Zahirwan Halim Zainal Abidin³, Abd Munir Mohamed Noh⁴,
and Nurul Fadly Habidin⁵**

^{1*, 2, 3, 4} Academy of Contemporary Islamic Studies,
Universiti Teknologi MARA Perak Kampus Seri Iskandar,
32610 Bandar Baru Seri Iskandar, Perak, Malaysia

⁵ Department of Management and Leadership,
Faculty of Management and Economics
Universiti Pendidikan Sultan Idris
35900 Tanjung Malim, Perak, Malaysia

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Abstract

This paper explores a new idea regarding waqaf management based on Star Model which introduced by J.R Galbraith to assist Majlis Agama Islam Negeri Pulau Pinang to improve their services in waqaf management in Pulau Pinang. MAINPP is one of successful organization in Malaysia due to waqaf management. Recorded by several researchers that MAINPP have waqaf asset more than 800 million and most of them are land which situated in strategic places such as in Georgetown. The Author try to improve and enhance the management using Star Model and try to make a suggestion on the implementation, process and management of waqaf properties in Penang. This one is a theoretical paper, so there is a possible limitation regarding lack of empirical support. At the end of paper a number of recommendations regarding the improvement of waqaf management are suggested. It comprises five element of Star Model; structure, strategy, process, reward and people. This paper identifies some lacks in practically of waqaf management and providing the possible solution based on empirical evidences.

Keywords: Waqaf Management, Star Model; Galbraith Approaches

Introduction

The practice of entrusting properties under waqaf is one of common method in Islamic history. Waqaf is a form of worship which focusing oneself to have bless from Allah by endowed property for public benefit especially the Muslims. In past and present, many mosques, hospitals, schools, universities and cemeteries are normally built on waqaf properties (Nor Azah Kamri, 2010). Hence, the waqaf founder (waqif) is promised to have a continuous reward from Allah SWT as stated in Holy Quran:

“Who is he that will Loan to God a beautiful loan? for (God) will increase it manifold to his credit, and he will have (besides) a liberal reward.”

(Surah al-Hadid, 57:11)

“The parable of those who spend their substance in the way of God is that of a grain of corn: it groweth seven ears, and each ear Hath a hundred grains. God giveth manifold increase to whom He pleaseth: And God careth for all and He knoweth all things.”

(Surah al-Baqarah, 2:261)

Rasulullah (pbuh) also says in his famous words:

“When a man dies, his acts come to an end, but three, recurring charity, or knowledge (by which people) benefit, or a pious son, who prays for him (for the deceased).”

(Narrated by Muslim)

Waqaf Management in Malaysia

Waqaf management is defined as how to manage, utilize and maximize the usage of waqaf assets and properties as well as to generate income, profits and returns in the future for the benefit of the ummah. It will covers several matters such as the procedure of waqaf, registration of waqaf property, development and monitoring of waqaf assets, and management of waqaf benefit for the waqaf beneficiaries. In history, waqaf is managed by the founder or administered by the local society leader who is involved officially with religious activities, such as the kiyai, kadi, imam, penghulu, ketua kampung or the mosque committee. These leaders are elected by the local people to manage waqaf property on behalf of them. Currently, the trust of waqaf management is placed under the authority of the Majlis Agama Islam Negeri (State Islamic Religious Council) (MAIN) (JWZH, 2009c). The authoritative state religious council is the waqaf trust holder for their respective states (Nor Azah Kamri, 2010; Harun, 2012).

Waqaf Land in Malaysia

Jadual 1: Jenis Tanah Wakaf dan Keluasan di Malaysia

Jenis	Bil	Luas (Hektar)	Nilai (RM)
Wakaf Am	1012	4,836.50	19,282,885.01
Wakaf Khas	3512	6,255.32	80,046,285.68
Jumlah	4524	11,091.82	99,329,170.69

Sumber: JAWHAR

Jadual 2: Statistik Tanah Wakaf Mengikut Negeri

Negeri	Am			Khas			Keseluruhan		
	Bil	Luas (Hektar)	Nilai (RM)	Bil	Luas (Hektar)	Nilai (RM)	Bil	Luas (Hektar)	Nilai (RM)
Johor	0	1,422.80	0	0	1,729.50	0	0	3,152.30	7,000,500.00
Kedah	164	158.62	164.00	1833	1,086.25	1,833.00	1997	1,244.88	1,997.00
Kelantan	77	16.01	5,690,274.00	276	157.63	51,013,099.00	353	173.65	56,703,373.00
Melaka	24	11.65	25.50	41	21.60	41.00	65	33.25	66.50
Negeri Sembilan	10	1.01	10.00	26	14.49	26.00	36	15.50	36.00
Pahang	0	0.00	0	0	723.82	0	0	723.82	18,000,000.00
Perak	383	116.12	383.00	0	0.00	0.00	383	116.12	383.00
Perlis	0	2.74	0	0	14.49	0	0	17.23	1,337,998.00
Pulau Pinang	0	220.03	0	0	559.23	0	0	779.26	850,000,000.00
Sarawak	0	6.86	0	0	4.04	0	0	10.90	1,416,781.90
Sabah	41	2,062.88	41.00	62	32.28	62.00	103	2,095.16	103.00
Selangor	0	235.63	0	0	31.82	0	0	267.45	200,000,000.00
Terengganu	311	581.66	13,591,985.51	1260	1,878.58	29,031,210.68	1571	2,460.24	42,623,196.19
Wilayah Persekutuan	2	0.49	2.00	14	1.59	14.00	16	2.08	16.00

Sumber: Jabatan Wakaf Zakat dan Haji (JAWHAR)

Penang Waqaf Management

Endowment is one of the matters related to Islamic Religious Affairs. Therefore, the state government is responsible for the administration of endowment according to the Federal Constitution. Malaysia's constitution also stated that the Sultan is the head of Islam in all state, except Yang DiPertuan Agong which is head for Penang, Malacca, Negeri Sembilan, Sabah and Sarawak. In term of Penang, The head of Islam is Yang Di Pertuan Agong. Penang Government in line with power given by Federal Constitution has introduced an act approved by the State Assembly. This Act was renamed as The Administration of Islamic Law Enactment no. 3, 1959. This enactment also proposed the establishment of council to advise Yang DiPertuan Agong on matters pertaining to the Islamic Religion in Penang and Province Wellesley. With regard to the position of waqaf property in Penang, there are provisions recorded in the fourth part of The Islamic Administration of Penang Enactment no. 3, 1959. This enactment stated in detail two types of waqaf am and waqaf khas which (Paiz, 2010):

“Wakaf Am bermakna wakaf yang kekal daripada modal dan pendapatan harta benda kerana tujuan-tujuan ugama atau khairat yang diakui oleh hukum syarak dan juga harta-benda yang diwakafkan itu.”

“Wakaf Khas diberi makna wakaf yang kekal daripada modal harta benda kerana tujuan-tujuan ugama atau khairat yang diakui oleh hukum syara' dan juga harta-benda yang diwakafkan itu yang pendapatan daripadanya dibayar

kepada orang-orang atau bagi maksud-maksud yang ditetapkan di dalam wakaf itu."

Waqaf Administration in Penang

Implementation of waqaf is not a new phenomenon in Penang. In 19th century, many waqaf activities had been carried out by Muslims who were in at that time consisted of groups of traders. Among the famous endowment in the state, including thousand acres of land and buildings in Georgetown that is now worth millions of dollars in actual sense. Among well known waqaf properties at Penang are Wakaf Masjid Kapital Keling, Wakaf Masjid Shaik Eusoff, Wakaf Coopee Amah, Wakaf Masjid Alimsah Waley, Bazar Wakaf Sette Aminah and many more. According to historical records, wakaf in Penang was governed by the British colonial administration system through an established body called as 'Hindu And Muslim Endowment Board' in 1905. All waqaf property administrated by the board and advertised in the government gazette. At that time, there were 18 waqaf land and properties consist of 90 acres of land and in 1959, nearly 95 percent of them located around Georgetown (Paiz, 2010).

The Establishment of Majlis Agama Islam Pulau Pinang

Before the establishment MAINPP, which is before this country gain independence, there has been formed by the so-called Islamic Advisory board. The Board is functioning as an advisor to the government and in charge of Islamic affairs in Penang. Among the tasks entrusted to this board is to review and recommend for the establishment of a body that regulate the Islamic religious affairs in the state. In 1955, a committee was appointed by the Penang State Government to study the establishment of Islamic Religious Council in Penang. However, due to some turbulence occurred in this country in order to gain independence, efforts towards the establishment Islamic Religious Council in Penang was quite slow. In 1957, after gaining independence, a Special Committee that responsible to make research before the establishment of Penang and Province Wellesley Islamic Religious Council was appointed by the Penang State Government (Paiz, 2010).

The objective of Majlis Agama Islam Pulau Pinang

Majlis Agama Islam Pulau Pinang aims to:

1. To create a Muslim community who believe and fear Allah by making Islam as the way of life and embraced Islam as teach by Quran and Sunnah.
2. To uphold justice according to the laws of Islam and the control and eradication of apostasy, heresy and thoughts that affect the sanctity of Islam.
3. To promote, encourage, facilitate and undertake economic and social well-being of Muslims in the pulau Pinang based on the Islamic law (Paiz, 2010) .

Division of Waqaf Majlis Agama Islam Pulau Pinang

Division Waqaf MAINPP aims to:

1. Maintaining and administering Waqaf (Endowment) properties properly in accordance with the function of Penang Islamic Religious Council as a trustee of all Waqaf (Endowment).
2. Ensure well-governed waqaf properties to be benefited by the Penang Muslim community.

Waqaf Division MAINPP have an important responsibility to protect waqaf property in Penang. This can be seen from the following functions; first, to maintain and provide proper management for waqaf property in Penang. Second, collecting information and data on waqaf assets. Third, identify waqaf properties that are not registered and enrolled under the name MAINPP. Fourth, to coordinate, enhance and enforce on the administration and management of waqaf properties. Last, to create an inventory of waqaf property in Penang. For organization Chart of MAINPP (Refer appendix 1) (Paiz, 2010).

Penang Waqaf Management: The Star Model Approach by Galbraith The Star Model: In Brief

The Star Model framework for organization design is the foundation on which a company bases its design choices. The framework consists of a series of design policies that are controllable by management and can influence employee behaviour. The policies are the tools with which management must become skilled in order to shape the decisions and behaviours of their organization effectively. Dr. Jay Galbraith developed the 5 Star Model as an organisational design framework. The model used to design policies that guide organisational decision making and behaviour (Galbraith, 2010 (2)).

The model contained the following five categories; first, strategy which used to determine direction through goals, objectives, values and or missions. It defines the criteria for selecting an organisational structure. The strategy defines the ways of making the best trade-off between alternatives. Second, structure which determines the location of decision making power. Third is a process which refers to the flow of information and decision processes across the organisation's structure. Processes can be either vertical through planning and budgeting, or horizontal through lateral relationships (Galbraith, 2010 (2)).

Fourth is a reward system which is influence the motivation of organisation members to make employees' goals in line with the organisation's objectives. Fifth is people policies which can influence and define employee's mind-sets and skills through recruitment, promotion, rotation, training and development. The five factors must be internally consistent to enable effective behaviour. Fortunately, a design sequence exists whose starting point is the strategy definition. Strategy drives organisational structure. Processes are based on the organisation's Structure. Structure and Processes define the implementation of reward systems and people policies (Galbraith, 2010 (2))

Strategy

Strategy is the company's formula for winning. The company's strategy specifies the goals and objectives to be achieved as well as the values and missions to be pursued; it sets out the basic direction of the company. The strategy specifically delineates the products or services to be provided, the markets to be served, and the value to be offered to the customer (Kates & Galbraith, 2007). It also specifies sources of competitive advantage. In achieving the vision of MAINPP in waqaf, there are some recommendations; first, the establishment of an integrated information system in waqaf property. It can be done by hiring IT practices to develop a comprehensive system that can be used to monitor the performances of waqaf properties in Penang (Paiz, 2010).

Second, to ensure that waqaf property is fully utilized in the same time MAINPP have a shortage of funds, MAINPP need to enhance a collaboration with the private sector to join in the development of waqaf properties such as what has been practiced in Malaysia. Mudharabah is the best principle in developing waqaf instruments whereby MAINPP was the funder through Amanah Saham Wakaf and other parties were the developers where the profit will be shared and loss will be borne by the funder (Paiz, 2010).

Thirdly, waqaf institutions must enhance advertisement on their products in order to get new sources of waqaf. As stated in Paiz (2008) that 90% of current waqaf property especially land was contributed by past pious religious not by our generation. For example Wakaf Kapitan Keling was contributed by an individual known as Kapitan which is in the early days of British administration, 50 years ago. So in order to get new sources, MAINPP must enhance their methodology not just advertise on the billboard only but go for social media such as Facebook, radio, television and collaborate with any banking institution for example Bank Islam and Bank Rakyat to provide simple methods to ease Muslims in Penang to contribute for waqaf funds either in wakaf tunai, wakaf korporat or wakaf tanah (Paiz, 2010).

Structure

An organizational structure consists of activities such as task allocation, coordination and supervision, which are directed towards the achievement of organizational aims. It can also be considered as the viewing glass or perspective through which individuals see their organization and its environment. An organization can be structured in many different ways, depending on their objectives (Galindo & Cuevas, 2008). The structure of an organization will determine the modes in which it operates and performs. Organizational structure allows the expressed allocation of responsibilities for different functions and processes to different entities such as the branch, department, workgroup and individual. Organizational structure affects organizational action in two big ways. First, it provides the foundation on which standard operating procedures and routines rest. Second, it determines which individuals get to participate in which decision-making processes, and thus to what extent their views shape the organization's actions (Kates & Galbraith, 2007).

If we analysed the structure for waqaf division in MAINPP (appendix 1), we can see unbalanced structure with function. As we know earlier, Penang have more than RM 800 million in value for the waqaf land and properties. In order to cater waqaf property, the structure must reconstruct to be more balance and flexible. For example, Waqaf division only have 5 personnel to cater with waqaf properties which is more than RM 800 million. MAINPP is practising a tall division structure which every single division do a specific works. For a better structure, MAINPP must use a matrix structure which can increase collaboration between divisions toward one vision. A matrix organization frequently uses teams of employees to accomplish work, in order to take advantage of the strengths, as well as make up for the weaknesses, of functional and decentralized forms. In order to deal with waqaf properties various division of MAINPP such as Sumber Am, Accounting, Investment, Waqaf and Legal Division can collaborate each other for sake of waqaf properties in Penang (Paiz, 2010).

Process

Information and decision processes cut across the organization's structure; if structure is thought of as the anatomy of the organization, processes are its physiology or functioning (Kates & Galbraith, 2007). In process we can see underutilized waqaf properties. For example in Kapitan Keling, there is business premises constructed using waqaf fund don't have any tenant. It will cause shortcoming of revenue of MAINPP. MAINPP also must redesign the process how to enhance rental payment system which implemented in Penang, because recorded by researcher that pending payment for rental is totally high. So, MAINPP must collaborate with any institution such as Banking and Pos Malaysia Berhad to facilitate and provide payment for waqaf services such as rental for land, business premises and etc (Paiz, 2010).

Reward

Reward and Recognition is typically used either to reward an employee for a behavior or recognize and employee for results. Despite the existence of various programs in the corporate culture, the purpose or goal is not always clearly defined. There is also debate around the most effective means of using the two types [monetary and non-monetary (NMR)]. Lastly, there are numerous pitfalls in using various forms of reward and recognition (Kates & Galbraith, 2007).

The two types of reward and recognition are easily distinguishable: Monetary, receiving dollar incentives for performance and non-Monetary (NMR), various forms of "soft" recognition. Formal and spontaneous are additional distinctions of Reward and Recognition. Formal recognition is typically part of a program, put in place to exact a specific result (Service Awards, Sales Campaigns) (Kates & Galbraith, 2007).. As for MAINPP to motivate employees is through various incentives;

i) Performance-Based Incentives

MAINPP can enhance their employees' motivation is by defining their tasks and attaching compensation-based incentives to a certain levels of performance. Among varied types of performance-based is incentive plans and yearly bonus compensation. Many organizations

operate such a program for their employees, particularly mid-tier management employees, where employees receive a percentage of their annual salaries as a bonus. For more on-hands employees, such as those working on the factory floor or ground sales teams, MAINPP can adopt commissions, spot bonuses, output bonuses or suggestion incentive programs based on waqaf amount that have collected from Penang Muslim (Paiz, 2010).

ii) Employee Recognition

MAINPP also can use nonmonetary rewards to motivate employees. For example, employee recognition fulfils the psychological needs and desires of employees. Schemes such as "sale person of the month" or "employee of the year" certificates help boost morale as MAINPP recognized the employee for his outstanding efforts. Appreciative feedback from supervisors and managers also serve as employee recognition and helps to boost morale. Holding seminars, exhibitions and workshops and encouraging employees to participate and then awarding the employee for participation in these events also derives motivation and recognition for employees involved (Paiz, 2010).

People

The final point on the star is people, the organization's human resources. Individual performance is critical to an organization's functioning effectively. In order to ensure it, organizations must have individuals with the right skills and knowledge who are motivated to perform effectively. No organization can operate successfully if its employees cannot do the work that is assigned to them. Organizations can assure themselves that individuals have the skills, abilities, and capabilities necessary to perform well by selecting and hiring the right people and then developing and training them (Galbraith, 2002). In cases of MAINPP, they don't have enough personnel to get involve in waqaf properties. We can see in their organization chart (please refer to appendix 1); they only have 5 people to deal with sum of RM800 billion for waqaf properties. They also must be trained in estate management, economic, financial strategy, accounting and investment to boost waqaf property as special instrument for developing Muslim in modern era. There is lack in term of supervision on waqaf properties due to shortage of personnel and lack of management process (Paiz, 2010).

Conclusion

A lot of improvements need to be imposed on waqaf management in Penang and all over Malaysia. Those states with best waqaf practices can share their experience and knowledge to help in developing the implementation of waqaf management properties. An association can be established where the members are those who are the trustee of the waqaf management purposely to share ideas and monitor the development of each waqaf practices all over the world. The association can come out with books or manual to develop the best waqaf practices. Those who are lacking of ideas can turn to this association for assistant.

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^{1*}Corresponding Author: Muhammad Yusri Yusof @ Salleh

E-mail: yusri613@perak.uitm.edu.my