

## **THE ROLES OF ETHICS IN *WAQF* MANAGEMENT: CASE OF JAWHAR\***

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### **ABSTRACT**

*Waqf (endowment) is one of the practices that are prescribed in Islam. It provides extensive benefit to the waqf founder (wāqif) as well as to the receiver (mawqūf). Therefore, property governed under waqf should be managed ethically to ensure the benefit can be derived by all. This article discusses the importance of applying a code of ethics in waqf institutions. This article also presents the JAWHAR code of ethics as an empirical instance to be implemented by waqf institutions in administering waqf matters. It is believed that the implementation of this code of ethics can create a professional culture in waqf management and return the waqf institution to the glory that was attained in the past.*

**Keywords:** *Islamic ethics, waqf management, JAWHAR*

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## INTRODUCTION TO *WAQF*

The practice of entrusting properties under *waqf* is a response to the call from Allah SWT and the Prophet Rasulullah (pbuh) to the Muslims. *Waqf* is a form of *ibādah* (worship) to near oneself to Allah SWT by bequeathing property for the benefit of the public, especially the Muslims. Mosques, hospitals, schools and cemeteries are normally built on *waqf* properties. Hence, the *waqf* founder (*wāqif*) is promised a continuous reward from the *waqf*, as based on the saying of Allah SWT:

مَنْ ذَا الَّذِي يُقْرِضُ اللَّهَ قَرْضًا حَسَنًا فَيُضْعِفُهُ لَهُ، وَلَهُ أَجْرٌ  
كَرِيمٌ ﴿١١﴾

*“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.”*

(Sūrah al-Ḥadīd, 57:11)

مَثَلُ الَّذِينَ يُنْفِقُونَ أَمْوَالَهُمْ فِي سَبِيلِ اللَّهِ كَمَثَلِ حَبَّةٍ أَنْبَتَتْ سَبْعَ  
سَنَابِلَ فِي كُلِّ سُنبُلَةٍ مِائَةٌ حَبَّةٌ وَاللَّهُ يُضْعِفُ لِمَنْ يَشَاءُ وَاللَّهُ  
وَاسِعٌ عَلِيمٌ ﴿٢٦١﴾

*“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.”*

(Sūrah al-Baqarah, 2:261)

The *Ḥadīth* from Rasulullah (pbuh) also states:

إذا مات الإنسان انقطع عنه عمله إلا من ثلاث: صدقة جارية أو علم ينتفع به  
أو ولد صالح يدعو له

*“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)<sup>1</sup>

<sup>1</sup> Al-Nawāwī, Abū Zakariyyā Yaḥyā bin Syarḥ (1994), Ṣaḥīḥ Muslim bi Syarḥ al-

The terminology of *waqf* originates from an Arabic word, which carries the meaning of restrain (*al-ḥabs*) and restrict (*al-manʿ*).<sup>2</sup> In detail, *waqf* is defined as a form of direct (*ṣarīḥ*) or indirect (*kināyah*) property dedication in which the property is restrained and its benefit is only applicable for general or specific charitable purposes.<sup>3</sup> This means, the rights of the *waqf* founder towards the property is restrained from any kind of business transaction, inheritance, gift (*hibah*) or will. Any type of income, revenue or profit gained from the property under *waqf* must also be spent for the general or specific welfare with the intention of the founder to be closer to Allah SWT. Therefore, the property no longer belongs to the owner, is unreturnable to the former owner and is not able to be possessed by anybody.

Generally, *waqf* is classified into two – *waqf khayrī* and *waqf ahlī*.<sup>4</sup> *Waqf khayrī* refers to the *waqf* in which its benefit is dedicated for the use of all groups of society. The purpose of this *waqf* is general (*waqf ʿām*). While *waqf ahlī* refers to the *waqf* that is set for a specific purpose or group. The purpose of this *waqf* and the target group of receivers are fixed from the beginning, whether it is for family members or a special group of people (*waqf khāṣ*). Whereas *waqf musytarak* is a combination between these two forms of *waqf*. Part of the *waqf* property is dedicated to family members and another part for the use of the public.<sup>5</sup>

Among the advantages contained in the *ibādah* of *waqf* are:<sup>6</sup>

- To express obedience towards Allah SWT.
- To near oneself to Allah SWT.

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Imām Muḥy al-Dīn al-Nawāwī, j. 11, jil. VI, Kitāb al-Waṣiyyah, Bāb Mā Yulḥaqu al-Insān min al-Thawāb Baʿda Wafātih, hadith no. 4199. Beirut: Dār al-Maʿrifah, p. 817.

<sup>2</sup> Al-Shirbinī, Muḥammad bin Aḥmad (n.d), *Mughnī al-Muḥtāj ilā Maʿrifāt Maʿānī Alfāz al-Minhāj*, juz 3. Dār al-Fikr, p. 486; al-Sarkhasī, Shams al-Dīn Muḥammad bin Aḥmad (2001), *Kitāb al-Mabsūt*. Beirut: Dār al-Kutub al-ʿIlmiyyah, p. 34.

<sup>3</sup> Siti Mashitoh Mahamood (2001), *Bagaimana Membuat Wakaf*. Kuala Lumpur: Academy of Islamic Studies, University of Malaya, p. 3.

<sup>4</sup> Al-Sābiq, Sayyid (1999), *Fiqh al-Sunnah*. Kaherah: Dār al-Fatḥ li al-ʿIlām al-ʿArabī.

<sup>5</sup> Abū Zahrah, Muḥammad (1959), *Muḥāḍarāt fī al-Waqf*. Kaherah: Jāmiʿat al-Duwal al-ʿArabiyah, p. 71.

<sup>6</sup> JAWHAR (n.d.a), “Pengenalan Kepada Ibadah Wakaf”, <http://www.jawhar.gov.my/index.php?PHPSESSID=c3f5a8448d2aeec7d4fd18f6a610ca84>, accessed on April 2009; Siti Mashitoh Mahamood (2007), “Pembentukan Dana Wakaf Menurut Perspektif Syariah dan Undang-Undang Serta Aplikasinya di Malaysia”, *Shariah Journal*, 15(2), pp. 61-62.

- To acquire constant reward in life and after death.
- To build up facilities such as mosques and schools to spread the truth of Islam and academic activities.
- To eradicate the problem of poverty among the *ummah*.
- To strengthen the unity of the *ummah* (nation).
- To contribute to the development of the socio-economy of the *ummah*.

To realise the huge advantages and benefits of *waqf*, every property entrusted as *waqf* should be governed and administered with the utmost excellence to bear the intended result of the founder.

### **WAQF MANAGEMENT IN MALAYSIA**

*Waqf* management is defined as changing the usage of *waqf* assets, from consumption to production, so that the *waqf* assets can continue to generate returns in the future for the benefit of the *waqf* beneficiaries.<sup>7</sup> It covers several matters such as the procedure of *waqf*, registration of *waqf* property, development and monitoring of *waqf* assets, and management of *waqf* benefit for the *waqf* beneficiaries.<sup>8</sup>

Initially, *waqf* is managed by the founder him/herself or administered by the local society leader who is involved officially with religious activities, such as the *qādī*, *imām*, chief of the village, or the mosque committee. These leaders are elected by the local society to manage *waqf* property on behalf of them. Currently, the trust of managing the *waqf* property is put under the authority of the Majlis Agama Islam (Islamic Religious Council) for every state.<sup>9</sup> The authoritative state religious council is the *waqf* trust holder for their respective states.<sup>10</sup> This means that Majlis Agama Islam Negeri (MAIN) is the responsible agency for managing all *waqf* matters.

Normally, from the aspect of *waqf* management, *waqf khayrī* or *waqf ‘ām* is easier to be administered compared to *waqf ahlī* or *waqf khāṣ*. This is

<sup>7</sup> Monzer Kahf (1998), *al-Waqf fi al-Mujtama‘ al-Islāmī al-Mu‘āṣir*. Qatar: Markaz al-Buḥūth wa al-Dirāsāt, p. 21.

<sup>8</sup> Siti Zalikah Md. Nor (2008), “Pengurusan Wakaf Negeri-Negeri di Malaysia” in Mohd Zamro Muda *et al.* (eds), *Prosiding Konvensyen Kebangsaan Pengurusan Harta Pusaka, Wasiat & Wakaf*, Bangi: Universiti Kebangsaan Malaysia, p. 49.

<sup>9</sup> Safiah Mohamed *et al.* (2006), “Ke Arah Pelaksanaan Sistem Perakaunan Wakaf yang Piawai” (Paperwork on Waqf Management, 12-14 September 2006), p. 6.

<sup>10</sup> Asmak Ab Rahman (2009), “Peranan Wakaf Dalam Pembangunan Ekonomi Umat Islam Dan Aplikasinya Di Malaysia”, *Shariah Journal*, 17(1), p. 121.

because the general criteria of *waqf khayrī* facilitate MAIN to plan any kind of development on the *waqf* property. Most importantly, the *waqf* benefit is accessible by the public. The management of *waqf ahlī* is limited and requires meticulousness because it is bound to the specified intention or condition of the founder and must be obeyed by MAIN as the *waqf* property administrator.<sup>11</sup> Whatever form of the *waqf* property, MAIN should have a systematic system in managing *waqf* property so that the objectives of *waqf* can be achieved. By having a systematic system, the efficiency of *waqf* property management can be upgraded while preserving and enriching the Muslims' treasury as a whole.

Currently, the entire area of *waqf* land throughout Malaysia is about 13,398 hectares, which is worth RM 1.2 billion. Details of the data are shown in Table 1. Although there is a huge amount of *waqf* land in Malaysia, many are still not developed by MAINs. Up until 2008, the percentage of developed *waqf* land was very small, only about 0.7 per cent of the total. The lack of funds and experts were identified as the factors causing the problem.<sup>12</sup>

Table 1: *Waqf* Lands in Malaysia

No.	State	Entire Area (Hectare)			Value (RM)
		<i>Waqf 'Ām</i>	<i>Waqf Khāṣ</i>	Total	
1	Perlis	2.74	14.49	17.23	1,337,998.00
2	Kedah	158.62	1,086.25	1,244.88	1,997.00
3	Pulau Pinang	220.03	559.23	779.26	850,000,000.00
4	Perak	116.12	0.00	116.12	383.00
5	Selangor	235.63	31.82	267.45	200,000,000.00
6	Federal Territory	0.49	1.59	2.08	16.00
7	Negeri Sembilan	1.01	14.49	15.50	36.00

<sup>11</sup> Syahnaz Sulaiman (2008), "Hukum Pembangunan Tanah Wakaf Khas Menurut Perspektif Syarak", *Jurnal Muamalat*, 1. Putrajaya: Department of Islamic Development Malaysia, p. 50.

<sup>12</sup> Sohaimi Hj. Mohd. Salleh (2008). "Peranan dan Cabaran JAWHAR dalam Pembangunan dan Pengurusan Wakaf dan Mal", in Mohd Zamro Muda *et al.* (eds), *Prosiding Konvensyen Kebangsaan Pengurusan Harta Pusaka, Wasiat & Wakaf*, Bangi: Universiti Kebangsaan Malaysia, p. 75.

8	Melaka	11.65	21.60	33.25	66.50
9	Johor	1,422.80	1,729.50	3,152.30	7,000,500.00
10	Pahang	0.00	723.82	723.82	18,000,000.00
11	Terengganu	581.66	1,878.58	2,460.24	42,623,196.19
12	Kelantan	16.01	157.04	173.06	56,443,073.00
13	Sarawak	6.86	4.04	10.90	1,416,781.90
14	Sabah	4,339.73	62.17	4,401.90	79.00
<b>TOTAL</b>		<b>7,113.35</b>	<b>6,284.62</b>	<b>13,397.97</b>	<b>1,176,824,126.59</b>

Source: Wakaf @ e-bayanat, <http://119.110.108.126/ebayanat/>, accessed on December 2010.

Previous research found that the majority of MAINs have elected an officer to manage *waqf* matters. However, the officer is also responsible to manage other matters such as mosques, *surau* and also *Baitulmal*. This means that no officer is specifically assigned for *waqf* management.<sup>13</sup> However, a study conducted by Siti Rokyah M. Z. (2005) discovered that a few MAINs have elected special officers to manage *waqf* matters. Among them are Majlis Agama Islam Johor, Pulau Pinang and Kedah.

Previous research also highlighted several problems faced by MAINs in *waqf* management. These include:<sup>14</sup>

- No documentation and the lack of a complete and systematic database.
- Lack of professional skilled force in *waqf* management.
- No orderly structure in *waqf* management.
- No clear and standard procedure in *waqf* property management.
- No integrity in *waqf* management, which causes a lack of confidence in the society to do *waqf*.
- Scarcity of funds for development projects on *waqf* property.

<sup>13</sup> Safiah Mohamed *et al.* (2006), *op.cit.*, p. 7.

<sup>14</sup> Abu Bakar Manat (2007), "Isu-isu Semasa Berhubung Pembangunan Tanah Wakaf", *Jurnal Pengurusan JWZH*, 1(1). Putrajaya: Prime Minister's Office of Malaysia, pp. 61-63; Safiah Mohamed *et al.* (2006), *op.cit.*, p. 7.

## RESEARCH METHODOLOGY

This research aims to reveal the importance of a code of ethics in *waqf* management. The responsible institutions should formulate their own code of ethics to be implemented in their institutions. It is believed that the implementation of this code of ethics can improve and upgrade the aspect of *waqf* management. As an empirical instance, the JAWHAR code of ethics is presented.

In order to achieve the objective, this research uses several methods to gather the information concerning the *waqf* management and JAWHAR. Interviews are conducted with the top management of JAWHAR to understand the *waqf* management initiated by JAWHAR. Written documents and reports relating to *waqf* management in Malaysia and a profile of JAWHAR are also analysed to support the data and arguments.

## JAWHAR AND *WAQF* MANAGEMENT

Being aware of the management problems faced by MAINs and the need to overcome them, Jabatan Wakaf, Zakat dan Haji (Department of *Waqf, Zakāh* and *Haj* – JAWHAR) was formed. It is responsible to collaborate with MAINs to strengthen the management and development of *waqf* institutions.

JAWHAR was launched on 27 March 2004 by the fifth Malaysian Prime Minister, Tun Abdullah Ahmad Badawi.<sup>15</sup> Among the missions of JAWHAR are:<sup>16</sup>

- Improve the quality to that of a world class networking system.
- Upgrade the socio-economic status of the *ummah* through the empowerment of the *waqf, zakāh, māl* and *haj* institutions.
- Strengthen the best governance for *waqf, zakāh, māl* and *haj* institutions to that of a world class standard.

Hence, it has been the objective of JAWHAR to confirm that the plan, coordination and implementation of policy and development programme of *waqf, zakāh, māl* and *haj* institutions in every national development plan is permanently relevant and efficiently monitored for the progress of the *ummah*.<sup>17</sup>

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<sup>15</sup> JAWHAR (2007), *Pelan Strategik JAWHAR 2007-2011*. Putrajaya: Prime Minister's Office of Malaysia, p. 4.

<sup>16</sup> *Ibid*, p. 5.

<sup>17</sup> *Ibid*.

In the context of *waqf*, the *waqf* section at JAWHAR aims to develop *waqf* lands around Malaysia with the collaboration of MAINs and to establish an efficient, standard and *Sharī'ah* compliant management for *waqf* institutions. This section has seven functions as follows:<sup>18</sup>

- i. To create a standard system in the financial management of MAINs.
- ii. To establish and coordinate a standard ICT application at MAINs.
- iii. To monitor the management and development of *waqf* property.
- iv. To give advice and facilitate organizational development and matters relating to *waqf*.
- v. To conduct research, prepare reports and present statements on *waqf* issues.
- vi. To organize coordinating meetings and conferences in relation to *waqf*.
- vii. To represent the country in consultation and official forums related to *waqf*.

In realising these seven functions, multiple initiatives have been taken. The formation of the JAWHAR Code of Ethics in 2007, the publication of the *Waqf* Land Management Manual in 2006, the development of the *e-Waqf* system in 2007 and the formation of Yayasan Wakaf Malaysia (Malaysia *Waqf* Foundation) in 2008 are among the initiatives especially taken to enhance and improve the efficiency of *waqf* management.

#### **a) JAWHAR Code of Ethics**

JAWHAR Code of Ethics is formed based on the principles of “HIJRAH” which are:<sup>19</sup>

- *H - Hemah dan beradab* (Respectful and courteous)
- *I - Integriti dan telus* (Integrity and transparent)
- *J - Jati diri kental, komited dan profesional* (Strong self esteem, committed and professional)
- *R - Responsif dan menepati masa* (Responsive and punctual)
- *A - Akrab dan kerja berpasukan* (Close and team work)
- *H - Hikmah dan berpengetahuan* (Wise and knowledgeable).

<sup>18</sup> JAWHAR (n.d.b), “JAWHAR: Sejarah dan Peranan”, <http://www.jawhar.gov.my/index.php?PHPSESSID=c3f5a8448d2aeec7d4fd18f6a610ca84>, accessed on April 2009.

<sup>19</sup> JAWHAR (2007), *op.cit.*, p. 6.



The word HIJRAH was chosen by JAWHAR to show that the code of ethics will be a paradigm shift to produce more ethical staff, provide better services, produce higher quality work and create a better working climate.<sup>20</sup> The content of the ethics itself exhibits the working style and personality that should be demonstrated by the staff in dealing with JAWHAR stakeholders who are the public, MAINs or other agencies. Integrity, transparency, professionalism, courtesy, punctuality and knowledge are among the values that should be upheld by JAWHAR staff.

In addition, this code of ethics becomes the foundation of JAWHAR management philosophy. It reflects the JAWHAR mission, vision, objective, quality policy and functions.<sup>21</sup> It also becomes the guideline and working ethics of JAWHAR staff in managing and generating the institution. Thus, it is able to function at its best level. This code of ethics is supposedly applied by other institutions that are also involved with the administration and management of *waqf*.

#### **b) Manual of *Waqf* Land Management**

The Manual of *Waqf* Land Management was prepared in 2006 to provide guidelines for administering and managing matters related to *waqf* land. It appears as a guideline to the *waqf* founder and to the *waqf* managers (MAINs) in accomplishing the *waqf* of land. By having a concise guideline, it can assist MAIN officers as trustholders and *waqf* managers in Malaysia to increase the effectiveness of its management. This manual also provides an explanation for anyone who intends to entrust their land under *waqf*.<sup>22</sup> Specifically, the objectives of the Manual are to:<sup>23</sup>

- Prepare a standard guideline for the manager on aspects of *waqf* land.
- Upgrade and improve the efficiency of *waqf* land management.

This manual contains three chapters. It covers the introduction of *waqf*, registration matters and *waqf* land administration matters. The existence of this manual is hoped to aid MAIN in managing *waqf* lands smoothly and effectively. In addition, it is also expected to establish a standard working procedure for *waqf* land management nationwide.

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<sup>20</sup> Interview with JAWHAR Officer on 19 April 2010, 10.00 am at JAWHAR Office, Putrajaya.

<sup>21</sup> *Ibid.*

<sup>22</sup> JAWHAR (2006), *Manual Pengurusan Tanah Wakaf*. Putrajaya: Prime Minister's Office of Malaysia, pp. 1-2.

<sup>23</sup> *Ibid.*, p. 3.

**c) *e-Waqf***

The need of MAINs to benefit from the advances of technology in developing *waqf* property is very obvious. It is realized that the collation of information regarding *waqf* property from year to year will disrupt the administration if it is not managed and well kept. It may also be a sinful act if *waqf* property, which is a trust, is not well administered. Therefore, a complete and systematic system of information management must be developed. Consequently, in 2007, an electronic system, *e-Waqf*, was launched by JAWHAR to coordinate the *waqf* information management system between the federal government and the state governments. As according to the Minister at the Prime Minister's Department during that time, Datuk Seri Dr. Ahmad Zahid Hamidi:

*“e-Waqf is the management coordinator between the state government and the federal government so that it will be more efficient. The systems provided by the respective Majlis Agama Islam Negeri will be combined at one place in e-Waqf so that the information can be accessed by the public, easily, accurately and in detail.”*<sup>24</sup>

The existence of this *e-Waqf* system enables the public to obtain detailed and current information on *waqf* property development in every state. This online system also facilitates the federal government and state governments in allocating and channelling funds for the purpose of *waqf* property development, such as for the construction of mosques, orphanages and religious schools. Thus, an integrated and coordinated system can be actualized in the management and development of *waqf* property. Among the applications of *e-Waqf* systems are:<sup>25</sup>

- Registering new *waqf* land.
- Coordinating and ordering the registration of *waqf* land.
- Coordinating the availability of *waqf* land to be rented and pledged.
- Researching on *waqf* information.
- Publishing the required reports.
- Allocating *waqf* revenue.

At present, several MAINs have already adapted this system. Among them are Majlis Agama Islam Negeri Sembilan (MAINS), Majlis Agama Islam Pulau Pinang (MAIPP), Majlis Agama Islam Melaka (MAIM) and Majlis Agama Islam Kelantan (MAIK).

<sup>24</sup> Afiq Hanif (2008), “Pengurusan Wakaf”, *Harian Metro*, 24 November 2008.

<sup>25</sup> *Ibid.*

#### d) Yayasan Wakaf Malaysia (YWM)

YWM was founded on 14 February 2008. It is a strategy for ensuring that *waqf* property can optimise its development. Its formation aims to assist in managing, coordinating and gathering *waqf* resources to make them high potential economic capital resources for the benefit of Muslims in Malaysia. Its establishment is also directed to ensure that the gathering of *waqf* resources is compatible with the *Shari'ah* obligations of *waqf*.<sup>26</sup>

Among the advantages of YWM formation are that it is able to gather and generate *waqf* funds on a huge scale, and that it is beyond state borders for the sake of larger and more holistic benefits of the *ummah*. The management of *waqf* can also be carried out more transparently and with more accountability, the planning and development of *waqf* can be structured centralised and executed by a professional and expert group. For that, YWM involves MAINS as the authority of state *waqf*, as well as other agencies and Muslim individuals who are committed to the progress of *waqf*. There are 21 members of the YWM trustholder board consisting of MAIN representatives, government agency representatives and corporate figures.<sup>27</sup>

At the early stage, JAWHAR and YWM focused more on the development of *waqf* assets under the Ninth Malaysia Plan (RMK-9). An allocation of RM250 million under the RMK-9 was used to develop the highly potential *waqf* lands throughout Malaysia. Details of the allocation are shown in Table 2.

Table 2: Allocation for *Waqf* Land Development under RMK-9

No.	State	No. of Project	Allocation (RM million)
1	Johor	6	18.0
2	Pulau Pinang	3	90.0
3	Kedah	2	12.0
4	Perak	2	19.5
5	Negeri Sembilan	2	20.0
6	Terengganu	2	24.0
7	Kelantan	2	6.0

<sup>26</sup> JAWHAR (n.d.c), "Yayasan Wakaf Malaysia", <http://www.jawhar.gov.my/index.php?PHPSESSID=c3f5a8448d2aeec7d4fd18f6a610ca84>, accessed on April 2009.

<sup>27</sup> Abu Bakar Manat (2007), *op.cit*, p. 67.

8	Perlis	1	4.0
9	Selangor	1	12.0
10	Melaka	1	18.0
11	Sarawak	1	10.0
<b>TOTAL</b>		<b>23</b>	<b>233.5</b>

Source: Wakaf @ e-bayanat, [http://119.110.108.126/ebayanat/rmk9.asp?BPF=Projek\\_Pembangunan\\_Fizikal](http://119.110.108.126/ebayanat/rmk9.asp?BPF=Projek_Pembangunan_Fizikal), accessed on December 2010.

### **THE ROLE OF A CODE OF ETHICS IN *WAQF* MANAGEMENT**

A code of ethics is defined as a statement of principles and a collection of rules of conduct to be used in guiding ethical behaviour.<sup>28</sup> In the code of ethics, there are values, norms and morals that state formally and clearly whether an action is right or wrong, good or bad, should be done or should be avoided. Thus, a code of ethics becomes a guideline issued by an organization to its workers and management to help them conduct their actions in accordance with the primary values and ethical standards.<sup>29</sup> In Islam, a code of ethics is referred to as the ethics that comply with the Islamic foundation, which is officially created, written and arranged systematically in the form of a code by the organization to facilitate its practice.<sup>30</sup>

The formation of a code of ethics for a *waqf* institution, such as JAWHAR, is deemed to be crucial, as it has a tremendous impact on the goodness and mutual benefit at the level of the individual, organization and society as a whole. The importance of a code of ethics in *waqf* management include:

#### **a) To Promote Awareness as *Khalīfa* (Caliph)**

An Islamic code of ethics functions in promoting awareness and for reminding Muslim individuals of their responsibility as Allah's *khalīfa* who are responsible

<sup>28</sup> Dictionary of Business Terms, <http://www.allbusiness.com/glossaries/code-ethics/4950272-1.html>; Online Dictionary, <http://www.yourdictionary.com/business/code-of-ethics>, accessed on April 2009.

<sup>29</sup> Business Dictionary, <http://www.businessdictionary.com/definition/code-of-ethics.html>, accessed on April 2009.

<sup>30</sup> Nor `Azzah Kamri (2008), "Kefahaman dan Sambutan Terhadap Kod Etika Islam: Pengalaman Tabung Haji", *Shariah Journal*, 16(1), p. 148.

for prospering the world. This corresponds with al-Qaraḍāwī's view on the concept of *istikhlāf*.

*“A Muslim who truly understands the concept of istikhlāf believes that himself is Allah SWT's creation, working on the earth which is owned by Allah SWT, by the energy given by Him and with the tools granted by Him. The work done is following the natural methods created by Allah SWT. If he profits, then it is Allah SWT's treasure and belongs to Him. Human only the trustholder who is bestowed with power to benefit from.”*<sup>31</sup>

The values of faith, which are stipulated in the code of ethics, enable the staff to believe in the responsibility. It also leads to the implementation and understanding of other virtues and values such as integrity. The integrity encompasses trust, honesty, sincerity, truthfulness, responsibility and faithfulness.<sup>32</sup> The trust covers the trust towards Allah SWT and also the trust towards self, knowledge, property and skills possessed. The responsibility is not solely limited to the leader, but mostly towards Allah SWT. When this integrity is fully apprehended, it will create a self-boundary that prevents one from committing an offence that is contradictory to the *Shari'ah*, common law and also ethics.<sup>33</sup>

In the context of the *waqf* institution, awareness of this responsibility has major implications on the thoughts and working style of the staff. In spite of having the ability to determine the direction of their action, behaviour and thought, they will also ensure that the *waqf* trust that has been entrusted will not be betrayed, will be well managed and the profit generated from *waqf* property will benefit *waqf* receivers to the maximum possible.

## **b) To Produce Balanced Staff**

Total apprehension concerning the Islamic code of ethics produces a balanced individual, both physically and spiritually, for the success in this world and

<sup>31</sup> Al-Qaraḍāwī, Yūsuf (1995), *Dawr al-Qiyam Wa al-Akhlāq Fī al-Iqtisād al-Islāmī*. Kaerah: Maktabah Wahbah, p. 42.

<sup>32</sup> Mustafar Ali (2005), “Membina Integriti Untuk Memerangi Rasuah” in Mazilan Musa *et al.* (eds), *Etika dan Integriti di Malaysia – Isu dan Cabaran*. Kuala Lumpur: Malaysian Institute of Integrity, p. 55; Syed Othman alHabshi (2001), “Integriti Cemerlang Negara Gemilang” (Paperwork of Konvensyen Jawatankuasa Keutuhan Pengurusan (JKP) 2001 in Malacca, 20-21 August 2001), p. 8.

<sup>33</sup> Lokman Ab. Rahman (1997), *Pengurusan Islam: Etika, Komunikasi dan Motivasi*. Malacca: Islamic Religious Department of Malacca, pp. 3-4.

the hereafter, including the relationships between humans and God, between humans, and between humans and the environment.

Values such as commitment, transparency, professionalism, integrity, respectfulness and wisdom that are contained within the JAWHAR code of ethics demonstrate the commitment towards this matter. The awareness of these values not only produces quality and excellent JAWHAR staff in *waqf* management matters with payment/reward in a material form, but also, more importantly, it draws the staff closer to Allah SWT. Every work is directly related to Allah SWT to be accounted as *ibādah* and pious deeds that are promised a reward in the hereafter. The result of work is also guaranteed to have quality, be effective, compatible with the wish of the *waqf* founder and fulfil the need and necessity of the public.

This matter is in accordance with the requirements of Islam, which encourages every Muslim to strive to carry out their duty in the best way solely for Allah SWT. Consequently, the obligations of work and religion can be accomplished, and the need of self and society can be satisfied to achieve the goal of *al-falāḥ*, which is the success in life and the hereafter. When this is actualized, a true balance can be achieved. Allah SWT has said:

وَأَتَّبِعْ فِي مَآءِ آتَيْنَاكَ اللَّهُ الدَّارَ الْآخِرَةَ وَلَا تَنْسَ نَصِيبَكَ مِنَ  
الدُّنْيَا وَأَحْسِنْ كَمَا أَحْسَنَ اللَّهُ إِلَيْكَ وَلَا تَبْغِ الْفَسَادَ فِي  
الْأَرْضِ إِنَّ اللَّهَ لَا يُحِبُّ الْمُفْسِدِينَ ﴿٧٧﴾

*“But seek, with the (wealth) which God has bestowed on thee, the Home of the Hereafter, nor forget thy portion in this world: but do thou good, as God has been good to thee, and seek not (occasions for) mischief in the land: for God loves not those who do mischief.”*

(Sūrah al-Qaṣaṣ, 28:77)

### c) To Produce Disciplined Staff

The Islamic code of ethics operates as a guideline for the behaviour and working style of staff in an organization.<sup>34</sup> The values within the code of ethics provide for producing individuals that acquire high self-discipline. In the context of an

<sup>34</sup> Institut Integriti Malaysia (2004), *Pelan Integriti Nasional*. Kuala Lumpur: Malaysian Institute of Integrity, p. 17.

organization, discipline is viewed from two aspects – discipline in obeying the rules and discipline in use of time.

The discipline in obeying all instructions, rules and regulations during work is essential. All deeds must be legal from the *Sharī'ah* perspective, following the law, without any negligence, no infidelity or anything that is sinful and detrimental. The work can still be finished without any supervision. A Muslim always feels and believes that Allah SWT is watching them and their deed wherever they are. Therefore, one must be committed to one's work, work to the best of one's ability, use initiative to improve one's quality of work and avoid moral offence. The capability to control self from committing the prohibited doings without others seeing or knowing is the true meaning of discipline.<sup>35</sup> Allah SWT says:

وَقُلِ اعْمَلُوا فَسَيَرَى اللَّهُ عَمَلَكُمْ وَرَسُولُهُ وَالْمُؤْمِنُونَ وَسَتُرَدُّونَ  
إِلَىٰ عِلْمِ الْغَيْبِ وَالشَّهَادَةِ فَيُنبِّئُكُمْ بِمَا كُنْتُمْ تَعْمَلُونَ ﴿١٠٥﴾

*And say: "Work (righteousness): Soon will God observe your work and His Apostle, and the Believers: Soon will ye be brought back to the knower of what is hidden and what is open: then will He show you the truth of all that ye did."*

(Sūrah al-Tawbah, 9:105)

The discipline in use of time is also important. Those who are disciplined, are also wise in using and managing time effectively as suggested in *Sūrah al-`Aṣr*. Good and effective time management is the basis for inculcating a positive attitude among the staff. It helps in completing tasks promptly, efficiently and timely. This will also avoid working pressure that can deter the working commitment and quality.

The implication of these two forms of discipline is that it will create comprehensive discipline.<sup>36</sup> In the context of the *waqf* institution, discipline is a very crucial aspect for ensuring that all matters regarding the *waqf* institution can be carried out in accordance with the procedures, rules and specified working instructions, and can be implemented in accordance with the specification and time limit. The values of integrity, punctuality, transparency, respectfulness,

<sup>35</sup> Ahmad Tajudin Abdul Rahman (2000), "Budaya Kerja dari Sudut Pandangan Islam" (Paperwork of Seminar Pengurusan dan Kepimpinan Syarikat Korporat Berlandaskan Islam in Kuala Lumpur, 17-18 October 2000), p. 15.

<sup>36</sup> Nor `Azzah Kamri (2002), "Etika Pengurusan Islam dan Konvensional: Satu Analisis Perbandingan", *Shariah Journal*, 10(2), p. 56.



commitment and professionalism within the JAWHAR code of ethics, for instance, contribute to the making of a highly disciplined individual from the aspect of behaviour and working conduct. The aspect of *waqf* management and *waqf* property development will be done efficiently, fast and accurately. Hence, problems of delay and slowness in *waqf* management will no longer arise.

#### **d) To Create Ethical Working Culture**

The formulation of a code of ethics is seen as a mechanism for improving the practice and understanding of ethics in an organization.<sup>37</sup> An Islamic code of ethics can create an ethical culture in the organization towards the realization of a better life (*ḥayāh ṭayyibah*), as recommended in Islam. The component of value in the Islamic code of ethics will explain that things are not only good from the strategic aspect but also good in the real meaning.<sup>38</sup>

In the context of the *waqf* institution, when every staff member obeys and exercises the formed code of ethics, an ethical working culture can be realised. Starting from the formation of the attitude, perception and working style of the individual, it also influences the management style of the institution. This includes the aspect of comprehension of the working philosophy in Islam, attitude towards work and duty, responsibility as the servant and Allah SWT's *khalīfa*, leadership style, decision making approaches, working procedure, communication networking, motivational channel, implementational strategy and direction of the institution itself.

For JAWHAR institutions, for example, the awareness of the values of integrity, respectfulness, commitment and knowledge derived from the JAWHAR code of ethics will influence the ethical conduct of duty without any problem of infidelity or abandonment of duty. Activities carried out are

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<sup>37</sup> Carroll, Archie B. (1989), "Ethics, Managerial", in Bittel, Lester Robert *et al.* (eds), *Encyclopedia of Professional Management*, 2<sup>nd</sup> edition. USA: Grolier International, p. 290; Helms, Marilyn M. (ed) (2000), *Encyclopedia of Management*, 4<sup>th</sup> edition. Gale Group Inc., p. 282; Muhammad Loqman (2001), "Islamic Ethics in Management", in Khaliq Ahmad *et al.* (eds), *Ethics in Business and Management*. London: ASEAN Academic Press, p. 276; Rafik Issa Beekun (1998), *Etika Perniagaan Islam*. International Institute of Islamic Thought Malaysia, p. 68; Weber, James (1981), "Institutionalizing Ethics into The Corporation", *MSU Business Topics*, Spring 1981, pp. 47-52.

<sup>38</sup> Syed Omar Syed Agil (1997), "Perniagaan dan Keusahawanan: Falsafah, Nilai dan Etika" (Paperwork of Seminar Penerapan Nilai-nilai Islam dalam Pembangunan Usahawan in Kuala Terengganu, 12 July 1997), p. 9.



guaranteed to be compliant with *Sharī'ah*. Obedience to the values of closeness, teamwork, responsiveness and courtesy can build a pleasant and fair rapport based on trust. Communication and cooperation will also be easier and more transparent. In addition, a conducive working condition will be created that prevents unethical behaviour among the staff.

**e) To Assist in Realizing the True Role of the *Waqf* Institution**

The success in creating an ethical working culture among *waqf* institution staff will later assist in the realization of the aim and true role of the institution.

JAWHAR, for example, hopes to become the ultimate government department in driving the progress of the *ummah* through the empowerment of a world class institution for *waqf*, *zakāh*, *māl* and *ḥaj*. This can be achieved through a mutual awareness of the JAWHAR code of ethics. The JAWHAR code of ethics, which assimilates the component of professionalism and personal values, prescribes what should be done and what should be avoided. Obedience to the code of ethics will drive and lead JAWHAR staff to accomplish their tasks responsibly.

In the context of *waqf* management, for instance, obedience to such values as responsibility, punctuality, commitment, professionalism and transparency, will encourage the staff to ensure that *waqf* property management matters are coordinated to a high standard. When every staff member plays their role and behaves as such, the coordination and development of *waqf* property can be efficiently and effectively managed and accomplished in the designated period of time, and be compatible with the intention of the *waqf* founder and the need of the *waqf* receiver. Subsequently, the efficiency and effectiveness in *waqf* management will encourage the society and increase their confidence in conducting *waqf*.

At the same time, initiatives to enhance *waqf* management are always thought of as being for the benefit of all. This includes the initiative to develop a complete *waqf* database, a structured *waqf* management and a clear and coordinated procedure for *waqf* management. Values such as being responsive and customer centred drive the staff of the *waqf* institution to be consistently sensible and reactive towards the need of the public. Consequently, a service that is high in quality, professional, responsive and honest can be actualised. It also satisfies the needs of the stakeholders and the customers as well. This matter will then enable the function of the *waqf* institution to be realized.

## RECOMMENDATIONS AND CONCLUSION

The preceding discussion demonstrates the importance of a code of ethics to be exercised by institutions that are involved with *waqf* management in Malaysia, by exemplifying JAWHAR as an empirical instance. Its implementation is not only capable of producing staff that are disciplined, balanced and who fulfil the role of *khalīfa* on this earth but it also upgrades the function of the *waqf* institution through an ethical working culture.

The awareness of the essentiality of this code of ethics is then manifested by action. It starts from the attempts to form the code of ethics and is followed by steps for its implementation. In this matter, JAWHAR, for instance, has formed its own code of ethics. Nevertheless, the values within the code are focused on the component of professionalism and personal values in the context of commitment towards duty and also customer relationship. The component of religious value is found to be less outstanding in the JAWHAR code of ethics. Even though it exists, it is not explicitly expressed in this code of ethics. This situation causes the staff to be less aware, forget or ignore this valuable component. If this occurs, the work done will be “work per se”. Therefore, JAWHAR should review the formed code of ethics.

The formation of this code of ethics should be followed by implementation. This can be accomplished by displaying this code in the lobby of the institution, distributing a specific book on it, transferring it on nametags, websites, calendars and others. The important thing is that the information in this code of ethics can be easily accessed by all levels of staff. Thereby, every staff member will always remember it whenever they see the code of ethics.

In addition, the institution’s management should also manifest commitment towards the code of ethics by showing examples of practice and interpreting it creatively in daily working practice. Every managerial practise should practice the stipulated code of ethics. The ethical practice among them will be an example to the staff to practice it together. Furthermore, the role of office colleagues is equally important. The culture of advising and positively commenting on each other can reduce the unethical behaviour and encourage them to be righteous. Thus, a positive and conducive working environment can be achieved in the effort of cultivating the ethical culture at the institution.

Briefly, the early initiative demonstrated by JAWHAR is supposedly followed and imitated by other *waqf* institutions. This matter is very significant in creating ethical and integratedly professional *waqf* management for the benefit and need of the entire *ummah*.

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