

Transparency and Reputation as the Factor Influences to the Intention Waqf: Empirical Studies in Gontor Institution

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ABSTRACT

This study aim to measure and exam the transparency and reputation influence to the intention waqf in Gontor Institution. Professional, trustworthy, and honest management of waqf is the reason Gontor continues to grow rapidly. This paper raises reputation and transparency variables as independent variables, intention to have waqf as the dependent variable. The approach this study is a quantitative approach with structural equation modeling-partial least square (SEM-PLS) measurements. by distributing questionnaires to the community and has 197 respondents. The data were processed using path modeling with SmartPLS 3.32 tools. The results of this study indicate that reputation and transparency have a positive and significant effect on intention to do waqf in the Gontor Institution.

Keywords: *Waqf, Reputation, Transparency, TPB, SEM-PLS.*

ABSTRAK

Penelitian ini bertujuan untuk mengukur dan menguji pengaruh transparansi dan reputasi terhadap niat wakaf di Lembaga Gontor. Pengelolaan wakaf yang profesional, amanah, dan jujur menjadi alasan Gontor terus berkembang pesat. Makalah ini mengangkat variabel reputasi dan transparansi sebagai variabel bebas, niat berwakaf sebagai variabel terikat. Pendekatan penelitian ini adalah pendekatan kuantitatif dengan pengukuran structural equation modeling-partial least square (SEM-PLS). dengan menyebarkan kuesioner kepada masyarakat dan memiliki 197 responden. Data diolah menggunakan pemodelan jalur dengan tools SmartPLS 3.32. Hasil penelitian ini menunjukkan bahwa reputasi dan transparansi berpengaruh positif dan signifikan terhadap niat berwakaf di Lembaga Gontor.

Kata kunci: Wakaf, Reputasi, Transparansi, TPB, SEM-PLS.

INTRODUCTION

Waqf has developed into a living and developing socio-economic institution in the Middle East, North Africa and Asia for nearly half a millennium (Abdullah, 2019). The study of waqf is currently developing very encouragingly, with a lot of research on waqf from various waqf studies (Sukmana, 2020) mentioned that the keywords waqf, awqaf and Islamic endowment fund that appeared on international indexed article search engines for the period 2010-2019 were 10,515 articles. In addition, the waqf movement is also growing rapidly in other parts of the world. In Indonesia, for example, the cash waqf linked sukuk movement was initiated by the Indonesian Waqf Board (BWI, 2021).

Waqf is an Islamic treasure that can be used as an instrument in poverty eradication and distribution of wealth effort in Muslim society (Razak, 2020). Waqf can be used as a source of wealth for Muslims and can prosper the ummah. The potential for waqf in Indonesia is very large, the president of the Republic of Indonesia stated that the potential for waqf in Indonesia reaches 2,000 trillion rupiah, and the potential for cash waqf is up to 188 trillion rupiah (Laucereno, 2021). This means that waqf assets can be used for the social welfare of the community. However, in the management of waqf assets in Indonesia there are still many challenges, the biggest challenge is that the majority of waqf assets are passive, meaning that these waqf assets have not been managed productively. According to Muntaqo, the majority of Muslims in Indonesia perceive waqf for religious purposes as more important than for the social welfare of society (Muntaqo, 2015).

In addition, problems in the practice of waqf are often carried out in conventional ways which in practice are prone to problems, sometimes even ending in court because of differences in perceptions and disputes over waqf. This condition is exacerbated by rampant indications that lead to irregular practices in the management of waqf objects, and not a few waqf assets are lost and even become the property of *nadzir*. (Riyanto, 2018).

According to (Cizacka, 1995) historical evidence shows that a very attractive potential lies in cash waqf. The waqf system has provided throughout Islamic history all essential services at no cost to the state. Successful modernization of the system implies significant cuts in government spending and all associated benefits including streamlining of the state sector and reduction or elimination of usury. Furthermore, (Shukor et al., 2019) explained that cash waqf has played an important role in increasing cash waqf and greatly enhancing the socio-economy of Muslims. In addition, cash waqf funds have a very large potential and role in helping universities to help students financially and the institution itself. (Osman, Mohammed, & Amin, 2013).

In an exploratory study of Muslim participation in cash waqf conducted by (Shukor et al., 2019), it was found that Muslims consider waqf as part of shodaqoh where they believe that they will get reward in the hereafter. Although the research respondents revealed that they are satisfied with waqf and have the intention of giving waqf at a later date, however, they feel insecure about the distribution of waqf funds, because of the lack of transparency in the management of waqf by the *nadzir* of waqaf. In addition, the reputation of the waqf institution is also very important to be considered by prospective waqf. Potential *waqif* will see the track record of the waqf management institution before they do waqf.

Pondok Modern Darussalam Gontor is one of the education institutions based on waqf that has been endowed by its founder in 1951 to coincide with the quarter century anniversary of the age of Darussalam Gontor Modern Pondok. To provide legal provisions, the founder pledged waqf in 1958 by signing the waqf charter (Fasa, Rofiqo, & Oktarina, 2016). According to research by the Center for Study of Religion and Culture (CSRC), UIN Syarif Hidayatullah Jakarta, stated that the Darussalam Gontor Modern Islamic Boarding

School (PMDG) was successful in developing its productive waqf. Thus PMDG can be a role model for educational institutions based on waqf (Huda, 2014). Pondok Modern Darussalam Gontor manages waqf on the principle of trust and transparency so that the name PMDG is already well-known domestically and abroad.

The term of *waqf* intake from Arabic term *wa-qa-fa* (halt), *tasbil* (donation of *fi sabilillah*), have the same meaning. Etymologically, waqf means holding something to do, spending "*(waqoftu kadza)* I hold it" (Sabiq, 1988). Meanwhile, in terminology, Abu Hanifah in Fathul Qodir's book, "is holding back property from the ownership authority of the person who donates and donates the benefits of the waqf goods for good (Wahid, 2009:37-40).

Meanwhile, Jumhurul ulama 'argues that waqf is holding assets that can be used while the goods are still intact, by completely stopping the control of these items from the person who donates them and others, for the management of these items for the purpose of goodness and goodness in order to get closer to Allah (Zuhaili, 2006:271). The Maliki school of thought says that waqf is the owner of the property making the result of the property he owns even though the ownership is by renting or making income from the property (Zuhaili, 2006: 272).

Jumhur Ulama 'argues that the pillars of waqf are *sighat*, *wakif*, *mauquf alaih* and *nadzir*. As for *qobul* from the Hanafiyah, it is not part of the pillar of waqf. Meanwhile, among malikiyah and Syafiiyah, and some Hanabilah *qobul* are harmonious, if the *waqf* is for a certain person and he has the right. If not, then a guardian is required to accept it (Zuhaili, 2006: 273).

This study investigates the role of reputation and transparency of waqf *nadzir* in determining people's intention to do waqf in the Gontor institution. In Islam, intention is an important element in determining one's actions. A sincere intention makes converting acts into acts of worship. Thus, good intentions will have an impact on efforts for waqf and will create sustainable wealth for future generations. Umar ibn Al-Khattab, who said: "Every action with his intention and every intention will be obtained." (HR. Bukhari and Muslim).

Planned behavior theory is a theory which states that intention is a factor that influences a person's behavior (Ajzen, 1991). Ajzen defines intention as the main actor to actualize behavior. Meanwhile, the intention is influenced by three factors, namely attitudes towards behavior, subjective norms and behavioral control.

Previous research using TPB to explain and understand the behavior of donors in donating in the context of zakat and donations supports the TPB model and states that attitude is one of the important predictors of intention to donate, implying a preferred attitude with respect. behavior (i.e. charity or donation), the stronger the person's intention to perform the considered behavior (Shukor et al., 2019; Niswah et al., 2019). It should be noted, however, that much of the related literature is of Western origin and the factors predicting intention involve individual factors (i.e. attitudes). Thus, it would be useful to confirm many of these findings in the context of waqf at the Gontor Institute and include organizational factors that can predict an individual's intention to give waqf.

Reputation is defined as people's perception of an organization's honesty and concern for its stakeholders (Doney & Cannon, 1997). The reputation of the organization is important because it indicates that new potential customers will contribute to a long-term relationship with the customer (Shukor et al., 2019) and has a positive effect on intention (Yoon, Guffey, & Kijewski, 1993). For philanthropic organizations, reputation is very important to convince potential wakif (Bennett & Gabriel, 2003; Shukor, Anwar, Aziz, & Sabri, 2017).

A number of studies have examined the role of reputation on intention. Positive reputation positively influences a person's intention to behave (Doney & Cannon, 1997; Ganesan, 1994; Shukor et al., 2019). Furthermore (Shukor et al., 2017) added that a good reputation affects both the initiation of the relationship and the continuation of an already established relationship (Anderson, Lodish, & Weitz, 1987). Therefore, waqf organizations need a reputation to stimulate the intentions of potential waqf and other stakeholders (Bennett & Gabriel, 2003). In line with previous research, this study hypothesizes that:

Transparency is the openness of public financial management bodies in making financial policies so that they can be known and monitored by the public, so as to create clean, effective, efficient, accountable and responsive government to the public interest. (Yuliani & Bustamam, 2017). National Committee on Governance (Governance, 2006) stated that transparency means the obligation for managers to implement the principle of openness in the decision process and in the delivery of information. Openness in conveying information also means that the information submitted must be complete, correct, and timely to all stakeholders.

Transparency functions as public control, although it remains within the limits that can guarantee the rights and success of the organization (Paul, 2015). Things that are accessed by the community, among others; letter of association of the organization, programs, performance, management, and finance, as well as the supervisory mechanisms that they apply. The level of transparency of an organization is usually determined by how auditable the organization is.

The principle of management of transparency and accountability is actually still included in the controlling management mechanism (supervision) because it is one of the important steps in ensuring an organization's performance goes according to plan (Yuliani & Bustamam, 2017).

This research discusses the influence of reputation and transparency of PMDG educational institutions based on waqf on people's intention to have waqf in these institutions. Research on the transparency of waqf has not been done much by previous researchers and this is novelty in this research.

RESEARCH METHOD

The approach this study is a quantitative approach with structural equation modeling-partial least square (SEM-PLS) measurements. The number of respondents 197 are all of alumni Pondok Modern Darussalam Gontor. The researcher uses the quantitative with path modelling because first, the population in this research is very widespread. Secondly, the study intends to test the hypothesis. The third researchers want to get accurate data, based on empirical and measurable phenomena. fourth, the study is about to test the validity of knowledge.

Methodology in this research is path modelling with 3 variable and 2 hypotheses. The data collect from the *waqif* of Gontor Institution. This research used 6 months to search the data and analyzing. This research was conducted using a quantitative approach. This research used the formulation bellow:

$$\text{Intention to waqf} : \beta_1, \text{Reputation}_1 + \beta_2, \text{Percept Transparency}_2 + e$$

The data used in this research is the primary data. Questionnaires in form of google form used to collect the data. While the technique of sample size is 10 rules of thumb that 10x10 is 100. In accordance with these guideline, the sample size we set 197 respondents where this number has been minimum of threshold (Hair, Black, Babin, & Anderson, 2014).

RESULT AND DISCUSSION

Demographic Information

Demographic information in this research sample illustrated in table 3. In this table shows that the gender, ages, province, monthly income.

Table 1. Demographics Information

Variables	Descriptions	Percentage (%)
Gender	Male	51%
	Female	49%
Marital Status	Single	67%
	Married	33%
Age	<20 Tahun	20%
	21-30 Tahun	68%
	31-40 Tahun	11%
	>40 Tahun	1%
Education	SMA Sederajat	22%
	Graduate	78%
Island	Java	78%
	Kalimantan	5%
	Sumatera	11%
	Others	6%
Monthly Income	IDR < 2.000.000	69%
	IDR 2.000.001-5.000.000	25%
	IDR 5.000.001-10.000.000	4%
	IDR 10.000.001-20.000.000	3%

Source: Author 2021

This study involved 197 respondents from waqif to Gontor Institution. Table 1 presents the respondents' profile and economic characteristics on gender, marital status, age, education, island, and monthly income.

Outer Model

The result of measurement model summary by Outer Loading, Cronbach's Alpha, rho_A, Composite Reliability, and Average Variance Extracted (AVE). The result can be shown in the table:

Table 2. Measurement Model of Validity

Construct	Items	Outer Loading	Cronbach's Alpha	rho_A	Composite Reliability	AVE
Intention	I1	0,921	0,846	0,850	0,907	0,766
	I2	0,854				
	I3	0,849				
Reputation	R1	0,862	0,784	0,793	0,874	0,698
	R2	0,801				
	R3	0,842				
Transparancy	TR1	0,742	0,729	0,732	0,829	0,549
	TR2	0,758				
	TR3	0,725				
	TR4	0,737				

Sources: Data processed with Smart PLS 3.32

The all of constructs is confirmed as the results of Cronbach's alpha above 0.7(Nunnally, 1978; Peterson, 1994). rho_A confirmed that the result above 0,7. Composite reliability values confirm the high level of reliability and internal consistency of all the constructs as the outer loading for all the items were higher than the threshold value of 0.6. The Average Variace Extracted (AVE) result greater than the threshold value of 0.5, so the convergent validity for all the constructs is proved (Hair et al., 2014).

Inner Model

Adjusted R square value is the coefficient of determination in endogenous construct. According to (Hair et al., 2014), the category of Adjusted R square values was divided into three, strong (0.67), moderate (0.33) and weak (0.19). Table below shows the value of R square on each endogenous variable in this study:

Table 3. R² in Model

Variable	R Square	R Square Adjusted
Intention	0,285	0,278

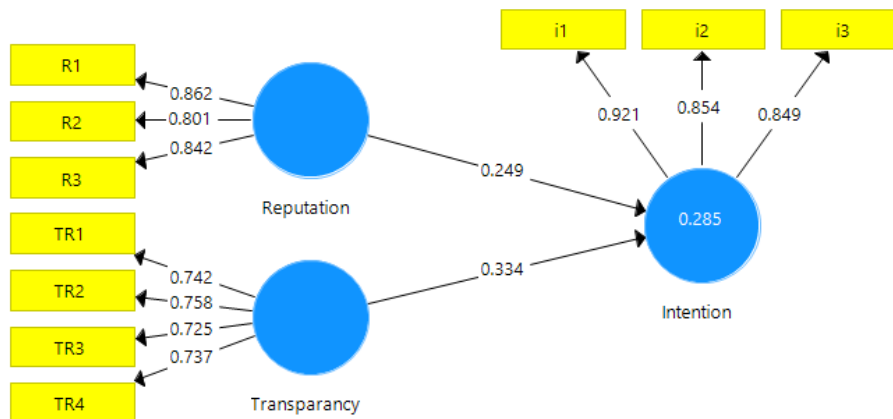
Sources: Data processed with Smart PLS 3.32

Based on the table above, it can be concluded that intention has a Adjusted R Square value of 0.2782, meaning that the intention variable as an endogenous variable can be explained by its exogenous latent variables: reputation and transparancy 27,8% and the remaining 72,2% explained by other variables outside the research.

Path Modelling

The validity and reliability measurement was success and the path analysis was done examined the relationships between constructs, it can be seen in figure bellow. The calculations of the path coefficients, T-Statistics and significance level are mentioned in Table. The figure and table showed bellow:

Figure 1. Path Model



Sources: Data processed with Smart PLS 3.32

(T-Stat, P-Values and Hypotheses-Test)

Hypothesis	Path	T Statistics (O/STDEV)	P Values	Result
H1	Transparency Perception-> Intention	3,759	0,000	Supported
H2	Reputation Perception-> Intention	2,605	0,009	Supported

Sources: Data processed with Smart PLS 3.32

The results indicate that the transparency perception significantly influences to the behavior intention P Value 0,00 (Paul, 2015; Sa'ad, Ahmad, & Saleh, 2019). Reputation Perception significantly influences the intention p value 0,009 (Shukor et al., 2017, 2019).

Discussion

Reputation is one of the important things for organizations to pay attention to. Someone will have high trust in an organization that has a good reputation (Shukor et al., 2019). A person with high trust tends to have the desire to engage in activities with this reputable organization. This empirical study shows that Gontor's reputation makes people have the desire and intention to take up waqf in the Gontor Institution. This finding is a suggestion to the *nadzir* of the waqf of Gontor as education institution based on waqf to continue to adhere to the values formulated by the founders of Gontor.

Transparency is one indicator of the professional management of waqf by *nadzir*. *Nadzir* who is a professional will be transparent in reporting on the management of waqf. This report will add to the public's trust in the waqf institution (Shukor et al., 2019). This empirical study shows that the transparent management of waqf in the Gontor Institution has a positive and significant effect on a person's intention to do waqf in the Gontor as the

education Institution based on waqf. This is also the same as previous research (Shukor et al., 2017, 2019; Yuliani & Bustamam, 2017).

CONCLUSION

This study uses the selection of transparency and reputation as independent variables. The choice of this variable is based on previous research where transparency and reputation will increase one's trust, which in turn will affect one's intention to have waqf. The results of this empirical study indicate that transparency has a positive and significant effect on people's intention to do waqf in the Gontor institution. The next result states that the reputation of the Gontor Institution is able to positively and significantly influence to the community to have the intention of having waqf in the waqf institution.

From these results, the researcher recommends the waqf *nadzir* of the Gontor institution to always adhere to the values taught by the founders and leaders of the Gontor Institution so that Gontor's reputation will increase and be recognized by the world. In addition, it is *nadzir* in order to continue to improve and maintain transparency in the management of this waqf.

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