

Measuring The Trust of Corporate Waqifs to Donate Cash Waqf to The Indonesian Waqf Board

Sri Yanita Dewi¹, Rifki Ismal², Hendri Tanjung³

^{1,2,3} Sharia Economic Program, Faculty of Islamic Economics and Business, Tazkia Islamic University College, West Java, Indonesia
Email: dewisriyanita@gmail.com¹

*Correspondence author: rifkiismal61173@gmail.com², hendri.tanjung@gmail.com³

Article history: received February 21, 2024; revised March 12, 2024; accepted March 14, 2024

This article is licensed under a [Creative Commons Attribution 4.0 International License](https://creativecommons.org/licenses/by-sa/4.0/)



ABSTRACT

This research aims to assess institutional waqif's trust in distributing cash waqf to the Indonesian Waqf Board (BWI) based on Waqf Core Principles (WCP), using a 100-point scale index. The overall trust index for institutional waqif to distribute waqf to BWI is rated as "trust" (53.36), with individual indices including waqf supervision (13.49), nazhir governance (3.18), risk management (25.24), and sharia governance (11.45). To enhance institutional waqif's trust in BWI, strategies such as improving waqf management, implementing effective communication strategies, and facilitating knowledge transfer from waqf institutions to institutional waqif are recommended. This thesis contributes to academia by shedding light on the potential of institutional waqif and WCP implementation in Indonesia. Additionally, it offers practical recommendations for regulators, waqf institutions, and stakeholders to optimize waqf collection, management, and supervision in the country. This study is pioneering in measuring institutional waqif's trust and is expected to bring novelty by presenting a trust index between institutional waqif and waqf institutions.

Keywords: Waqf, Trust, Waqf Core Principles, Indonesian Waqf Board.

INTRODUCTION

Indonesia, with its vast Muslim population constituting 87% of the total population (Ministry of Religious Affairs of the Republic of Indonesia, 2022), holds significant potential for waqf accumulation, estimated at Rp180 trillion annually (Tanjung, 2021). The management of waqf in the country has seen positive growth, evident in the expanding types and utilization of waqf across various sectors such as the economy, education, and social welfare. Cash Waqf emerged in Indonesia in 2002 following a fatwa issued by the Indonesian Ulema Council (MUI) (Indonesian Waqf Board, 2021b), allowing its utilization for sharia-compliant purposes like debt obligations or investment in safe ventures such as mudarabah, as per AAOIFI standards (AAOIFI, 2022). Regulated by Law Number 41 of 2004 concerning Waqf and referencing the MUI fatwa, cash waqf involves endowments made in cash by individuals, groups, institutions, or legal entities (Majelis Ulama Indonesia, 2002).

As of March 31, 2021, the total accumulation of cash waqf, sourced from the Indonesian Waqf Board (BWI) and the Financial Services Authority of Cash Waqf Management Institutions (LKSPWU), amounted to Rp831.34 billion. This comprised Rp586.4 billion from waqf through money and Rp244.94 billion from cash waqf, reported by 92 registered trustees out of 285. Despite this, the potential for cash waqf is estimated at Rp180 trillion, suggesting that the realized cash waqf is below 0.5% of the potential (Tanjung, 2022). The disparity between the potential and realization in cash waqf collection in Indonesia underscores existing challenges in national waqf efforts. One key challenge lies in trustees' capacity to add value to waqf assets based on core principles, thus fostering public trust (Tanjung, 2022). Additionally, limited public understanding of waqf is evident in the lack of support from financial institutions, inadequate public socialization, and low public trust in waqf initiatives (Indonesian Waqf Board, 2022). Data from the National Waqf Literacy Survey in 2020 reveals that only 29% of respondents directly contributed to mauquf'alah (Indonesian Waqf Board, 2020a).

Trust plays a crucial role in motivating waqif to donate to waqf institutions, as evidenced by previous research (Kasri & Chaerunnisa, 2021). Studies have shown that trust has a significant and positive impact on attitudes toward cash waqf, influencing individuals' willingness to participate in such initiatives (Aldeen et al., 2021). Moreover, the level of trust in waqf institutions directly affects individuals' intentions to donate money as waqf (Shukor et al., 2018). Research shows trust between donors and non-profit organizations is vital for fundraising (Moon, 2017) while trust, religiosity, and perceived service quality significantly influence cash waqf donation behavior (Osman et al., 2016). Public trust indicators in charitable institutions encompass both conventional evaluation criteria and newer "soft" factors, highlighting the need for comprehensive assessment. Integrating public trust measurement into charity sector performance evaluation methods is crucial (Yang et al., 2014). Legal entities contribute 7.44% to cash waqf realization, as shown in Figure 1.

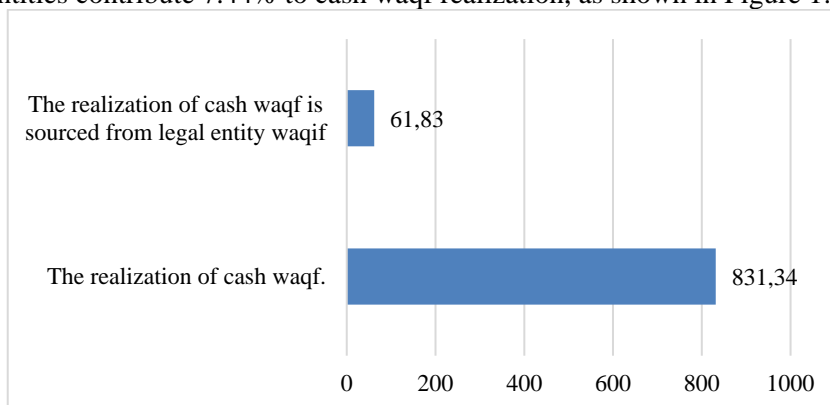


Figure 1. The realization of cash waqf based on the type of waqif (in billion rupiah).

Legal entities' participation in waqf through BWI is limited, as shown in Figure 1.1. However, there's significant potential for waqf collection from legal entities, estimated at Rp6.65 trillion annually via Corporate Social Responsibility (CSR) (Tanjung, 2022). A notable form is Cash Waqf Link Sukuk (CWLS), introduced in 2020, with the first series, SW-001, issued in 2020 and maturing in 2025. Around Rp50.85 billion was raised through a new private placement mechanism after about 2 years, mainly from institutional investors, for CWLS series SWR001 and SWR002. SWR001 saw Rp14.91 billion realization from 1,041 waqif, while SWR002 realized Rp24.14 billion, with Rp15.661 billion from 588 individual waqif and Rp8.480 billion from 3 legal entity waqif (DJPPR Kementerian Keuangan, 2021).

Table 1. Waqif of CWLS SW001, SWR001, and SWR002

	CWLS SW001		CWLS SWR001		CWLS SWR002	
	Nominal	%	Nominal	%	Nominal	%
Individual Waqif	0.1	0.29%	12.2	82.23%	15.66	64.87%
Legal Entity Waqif	50.7	99.71%	2.7	17.77%	8.48	35.13%
Total	50.8		14.9		24.14	

Source: The CWLS Report 2021, processed.

Table 2. List of Investors for CWLS SW001

No.	Institution/Party	Investment(million Rupiah)
1	Hajj Fund Management Institution	25,000
2	National Sharia Banking	24,500
3	Organization for Sharia Social Fund Management	1,200
4	Individual Waqif	50
5	Other Cash Waqf Management Institutions	99
Total		50,849

Source: The CWLS Report, 2021

Based on Table 1.1, legal entity waqif have not significantly supported cash waqf, including donations to BWI. The low literacy impact of waqf among the public may raise doubts among stakeholders, as indicated in the CWLS Annual Report for 2021 (Indonesian Waqf Board et al., 2021). Encouraging participation in cash waqf by various stakeholders, including state-owned enterprises, private companies, provincial/local governments, and banks, is essential despite regulatory obstacles. Due to limited involvement and few studies on the commitment of legal entity waqif (Pitchay, 2022), this research aims to analyze and measure their trust in directly donating to BWI.

The analysis and measurement of legal entity waqif trust will take the form of an index referring to the Waqf Core Principles (WCP). WCP, outlined in the "Core Principles for Effective Waqf Operation and Supervision" by The International Working Group on Waqf Core Principles (2018), serves as a guideline for good waqf governance in Indonesia. Trust-building factors among potential waqif, such as reputation, accountability, and transparency, are crucial for enhancing national waqf management (Budiarto, 2022). These factors are encompassed within WCP, promoting sustainability and attracting new waqif to support waqf management organizations and regulators.

Based on the provided background, problem formulation, and research questions, the objectives of this research are: to measure and analyze legal entity waqif's trust in channeling waqf to BWI with reference to the Waqf Core Principles (WCP), determine the factors influencing this trust, and formulate recommendations for BWI to enhance trust in legal entity waqif's donation of cash waqf.

LITERATURE REVIEW

Trust

Trust, defined as the willingness to rely on something (Shukor et al., 2017), becomes necessary when individuals face vulnerability and uncertainty in crucial decisions. It forms the foundation of relational exchanges among humans (Morgan & Hunt, 1994), characterized by three dimensions: ability, benevolence, and integrity (Usman, 2015). Trust grants voluntary organizations the political license for operation, distinguishing them morally from governments and businesses, and enhancing their credibility (Sargeant & Lee, 2004).

Waqf Core Principles (WCP)

Waqf Core Principles (WCP), established collaboratively by the Indonesian Waqf Agency (BWI), Bank Indonesia (BI), and the International Research and Training Institute-Islamic Development Bank (IRTI IsDB), set a global standard for waqf management (Tanjung et al., 2022). Serving as an international framework, WCP emphasizes altruism in maximizing benefits for all, including humans and living beings.

Table 2. The structure of the WCP

No.	Dimensions	WCP
1	Legal Foundation	WCP 1 – WCP 6
2	Waqf Supervision	WCP 7 – WCP 12
3	Good Governance for Waqf Trustees	WCP 13
4	Risk Management	WCP 14 – WCP 24
5	Sharia Governance	WCP 25 – WCP 29

Source: The International Working Group on WCP, 2018

Establishing legal foundations in waqf institutions is crucial for long-term sustainability, varying based on the institution's developmental stage within each jurisdiction, as outlined in WCP 1 - 6. Supervision of waqf institutions remains underdeveloped in Muslim countries, necessitating oversight by waqf supervisory authorities (WCP 7 - 12). Good governance for nazhir is essential to ensure alignment with Islamic principles and regulatory frameworks, fostering trust and optimal waqf collection levels (WCP-13). Effective risk management is vital for waqf institutions to address various risks similar to financial institutions (WCP 14 - 24). Sharia governance ensures adherence to Sharia principles in waqf operational activities, with detailed guidelines provided in WCP 25 - 29 for top management.

METHODOLOGY

This study utilizes both qualitative and quantitative methods. Data collection involves structured direct interviews using questionnaires with corporate entities. The obtained data will be inputted, calculated, and measured based on the International Waqf Core Principles. The research method starts with a literature review of relevant theoretical studies and models, followed by the formation of a trust index comprising the Waqf Supervision, Nazhir Governance, Risk Management, Sharia Governance, and Total Index. Quantitative analysis includes the percentage of corporate waqifs trusting in a survey for waqf through BWI.

The study population includes both commercial and social-based legal entities. However, the research employs non-probability sampling, specifically purposive sampling. The study comprises 30 respondents selected based on the following criteria:

1. Legal entities that have made endowments to BWI.
2. Commercial-based and social-based legal entities.
3. Domestic and foreign legal entities.
4. Legal entities including banks (conventional and Islamic) and non-banks (insurance companies, financing companies, fintech).
5. Legal entities including foundations (pension funds) and government institutions.

Table 3. Operational Definition

Variable	Description	Reference
Waqf Supervision	The Waqf Supervision Approach	WCP-7
	Techniques and Tools for Waqf Supervision	WCP-8
	Supervision Reporting of Waqf	WCP-9
	Corrective Authority and Sanctions by the Waqf Supervisor	WCP-10
	Consolidation Supervision	WCP-11
Good Governance for Nazhir	Good Governance for Nazhir	WCP-13
Risk Management	Risk Management	WCP-14
	Collection Management	WCP-15
	Default Risk by Borrowers	WCP-16
	Payment Management	WCP-17
	Assets of Problematic Waqf, Provision, and Reserve	WCP-18
	Transactions with Related Parties other than Recipients	WCP-19
	Market Risk	WCP-21
	Reputation Risk and Loss of Waqf Assets	WCP-22
	Profit-sharing Risk based on Revenue/Net Income	WCP-23
	Payment Risk	WCP-24
Sharia Governance	Operational Risk and Sharia Compliance	WCP-25
	Financial Reporting and External Audit	WCP-27
	Disclosure and Transparency	WCP-28
	Misuse of Waqf Services	WCP-29

Source: The International Working Group on WCP, 2018

Referring to the research conducted by (Gray et al., 2007) on indexes and scales, the process of calculating the index involves the following stages:

1. Establishing the index construction based on the International WCP.

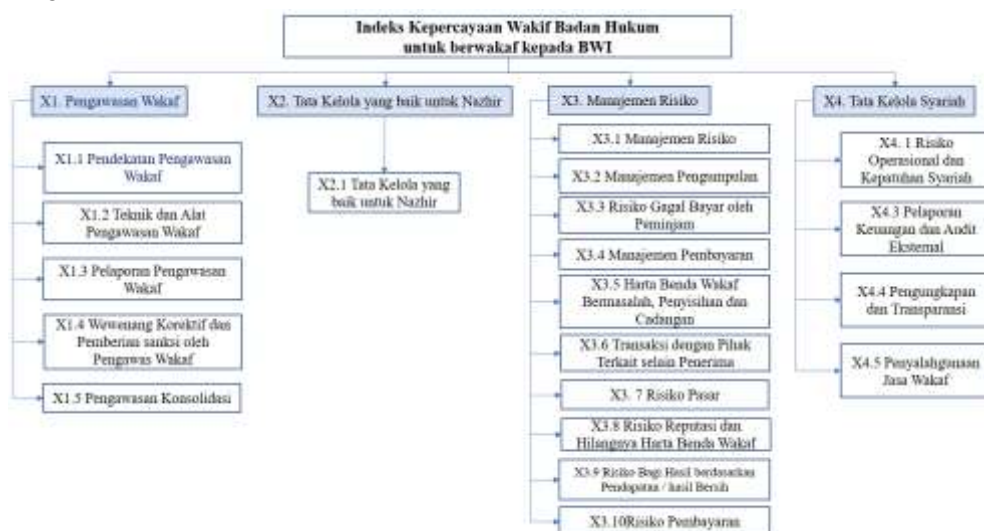


Figure 3. Construction of the Trust Index

Thus, the total index (I) is the accumulation of all points, with the following formula:

$$I = \sum_{t=1}^n Ai + \sum_{t=1}^n Bi + \sum_{t=1}^n Ci + \sum_{t=1}^n Di \dots\dots\dots (3.1)$$

2. Creating the index scoring, it is also crucial to make four important decisions regarding the assessment of the composite measure after dimension selection:
 1. Deciding on the range of response categories,
 2. Determining how to assign numbers to responses and what the range of scores will be,
 3. Deciding whether responses to all items will be given equal weight, and
 4. Addressing missing data.

Table 5. Index of Trust tabulation

Tabel Tabulasi Indeks									
Pengawasan Wakaf 5/20					Tata Kelola Nazir 1/20				
WCP 7	WCP 8	WCP 9	WCP 10	WCP 11	WCP 13				
1 soal	1 soal	1 soal	2 soal	1 soal	8 Soal				
1/5*1*5/20	1/5*1*5/20	1/5*1*5/20	1/5*1/2*5/20	1/5*1*5/20	1/8*1/20				
5.000	5.000	5.000	2.500	5.000	0.625				
@5,000	@5,000	@5,000	@2,500	@5,000	@0,625				
Untuk setiap nomer questioner dengan nilai paling percaya	Untuk setiap nomer questioner dengan nilai paling percaya	Untuk setiap nomer questioner dengan nilai paling percaya	Untuk setiap nomer questioner dengan nilai paling percaya	Untuk setiap nomer questioner dengan nilai paling percaya	Untuk setiap nomer questioner dengan nilai paling percaya				
Total WCP 7	Total WCP 8	Total WCP 9	Total WCP 10	Total WCP 11	Total WCP 13				
5.000	5.000	5.000	5.000	5.000	5.000				
nilai maksimal jika semua pertanyaan di jawab dengan pilihan yang paling percaya	nilai maksimal jika semua pertanyaan di jawab dengan pilihan yang paling percaya	nilai maksimal jika semua pertanyaan di jawab dengan pilihan yang paling percaya	nilai maksimal jika semua pertanyaan di jawab dengan pilihan yang paling percaya	nilai maksimal jika semua pertanyaan di jawab dengan pilihan yang paling percaya	nilai maksimal jika semua pertanyaan di jawab dengan pilihan yang paling percaya				
Indeks Pengawasan Wakaf					Indeks Tata Kelola Nazir				
					5.00				
Tabel Tabulasi Indeks									
Manajemen Risiko 10/20									
WCP 14	WCP 15	WCP 16	WCP 17	WCP 18	WCP 19	WCP 21	WCP 22	WCP 23	WCP 24
1 soal	6 soal	3 soal	8 soal	1 soal	1 soal	3 soal	3 soal	3 soal	3 soal
1/10*1*10/20	1/10*1/6*10/20	1/10*1/3*10/20	1/10*1/8*10/20	1/10*1*10/20	1/10*1*10/20	1/10*1/3*10/20	1/10*1/3*10/20	1/10*1/3*10/20	1/10*1/3*10/20
5.000	0.833	1.667	0.625	5.000	5.000	1.667	1.667	1.667	1.667
@5,000	@0,833	@1,667	@0,625	@5,000	@5,000	@1,667	@1,667	@1,667	@1,667
Untuk setiap nomer questioner dengan nilai paling percaya	Untuk setiap nomer questioner dengan nilai paling percaya	Untuk setiap nomer questioner dengan nilai paling percaya	Untuk setiap nomer questioner dengan nilai paling percaya	Untuk setiap nomer questioner dengan nilai paling percaya	Untuk setiap nomer questioner dengan nilai paling percaya	Untuk setiap nomer questioner dengan nilai paling percaya	Untuk setiap nomer questioner dengan nilai paling percaya	Untuk setiap nomer questioner dengan nilai paling percaya	Untuk setiap nomer questioner dengan nilai paling percaya
Total WCP 14	Total WCP 15	Total WCP 16	Total WCP 17	Total WCP 18	Total WCP 19	Total WCP 20	Total WCP 22	Total WCP 23	Total WCP 24
5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000
nilai maksimal jika semua pertanyaan di jawab dengan pilihan yang paling percaya	nilai maksimal jika semua pertanyaan di jawab dengan pilihan yang paling percaya	nilai maksimal jika semua pertanyaan di jawab dengan pilihan yang paling percaya	nilai maksimal jika semua pertanyaan di jawab dengan pilihan yang paling percaya	nilai maksimal jika semua pertanyaan di jawab dengan pilihan yang paling percaya	nilai maksimal jika semua pertanyaan di jawab dengan pilihan yang paling percaya	nilai maksimal jika semua pertanyaan di jawab dengan pilihan yang paling percaya	nilai maksimal jika semua pertanyaan di jawab dengan pilihan yang paling percaya	nilai maksimal jika semua pertanyaan di jawab dengan pilihan yang paling percaya	nilai maksimal jika semua pertanyaan di jawab dengan pilihan yang paling percaya
Indeks Manajemen Risiko									50.00

Tabel Tabulasi Indeks			
Tata Kelola Syariah 4/20			
WCP 25	WCP 27	WCP 28	WCP 29
4 soal	1 soal	3 soal	2 soal
$1/4 * 1/4 * 4/20$	$1/4 * 1/4/20$	$1/4 * 1/3 * 4/20$	$1/4 * 1/2 * 4/20$
1.250	5.000	1.667	2.500
@1,250	@5,000	@1,667	@2,500
Untuk setiap nomer questioner dengan nilai paling percaya	Untuk setiap nomer questioner dengan nilai paling percaya	Untuk setiap nomer questioner dengan nilai paling percaya	Untuk setiap nomer questioner dengan nilai paling percaya
Total WCP 25	Total WCP 27	Total WCP 28	Total WCP 29
5.000	5.000	5.000	5.000
nilai maksimal jika semua pertanyaan di jawab dengan pilihan yang paling percaya	nilai maksimal jika semua pertanyaan di jawab dengan pilihan yang paling percaya	nilai maksimal jika semua pertanyaan di jawab dengan pilihan yang paling percaya	nilai maksimal jika semua pertanyaan di jawab dengan pilihan yang paling percaya
Indeks Tata Kelola Syariah			20.00
Total Indeks Kepercayaan			20.00

Table 6. The interval values for the Trust Index

Assessment	Total Value	Ranking			
		Very Trustworthy	Trustworthy	Less Trustworthy	Untrustworthy
Waqf Supervision	25	19-25	13-18	7-12	Below 7
Good Governance for Nazhir	5	5	3-4	1-2	Below 1
Risk Management	50	38-50	25-37	12-24	Below 12
Sharia Governance	20	16-20	11-15	6-10	Below 6
Total Index	100	75-100	50-74	25-49	Below 25

- In the final stage, validation and reliability testing of the index will be conducted. Reliability testing, commonly used to measure internal consistency, will be performed on all respondents. The results will indicate if the questionnaire effectively measures the trust index quality. Reliability testing involves examining the Cronbach's Alpha value, where a value >0.60 indicates reliable research variables. Validity testing is assessed through Pearson Correlation calculation, with a significance level <0.05 indicating valid research questions.

RESEARCH RESULTS AND DISCUSSION

Waqf Supervision Index.

Table 7. Evaluation Interval of the Waqf Supervision Index

Assessment Variables	Total Index Value	Rating Range			
		Very Trustworthy	Trustworthy	Less Trustworthy	Untrustworthy
Sharia Governance	25	19-25	13-18	7-12	Below 7

Table 8. Waqf Supervision Index

Variable	Description	Reference	Value	Total Index
Waqf Supervision	Approach to Waqf Supervision	WCP-7	2,58	13.49
	Techniques and Tools for Waqf Supervision	WCP-8	1,83	
	Waqf Supervision Reporting	WCP-9	2,58	
	Corrective Strength and Sanctions of Waqf Supervision	WCP-10	4,25	
	Consolidated Supervision	WCP-11	2,25	

Table 8 illustrates that the Wakaf Supervision Index obtained from the survey is 13.49, falling into the "Trust" category. This composite score comprises the Wakaf Supervision Approach Index (2.58), Wakaf Supervision Techniques and Tools Index (1.83), Wakaf Supervision Reporting Index (2.58), Wakaf Supervision Corrective Strength and Sanctions Index (4.25), and Wakaf Supervision Consolidation Index (2.25). The obtained index value falls within the range of 13-18, indicating that corporate bodies trust BWI's supervision of wakaf institutions. Consequently, the majority of corporate bodies trust to endow through BWI in the Wakaf Supervision assessment. The supervisory board plays a role in negotiating and resolving conflicts of interest among stakeholders (Hirigoyen & Laouer, 2013).

The research findings demonstrate corporate bodies' trust in endowing to BWI in the area of Wakaf Supervision. However, there is still room for improvement to increase public trust. BWI can enhance trust through socialization efforts on wakaf fund management and supervision, particularly targeting potential corporate waqifs, to instill feelings of safety, confidence, and loyalty in endowing. Following the Waqf Core Principle (WCP), wakaf institution supervisors must implement an integrated supervision scheme covering collection, investment, management, and disbursement of wakaf (WCP-7). They should utilize appropriate techniques and tools, considering risk profiling, validation, and verification (WCP-8). Supervisors must also review performance reports of wakaf institutions individually and in consolidation (WCP-9), aligned with individual and consolidation supervision (WCP-11). When necessary, supervisors should take action to address unsafe practices and enforce corrective measures, including revoking institution licenses (WCP-10). Compliance with WCP 7 – WCP 11 is crucial for wakaf institution supervisory authorities to effectively fulfill their function in ensuring the proper supervision of wakaf institutions.

The survey results reveal that most respondents support the implementation of WCP-10, emphasizing corrective measures and sanctions by BWI, which can enhance wakifs' trust in BWI for endowing. However, regarding the implementation of WCP-7 (integrated supervision scheme), WCP-8 (supervision techniques and tools), and WCP-9 (analysis of wakaf institution reports), respondents lack familiarity. This highlights a need for improved information dissemination from BWI to the public, including corporate bodies, regarding

wakaf supervision. BWI can utilize various channels such as websites, social media, or emails to disseminate information effectively. The majority of respondents agree on BWI's authority (86.67%) to address unsafe practices, while 13.33% express partial agreement.

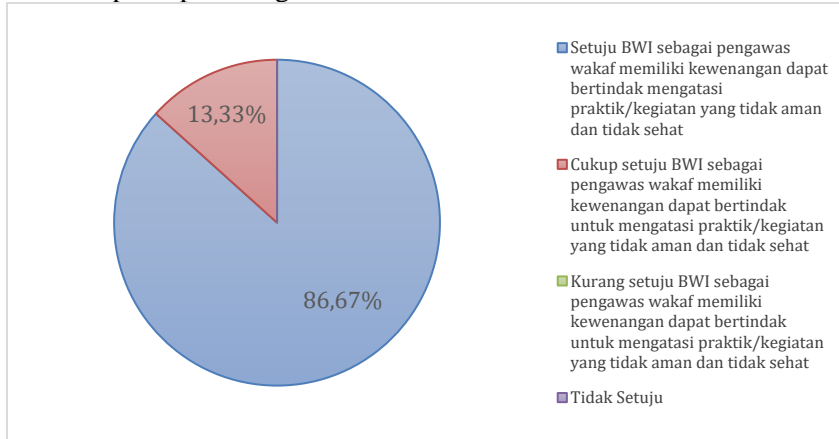


Figure 6. Respondents' Assessment of BWI's Authority to Address Unsafe and Inappropriate Practices or Activities

Additionally, survey results show that 80% of respondents view BWI as a wakaf institution supervisor equipped with appropriate supervisory tools. BWI is perceived to possess a range of tools necessary for timely corrective actions and has authority over revoking or recommending the revocation of wakaf institution licenses. Meanwhile, 16.67% of respondents somewhat agree, with only 3.33% disagreeing.

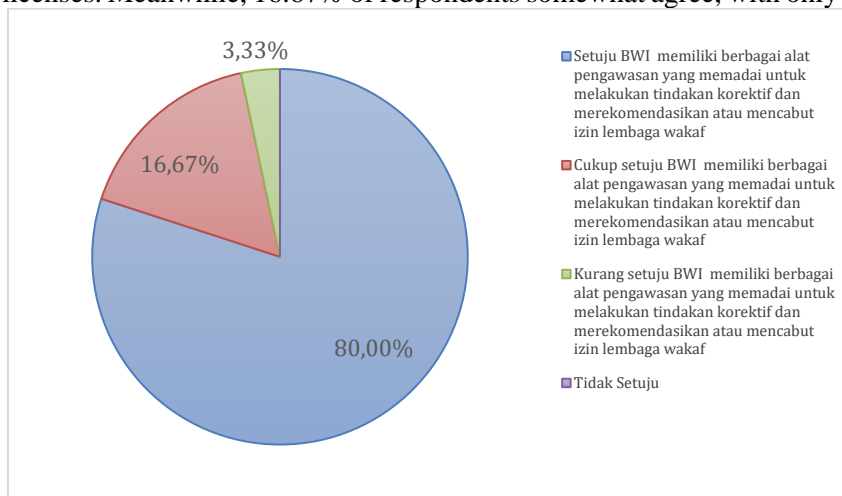


Figure 7. Respondents' Assessment of BWI's Authority as Wakaf Institution Supervisor Having Various Adequate Supervisory Tools

Survey results on supervision reveal that while the majority of respondents agree on BWI's authority as a waqf supervisor, 90% lack awareness of the specifics of this authority. Knowledge regarding BWI's authority to collect, review, and analyze performance reports of waqf institutions, individually and in consolidation, is relatively low. Only 6.67% of respondents demonstrate high awareness, while 3.33% are unaware of the adequate supervisory tools in the waqf institution supervision process.

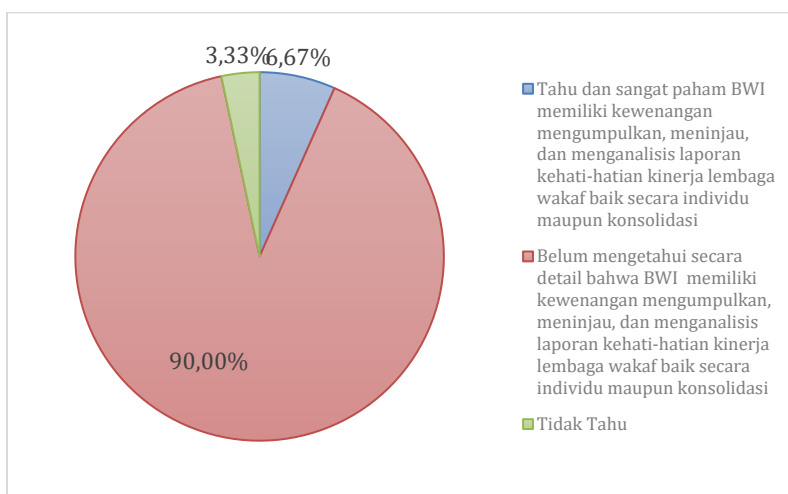


Figure 8. Respondents' assessment of BWI's authority regarding supervision over the performance reports of waqf institutions

The research findings reveal that 23% of respondents are aware that BWI's supervision scheme over waqf institutions is integrated, covering collection, investment, management, and disbursement of waqf. However, 56.67% stated they are not yet aware of its implementation, and 20% are unaware of the scheme altogether. Hence, communication and socialization efforts from BWI are necessary for waqf institutions' accountability. Research by (Siswanto et al., 2018) suggests that accountability of waqf institutions necessitates government evaluation, reporting, and regularly scheduled field visits.

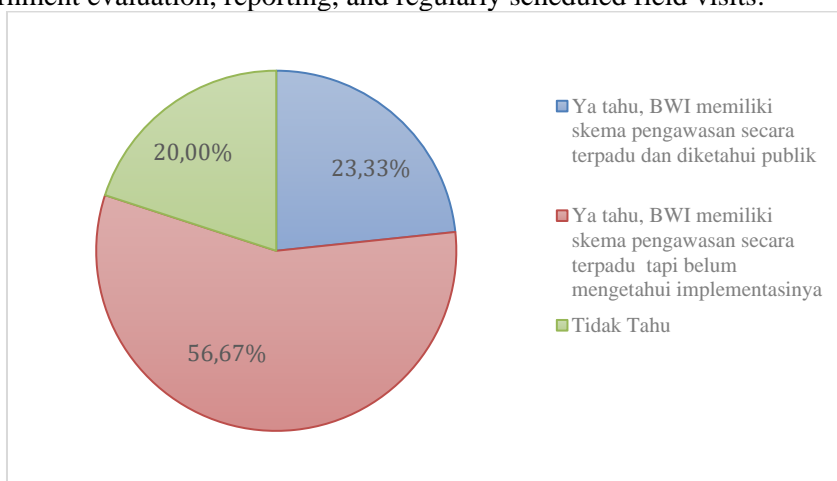


Figure 9. Respondents' Assessment of BWI's Supervision Scheme over Waqf Institutions

Regarding public knowledge of the techniques and tools used by BWI in waqf supervision, survey results show that the majority of respondents (53.33%) are aware but not yet familiar with these methods. Meanwhile, 36.67% of respondents are unaware of the techniques and tools employed by BWI in supervising waqf institutions.

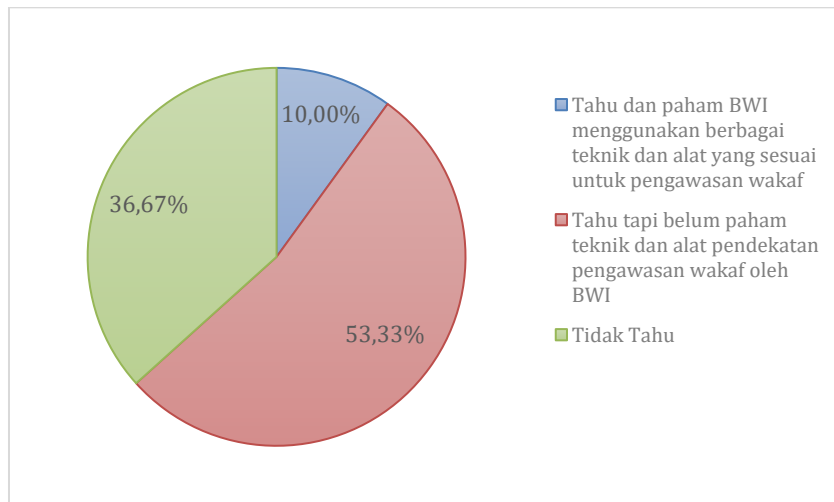


Figure 10. Public Knowledge of BWI's Waqf Management Supervision Techniques and Tools

According to the survey results, 16.67% of respondents are fully aware that BWI conducts consolidated waqf supervision. However, a significant majority (76.67%) lack awareness of the details of this consolidated supervision, and 6.67% are unaware that BWI supervises waqf institutions in this manner. It's essential to communicate information about BWI's consolidated supervision approach to the public. Additionally, waqf institutions should enhance governance practices by disclosing relevant information to the public, as suggested by research conducted by (Kamaruddin & Hanefah, 2021) in Malaysia.

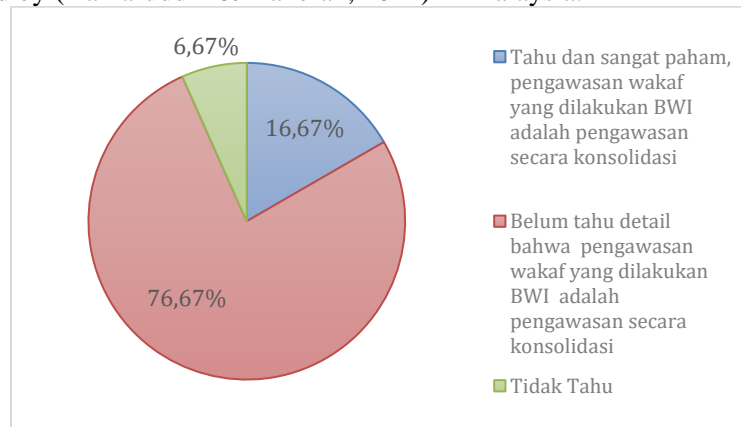


Figure 11. Respondents' Assessment of Waqf Supervision by BWI in a Consolidated Manner

Nazhir Governance Index

Table 9. Interval Assessment of the Nazhir Governance Index

Assesment Variable	Total Index Value	Assessment Range			
		Very Trustworthy	Trustworthy	Less Trustworthy	Untrustworthy
Nazhir Governance	5	5	3-4	1-2	Below 1

Table 10. Index of Nazhir Governance

Variable	Description	Reference	Value	Total Index
Nazhir Governance	Governance of Waqf Nazhir	WCP-13	3,18	3.18

Table 10 indicates that the Governance of Nazhir Index obtained from the survey results is 3.18, falling within the range of 3-4. This suggests that respondents, namely legal entities, trust the governance of the BWI nazhir institution. The index value reflects confidence in the institution's policies and management processes aligning with WCP. However, there is still room for improvement to enhance public trust. Lack of transparency and poor governance practices in managing cash waqf can diminish waqfs' trust in waqf institutions (Utomo et al., 2020).

According to WCP-13, waqf institutions should have robust policies and governance for the Nazhir, covering Sharia compliance, strategies, control environments, understanding of waqf, and managerial responsibilities. Compliance with WCP-13 is crucial for implementing good governance in waqf institutions. The majority of respondents (90%) agree that BWI, as the waqf supervisor, has the authority to change the composition of managers in waqf institutions if legally proven ineffective. This majority viewpoint significantly supports trust in BWI's nazhir institution governance. However, 10% of respondents disagree with this authority.



Figure 12. Respondents' Assessment of BWI's Authority to Change the Composition of Waqf Institution Managers

The majority of respondents (66.67%) agree that BWI, as a waqf supervisor, conducts periodic assessments to minimize errors in the policies and operational implementation of waqf institutions. This supports the high level of trust respondents have in BWI's nazhir governance. However, another 33.33% of respondents also agree with these periodic assessments, acknowledging the potential for operational errors in waqf institutions. Enhancing the professionalism of waqf institutions in managing waqf assets is crucial to increase public trust. Research by (Huda et al., 2017) suggests that the lack of public trust in the quality of nazhirs is a significant obstacle to attracting people to participate in waqf activities.

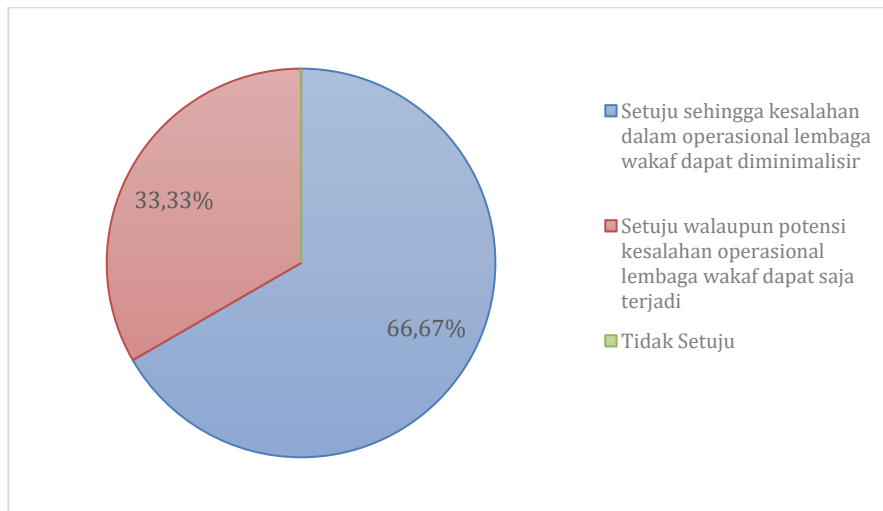


Figure 12. Respondents' Assessment of BWI's Periodic Assessment of Waqf Institutions

Furthermore, concerning policies and governance, the majority of respondents (56.67%) are not yet aware in detail that BWI, as the supervisory authority, has established good policies and governance for the nazhir. Although 30% of respondents are aware of these policies, they lack knowledge of their implementation. The survey results indicate that 10% of respondents are aware that BWI has the mentioned policies and governance, while 3.33% of respondents are completely unaware of this matter. This underscores the need for BWI to optimize information dissemination and socialization regarding nazhir governance. Well-informed stakeholders could potentially increase trust in endowment. Wakaf authorities should inform the public about every activity and achievement of endowment institutions to enhance public knowledge and open opportunities for prospective wakifs (Abu Talib et al., 2020).

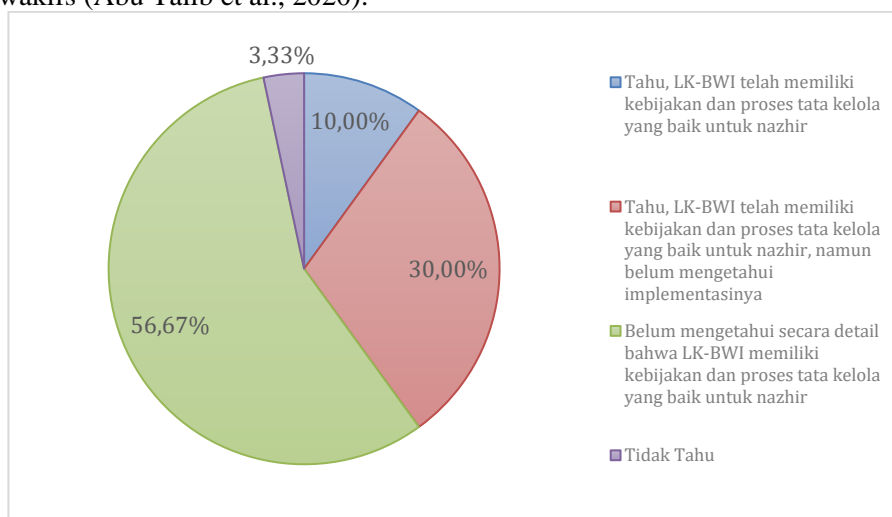


Figure 13. Respondents' Assessment of Good Policies and Governance for the Nazhir by Endowment Institutions

The majority of respondents (56.67%) express hesitation regarding endowment, but indicate potential confidence if BWI conducts effective approaches or socialization efforts. It suggests that endowment institutions can enhance strategies to attract donors, while Islamic financial institutions should improve branding and communication strategies to showcase cash endowment management (Nuraihan & Shatar, 2021). Additionally, 36.67% of respondents agree and have consistently endowed to BWI. However, 6.67% prefer to endow to other endowment institutions.

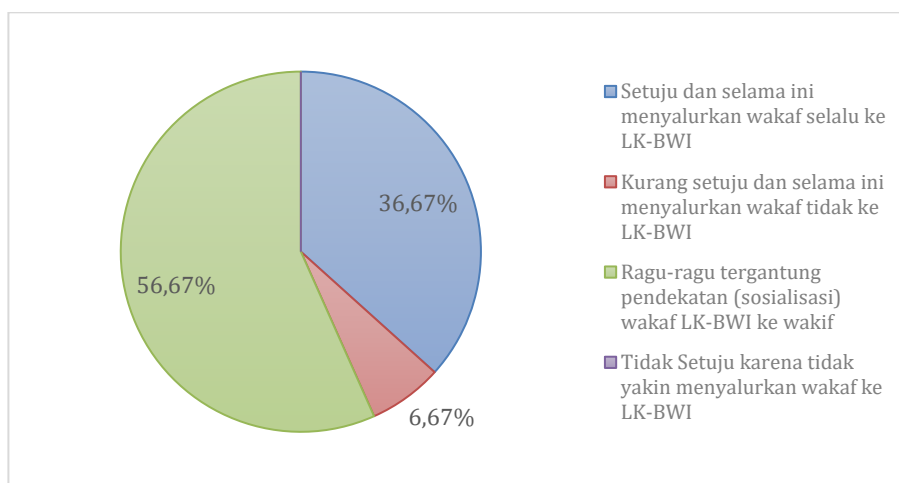


Figure 13. Respondents' assessment of Endowing to BWI as the Endowment Institution

Regarding the socialization efforts by BWI as a waqf institution, the majority of respondents (36.67%) were previously unaware of BWI as the endowment institution but expressed willingness to endow to BWI if properly informed. Additionally, 23.33% of respondents were aware of BWI and consistently channeled their endowments to BWI. However, 26.67% understood BWI as the endowment institution but had not yet channeled their endowments to BWI. Moreover, 13.33% of respondents were not even aware of BWI as the endowment institution and thus did not channel their endowments to BWI.

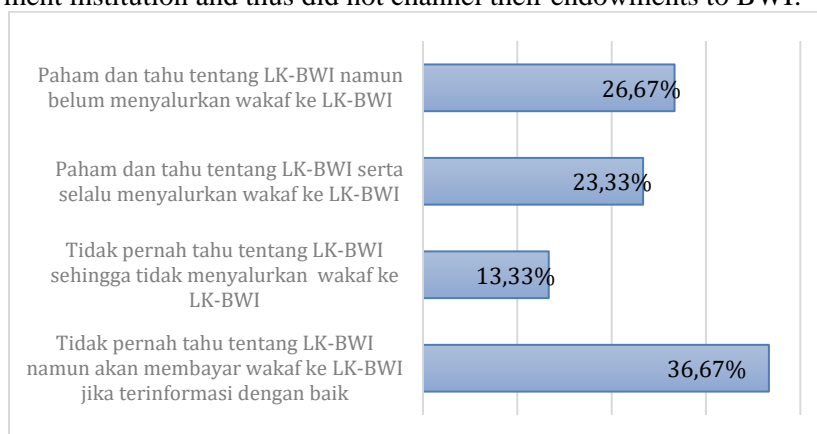


Figure 14. Penilaian Responden mengenai Sosialisasi Lembaga Kenazhiran BWI sebagai Lembaga Wakaf

Respondents' assessment of the socialization and education efforts by BWI as the endowment institution reveals that 46.67% feel they do not understand adequately due to suboptimal socialization. Additionally, 30% of respondents believe that endowment knowledge is not effectively disseminated, contributing to public unawareness. Meanwhile, 13.33% of respondents stated they are unaware of any endowment socialization efforts by BWI. Only 10% of respondents agree that socialization and education have been effective, leading to better endowment understanding. This insufficient understanding is attributed to the lack of socialization by endowment institutions, necessitating continuous improvement. Enhanced public awareness and understanding are crucial for encouraging endowment intentions. It's imperative that waqf authorities communicate their activities to increase awareness and knowledge among Muslims regarding endowments, traditionally perceived as religious contributions to mosques (Hassan et al., 2017; Gebara, 2018).

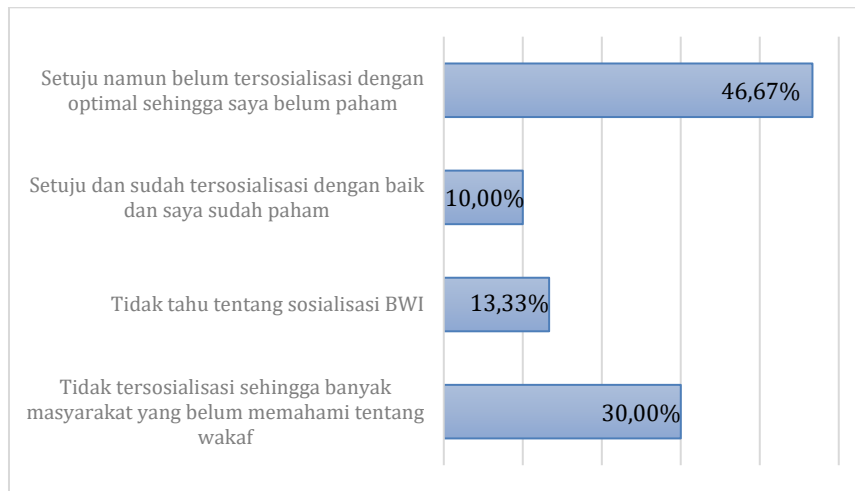


Figure 15. Respondents' Assessment of Public Outreach and Education on Waqf

Risk Management Index

Table 11. Interval Assessment of Risk Management Index

Assesment Variable	Total Index Value	Rentang Penilaian			
		Very Trustworthy	Trustworthy	Less Trustworthy	Untrustworthy
Risk Management	50	38-50	25-37	12-24	Below 12

Table 12. Risk Management Index

Variable	Description	Reference	Value	Total Index
Risk Management	Risk Management	WCP-14	1,25	25,24
	Collection Management	WCP-15	2,49	
	Risk of Default by Borrowers	WCP-16	3,06	
	Payment Management	WCP-17	2,72	
	Issues of Wakaf Assets, Endowment, and Reserves	WCP-18	1,75	
	Transactions with Related Parties other than Recipients	WCP-19	1,67	
	Risk Market	WCP-21	3,01	
	Risk of Reputation and Loss of Waqf Assets	WCP-22	3,07	
	Profit Sharing Risk	WCP-23	3,09	
	Payment Risk	WCP-24	3,13	

Table 12 shows the risk management index obtained from the survey results, totaling 25.24, derived

from 10 indices ranging from WCP-14 to WCP-24. Among these, payment risk scored the highest at 3.13, while the risk management index scored the lowest at 1.25. This index contributes to the confidence index of legal entities to donate to BWI, which stands at 25.24, categorized as "Trust." Falling within the range of 25-37, it signifies that respondents, legal entities, trust in BWI's adequate framework to address key risks, including default risk, market risk, reputation risk, profit-sharing risk, and payment risk. The results suggest effective risk management and mitigation by BWI in waqf management institutions. However, there is still room for enhancing trust, requiring BWI to communicate risk mitigation measures and maintain transparency. Transparency and reputation are crucial for enhancing public trust in waqf institutions (Aldeen et al., 2021). Additionally, effective risk management is essential for accountability and transparency in waqf management (Khalid et al., 2019).

In summary, WCP 14 - WCP 24 stress the importance of comprehensive risk management processes for waqf institutions, including identification, measurement, evaluation, monitoring, reporting, and control of significant risks. BWI, as a waqf institution, must have robust policies and processes for asset valuation, investment profit distribution, and handling troubled assets. Compliance with these principles is crucial for effective risk management. According to survey results, the majority of respondents (60%) consider BWI's strategies and policies for managing borrower default essential for enhancing endower confidence, with indications that BWI has these measures in place. In this study, 26.67% of respondents express the need for a strategy but are uncertain if BWI has developed and implemented policies for managing borrower default risk. Additionally, 13.3% of respondents believe such a strategy is necessary but are convinced that BWI has not yet adopted it.

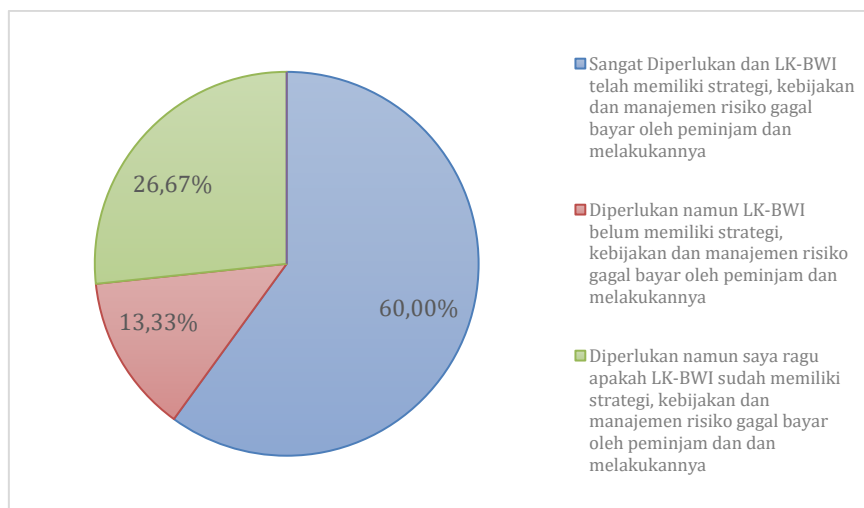


Figure 16. Strategies, Policies, and Management of Default Risk by BWI Waqf Institutions

Information and publications concerning the risks and losses faced by waqifs lead 60% of respondents to believe that BWI has effectively mitigated borrower default risk. Additionally, 40% of respondents indicate they are unaware of any decline in BWI's reputation within society. Furthermore, 30% of respondents express they would trust BWI's explanations regarding risk mitigation if provided directly. Similarly, 30% of respondents mention they would trust BWI more if they hadn't encountered any news reports about waqif losses.

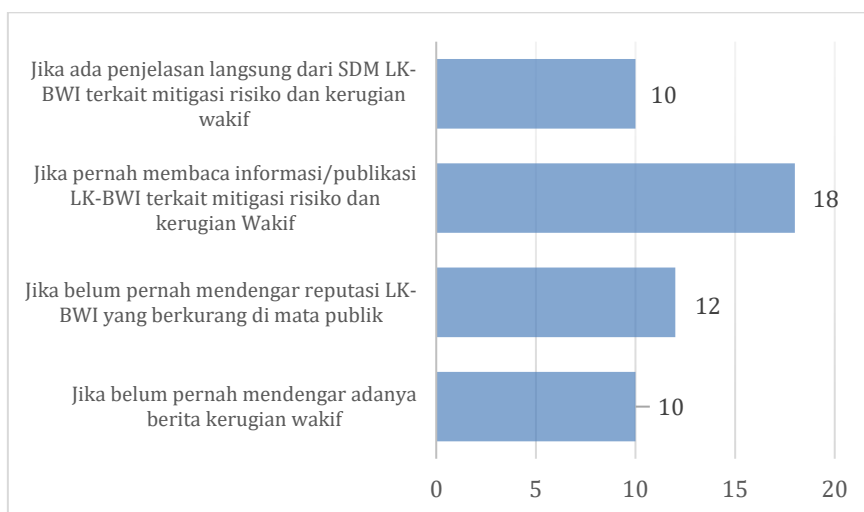


Figure 17. Factors that make respondents believe that BWI waqf institutions have mitigated the default risk

The majority of respondents (60%) emphasize the importance of BWI waqf institutions implementing strategies, policies, and risk management for market risks to enhance trust among waqifs. However, 26.67% are unsure if BWI has developed and implemented such strategies. Additionally, 10% believe BWI lacks these strategies, while 3% feel they are unnecessary for legal entities to be aware of. Effective communication from BWI to the public through accessible media channels is crucial to address concerns regarding market risk management and enhance trust among waqifs and potential waqifs.

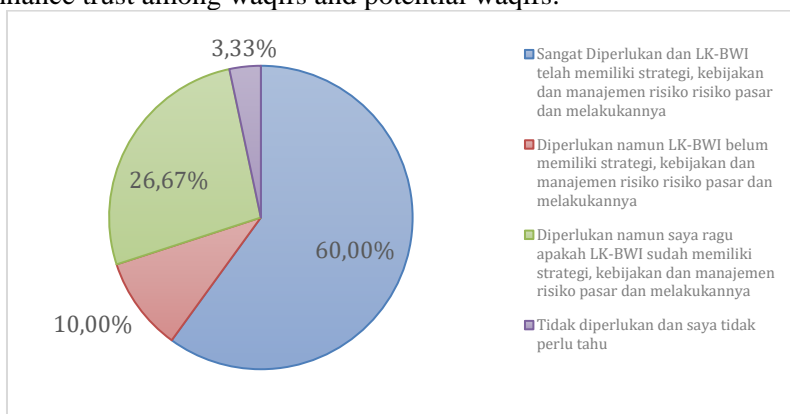


Figure 18. Strategies, Policies, and Market Risk Management of BWI Waqf Institutions

Factors such as information and publications regarding risks and losses experienced by waqifs contribute to trust among 60% of respondents that BWI has effectively mitigated market risks. Moreover, 43.33% of respondents would trust BWI's mitigation efforts with direct explanations from the institution. Additionally, 30% of respondents trust when they have not heard of BWI's reputation diminishing, and 26.67% trust when they have not heard of waqif losses in the news.

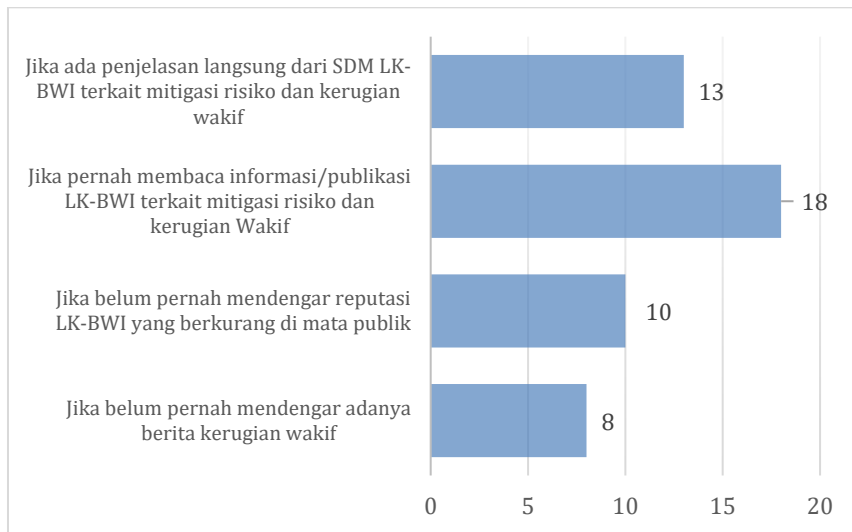


Figure 19. Factors that instill trust in respondents that the BWI waqf institution has mitigated market risks

The majority of respondents (63.33%) emphasize the importance of strategies, policies, and risk management concerning reputation and waqf asset loss by BWI to enhance waqifs' trust. However, 26.67% of respondents are uncertain if BWI has implemented such strategies, while 10% believe BWI lacks these strategies. This highlights concerns regarding reputation and asset loss management in waqf contributions, necessitating transparent information dissemination to bolster public trust.

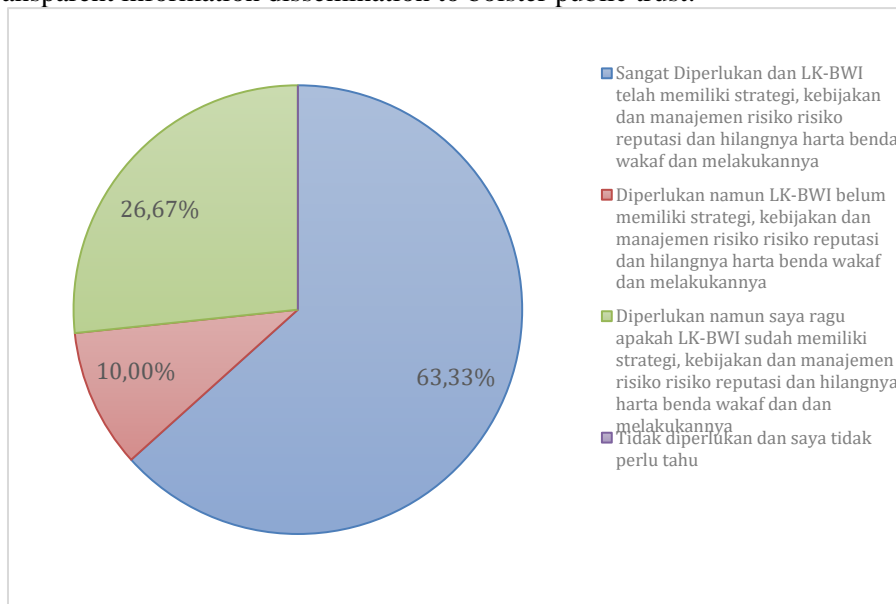


Figure 20. Strategies, Policies, and Risk Management of Reputation at BWI Waqf Institution

Information dissemination and publications play a crucial role in instilling trust among respondents (60%) that BWI has effectively mitigated reputation and waqf asset loss risks. Additionally, 46.67% indicated they would trust direct explanations from BWI regarding risk mitigation and waqif losses. Other factors include the absence of reports on BWI's reputation decline (40%) and waqif losses (40%). These findings underscore the importance of transparency and communication in enhancing trust among waqifs and the public regarding BWI's waqf management activities and risk mitigation measures.

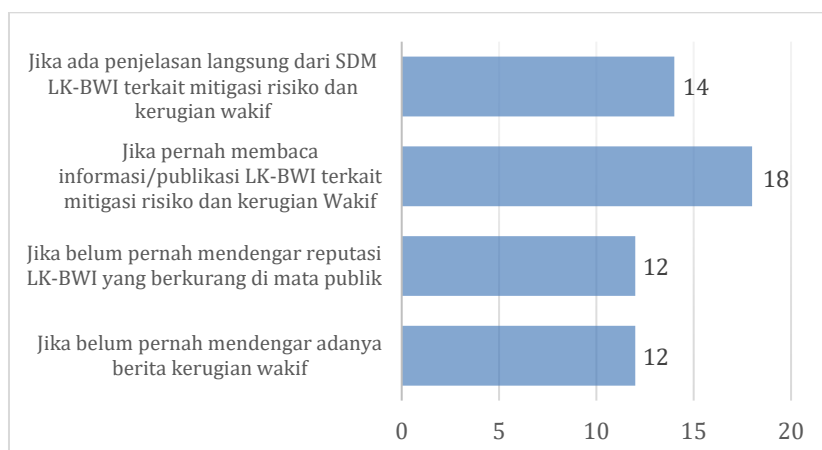


Figure 21. Factors that instill trust among respondents that the BWI waqf institution has mitigated reputation risks

The majority of respondents (53.33%) emphasize the importance of strategies, policies, and risk management for profit-sharing by BWI to enhance waqif trust. They are aware that BWI has developed and implemented such measures. However, 30% of respondents express doubt about BWI's adoption and execution of these strategies, while 16.67% believe BWI has not yet established such measures. Overall, respondents agree on the necessity of profit-sharing risk management strategies and policies for waqf institutions. Nevertheless, they require confirmation that these measures have been implemented to foster confidence in engaging in waqf activities.

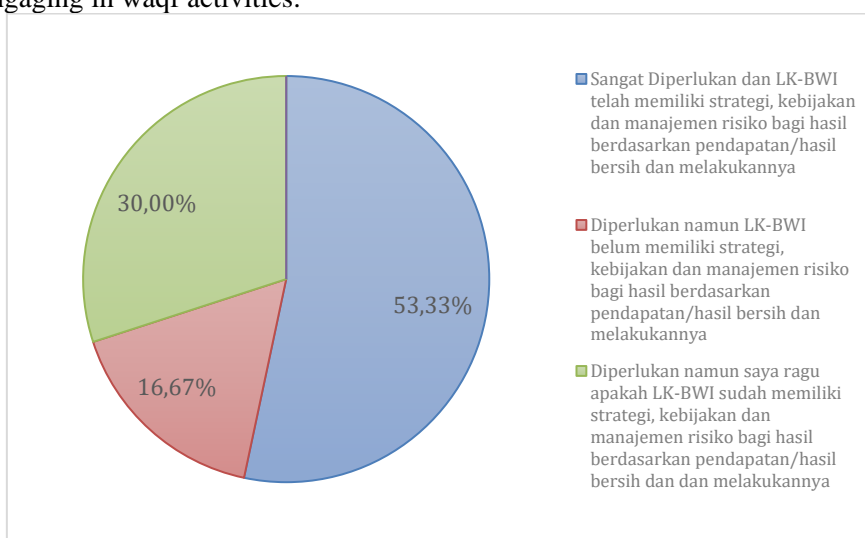


Figure 22. Strategies, Policies, and Risk Management for Profit-Sharing by the BWI

Public awareness regarding risk mitigation and waqif losses (60%) instills trust in the BWI trustee institution's effective mitigation of profit-sharing risks. Direct explanations from BWI (50%), along with the absence of reports on reputation decline (40.67%) and waqif losses (30%), further enhance trust levels.

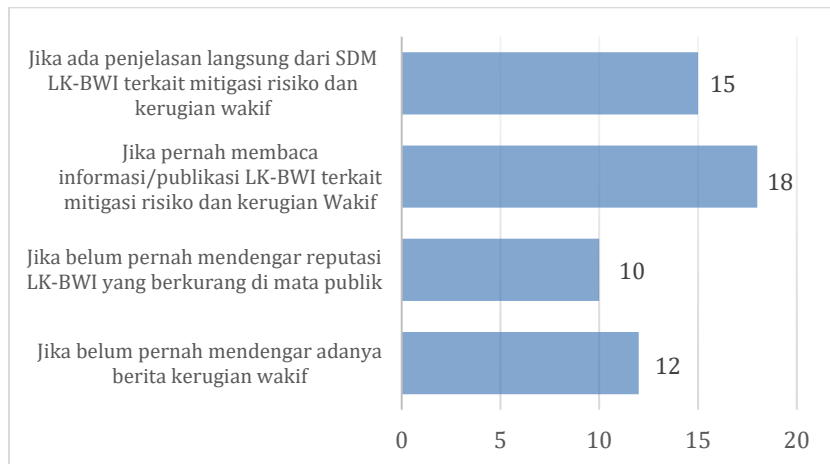


Figure 23. Factors that make respondents believe that the BWI trustee institution has mitigated profit-sharing risks

Most respondents (56.67%) find the strategy, policies, and management of payment risks crucial, believing that the BWI trustee institution has implemented them. However, some respondents (30%) are unsure if these strategies are in place, while a smaller proportion (13.33%) think they're necessary but not yet implemented by BWI.

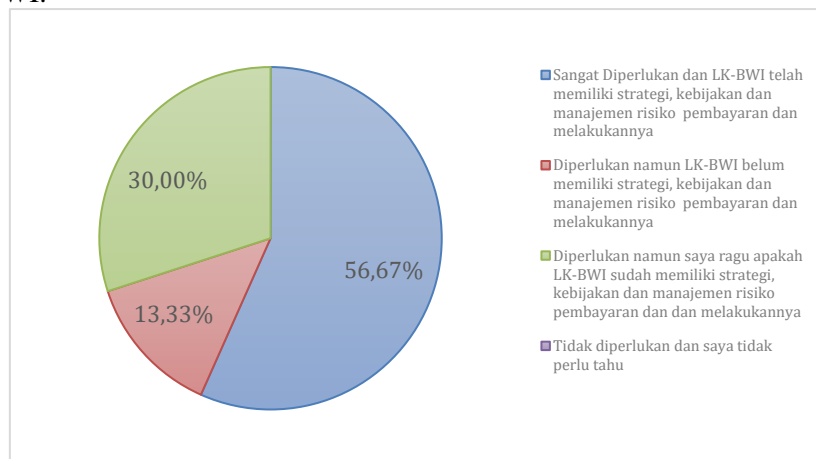


Figure 24. Strategy, Policy, and Risk Management of Payment by BWI Trustee Institution

Information dissemination plays a crucial role in fostering trust among respondents (70%) in the BWI trustee institution's mitigation of payment risks. Direct explanations from BWI regarding risk mitigation and wakif losses also contribute to trust (50%). Additionally, not hearing about wakif losses (40%) and the institution's reputation remaining untarnished (36.67%) bolster confidence. Effective communication strategies, such as publications and socialization activities, are essential for conveying payment risk management measures to potential waqifs, thereby encouraging their contributions and fostering trust.

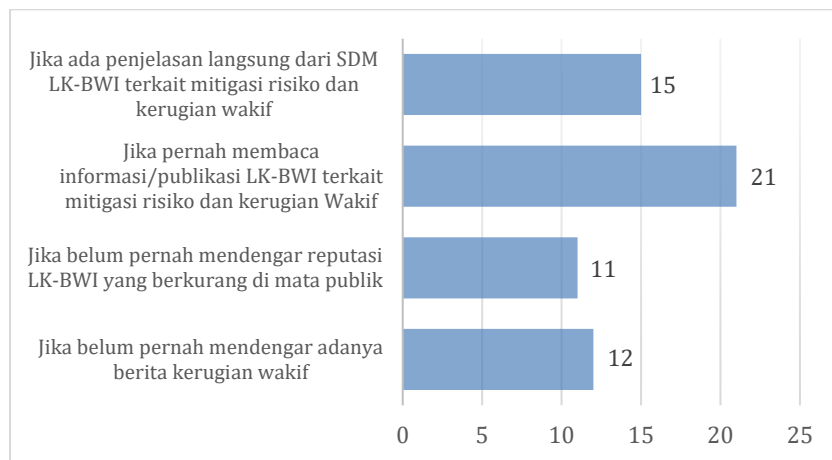


Figure 25. Factors that make respondents believe that the BWI trustee institution has mitigated payment risks

Socialization, education, and information disclosure are crucial for instilling confidence among legal entities as waqifs in the credibility of the BWI trustee institution in risk identification, measurement, and mitigation. However, the majority of respondents (70%) are unaware that BWI has implemented prudential standards for risk management. This lack of public awareness underscores the need for accessible information dissemination, potentially through infographics on the BWI website. While 20% of respondents perceive BWI to have adequate standards and governance, including financial institution governance standards, 10% acknowledge these standards but do not adhere to financial institution governance standards.

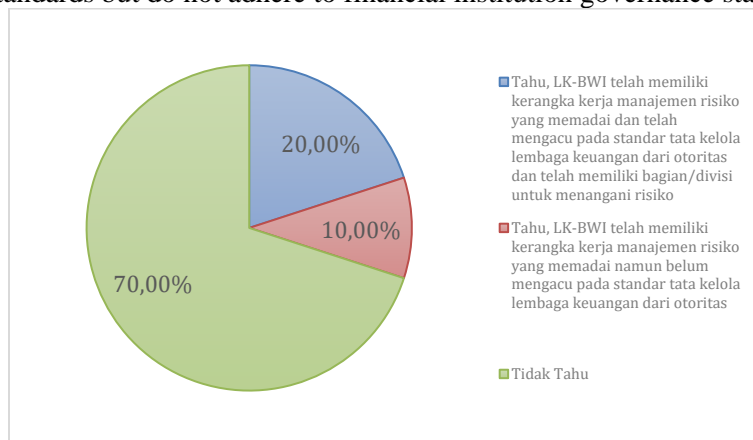


Figure 26. Respondents' Assessment of Governance at the BWI Trustee Institution

Survey results reveal that 26.67% of respondents find the appointment of BWI as the designated waqf institution by the Government appropriate, aligning with the mandate outlined in Law No. 41 of 2004 concerning Waqf. However, 50% of respondents feel that while the appointment is suitable, BWI lacks recognition among the public.

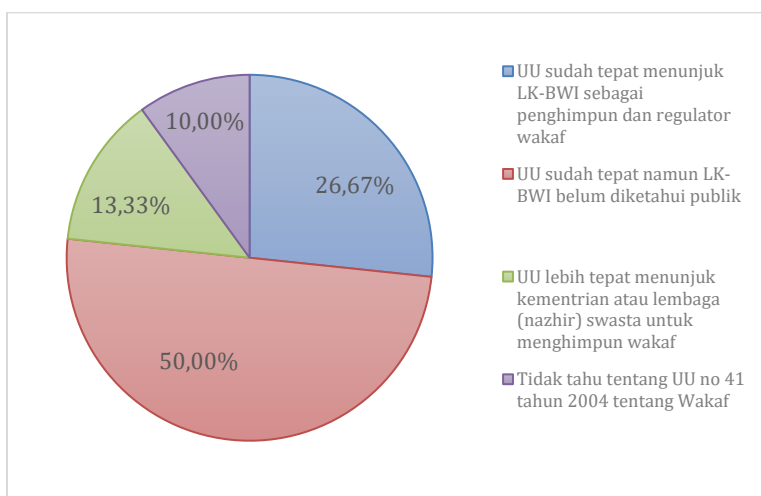


Figure 27. Respondents' assessment of the duties of BWI based on Law No. 41 of 2004

Survey findings indicate that only 6.67% of respondents are fully aware that BWI has adhered to international standards in collecting and managing waqf funds. However, 36.67% are aware of this but lack full understanding, while a significant 50% are entirely unaware of BWI's adherence to these standards. Simplifying the communication of international standards in waqf management by BWI is crucial to enhancing public understanding and trust in waqf initiatives.

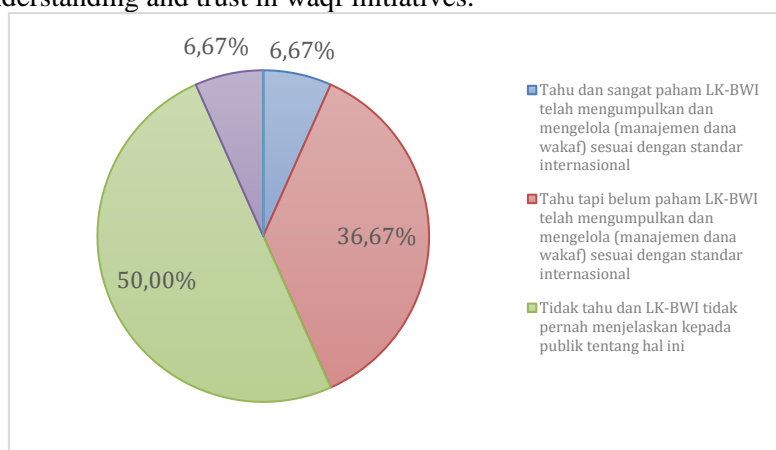


Figure 28. Respondents' assessment of BWI's management of waqf in accordance with international standards

The survey results reveal a balanced distribution among respondents regarding their donation behavior: 33.33% have donated to the BWI waqf institution, 33.33% have donated to other waqf institutions, and 33.33% have never donated. Only a small fraction (6.67%) donate monthly. These findings underscore the untapped potential of waqf in Indonesia, emphasizing the ongoing necessity for public and institutional awareness campaigns. Educating individuals and organizations about the ease and flexibility of waqf donations, including the option to start with small amounts via e-payment platforms, is crucial.

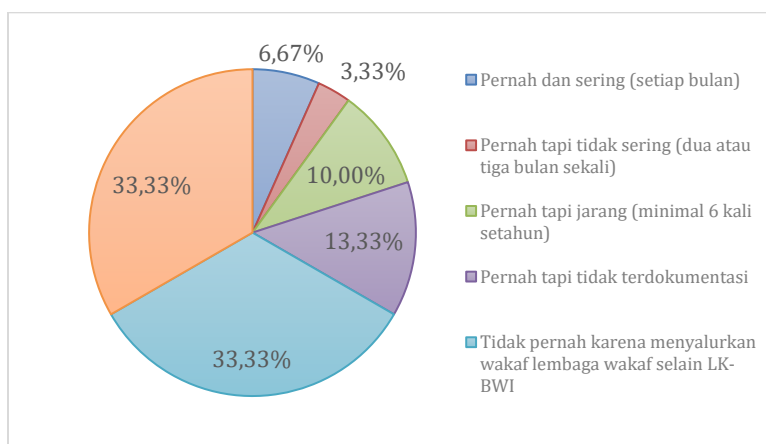


Figure 29. Respondents who have donated to the BWI Waqf Institution

Factors that instill confidence in 60% of respondents to donate to the BWI Waqf Institution include being informed or seeing publications about the institution's waqf management. Additionally, witnessing the tangible results of waqf management by the BWI Waqf Institution directly influences 50% of respondents. Furthermore, 26.67% of respondents would donate upon seeing social facilities built with waqf, while 23.33% would donate if they observe an improvement in the standard of living of the beneficiaries (maukuf'alah). These findings highlight the importance of information dissemination regarding the institution's waqf activities, including the outcomes of waqf management, built social facilities, and the impact on beneficiaries.

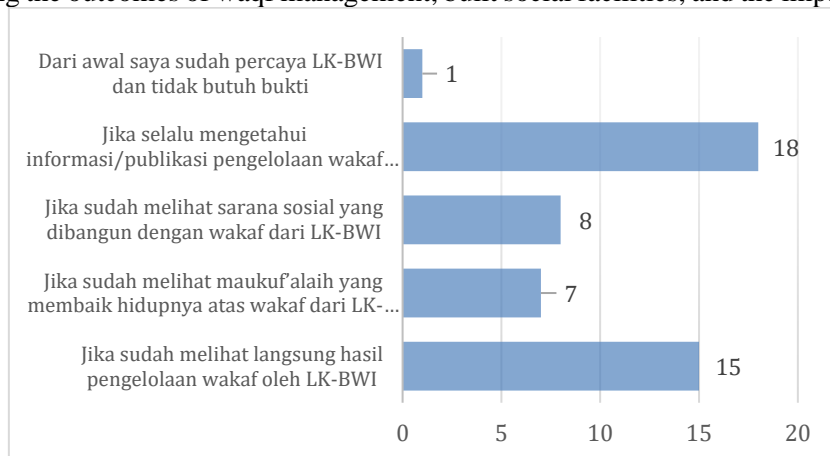


Figure 31. Factors that make respondents confident in donating to the BWI Waqf Institution

Based on the survey, the majority of respondents express high confidence in the BWI Waqf Institution's effective and accurate distribution of waqf funds to beneficiaries. Forty percent of respondents feel very confident, particularly when they read reports published by the institution, while 16.67% express the same level of confidence even without reading the reports. However, 36.67% of respondents are less confident due to not reading the published reports, and 6.67% are unsure. The publication of reports on waqf management and benefit distribution is expected by respondents, as waqf is intended to serve those in need, particularly the disadvantaged, through essential services (Zain et al., 2019; Hassan et al., 2017).

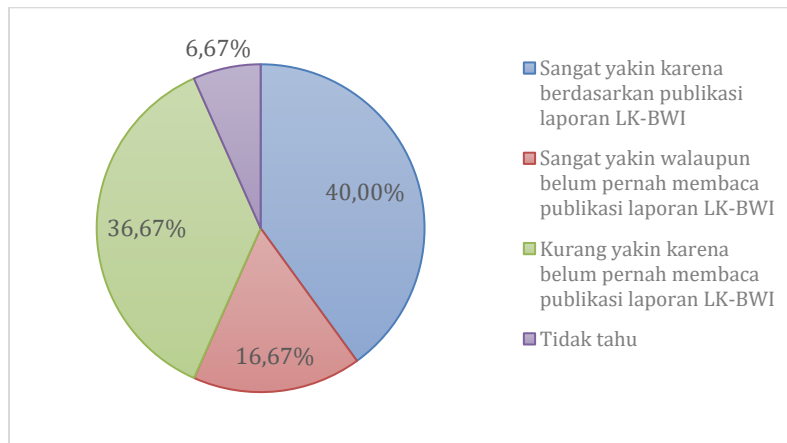


Figure 32. Respondents' Assessment of the Optimal and Targeted Distribution of Waqf by the BWI Waqf Institution

Based on the survey, 20% of respondents believe waqf funds are allocated as intended, though not optimally. Meanwhile, 36.67% are confident in the allocation without reading BWI publications. However, an equal percentage feel uninformed about fund distribution. Additionally, 6.67% believe BWI lacks waqf fund allocation programs. Publicizing waqf distribution by BWI is crucial for informing and engaging the public, including legal entities, in waqf initiatives, enhancing awareness and participation.

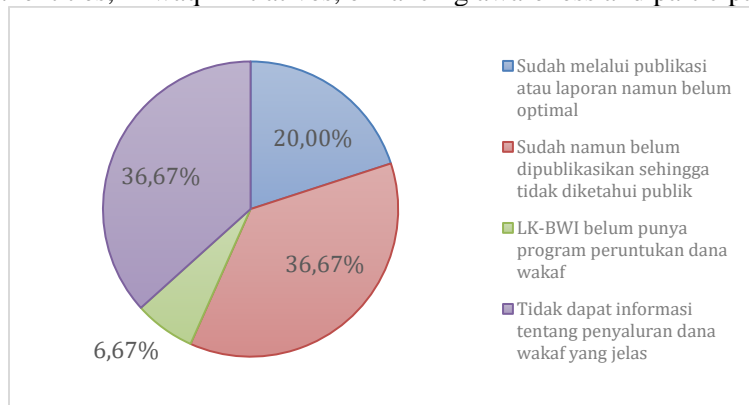


Figure 33. Respondents' Assessment of Waqf Distribution by the BWI Waqf Institution

The majority (56.67%) believe BWI conducts thorough assessments in waqf fund distribution, despite potential errors. Additionally, 36.67% feel BWI minimizes errors in distributing funds to beneficiaries. However, 3.33% note frequent errors, while the same percentage is unaware. Publicizing BWI's comprehensive assessments in distributing waqf benefits is crucial for transparency and public trust (Abduh, 2019).

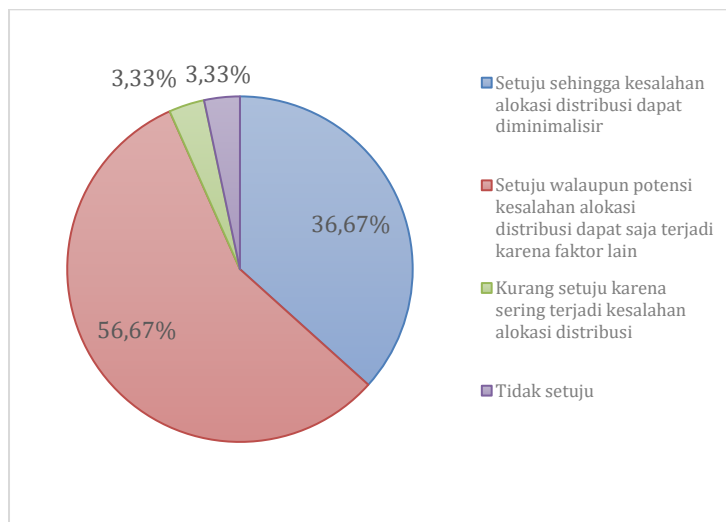


Figure 34. Respondents' assessment of the Comprehensive Assessment by the BWI Waqf Institution in Distributing Waqf to Mauquf'alah

The survey reveals that the majority of respondents trust that the BWI Waqf Institution provides social benefits to both mauquf'alah and the broader community. Specifically, 16.67% have witnessed improved livelihoods among mauquf'alah, and 33.33% have seen community facilities constructed by BWI. However, 46.67% have not observed these activities. These findings underscore the importance of tangible social impacts in bolstering public trust in waqf institutions and attracting more contributors (Johari et al., 2015).

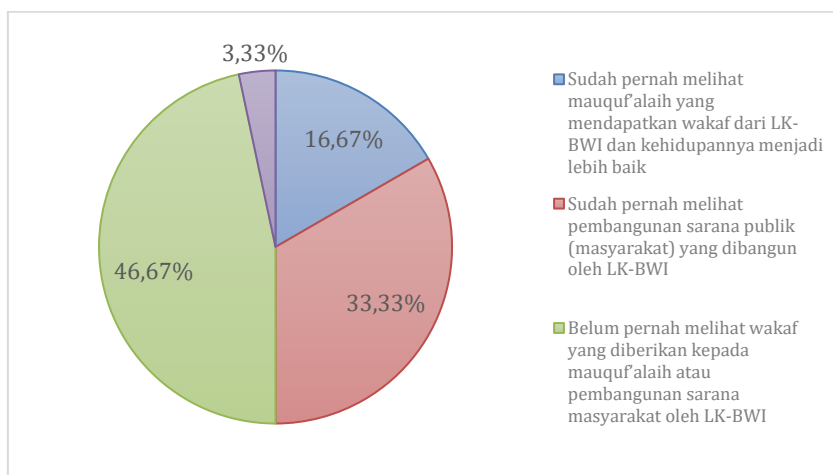


Figure 35. Respondents' Assessment of the Social Benefits from the Distribution of Waqf by the BWI Waqf Institution to Mauquf'alah and the Community

The publication of policies and the waqf management process by the BWI Waqf Institution is a key factor in instilling trust among respondents to endow their waqf to BWI (66.67%). Routine information about waqf programs or products offered by BWI (56.67%) also contributes significantly to building waqifs' trust. Additionally, visibility of waqf fund disbursements by BWI (40%) and regular communication through social media or hardcopy materials (40%) play vital roles in fostering community trust in BWI. Regular dissemination of information about waqf products and programs, both to the general public and legal entities, is essential for transparency and trust-building (Jalil et al., 2019).

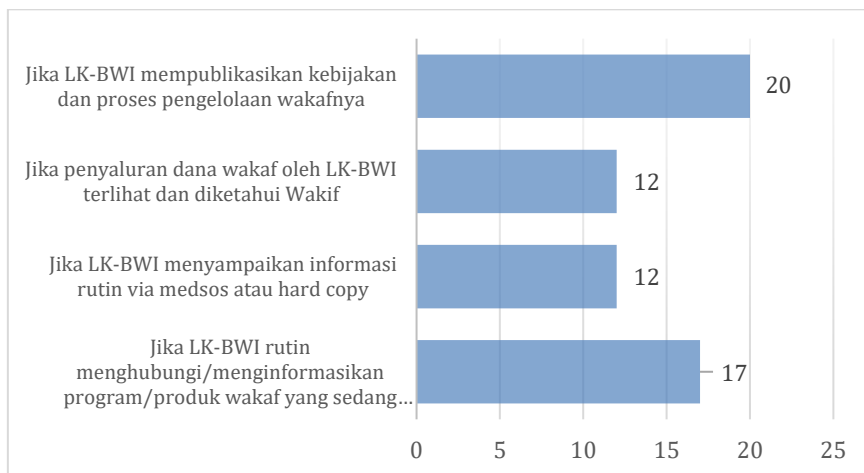


Figure 36. Factors that instill trust in respondents to endow their waqf to the BWI

Sharia Governance Index

Table 13. Interval Assessment of Sharia Governance Index

Assessment Variables	Total Index Score	Rentang Penilaian			
		Very Trustworthy	Trustworthy	Less Trustworthy	Untrustworthy
Sharia Governance	20	16-20	11-15	6-10	Below 6

Table 14. Sharia Governance Index

Variable	Description	Reference	Score	Total Index
Sharia Governance	Operational Risk and Sharia Compliance	WCP-25	3,02	11,45
	Financial Reporting and External Audit	WCP-27	2,70	
	Disclosure and Transparency	WCP-28	2,92	
	Misuse of Wakaf Services	WCP-29	2,81	

Table 14 shows that the Sharia Governance Index obtained from the survey results is 11.45, derived from four indices based on WCP 25, 27, 28, and 29. The highest index, WCP 25 related to Operational Risk and Sharia Compliance, scored 3.02, while the lowest, WCP 27 related to Financial Reporting and External Audit, scored 2.70. The Sharia Governance Index value falls within the "Trust" category, indicating that legal entities trust BWI in operational risk management, Sharia compliance, and financial reporting. Enhancing communication and socialization about endowment management and Sharia compliance can further increase public confidence in BWI. This entails transparent disclosure of BWI's endowment management activities.

The survey results indicate a high level of trust among respondents in BWI's Sharia governance, particularly in preventing criminal activities such as corruption, money laundering, and terrorism. BWI is perceived to have the necessary policies and processes in line with ethical and Sharia professional standards, as mandated by Law No. 41 of 2004. The majority of respondents (93.33%) agree on the importance of

regular updates to maintain an accurate overview of the financial position of the endowment institution, while 6.67% believe updates should only occur when necessary. These findings underscore the significance of accurate and timely financial reporting in fostering trust between endowers and BWI. Such reporting serves as a vital monitoring tool, ensuring the sustainability of the endowment's financial condition and bolstering public confidence in the endowment system (Sulaiman & Zakari, 2019).

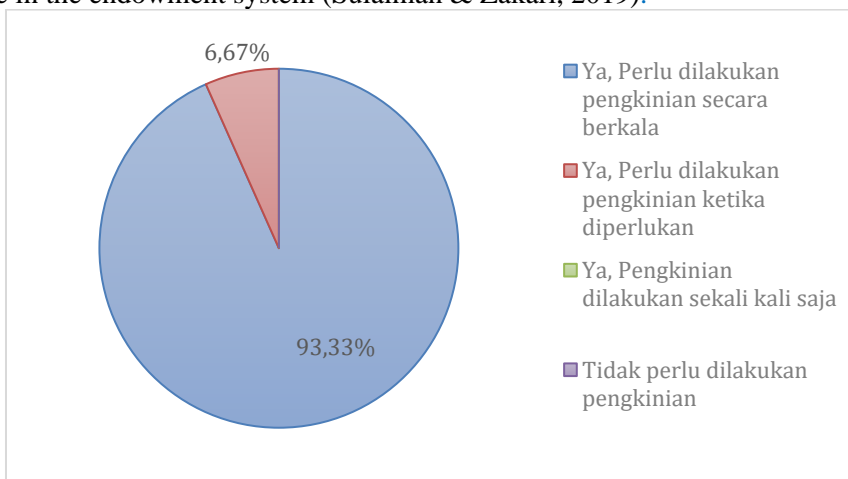


Figure 37. Respondents' assessment of updating the financial position of BWI's reports

The survey reveals that most respondents (56.67%) acknowledge BWI's authority to address criminal activities, while 23.33% are unaware of this authority, and 20% believe BWI lacks such power. BWI's ability to take action against criminal acts, such as the misuse of waqf services, is crucial for maintaining trust and integrity within the waqf sector. Building a strong reputation and integrity is essential for encouraging waqifs to contribute to the waqf institution's mission (Johari et al., 2015).

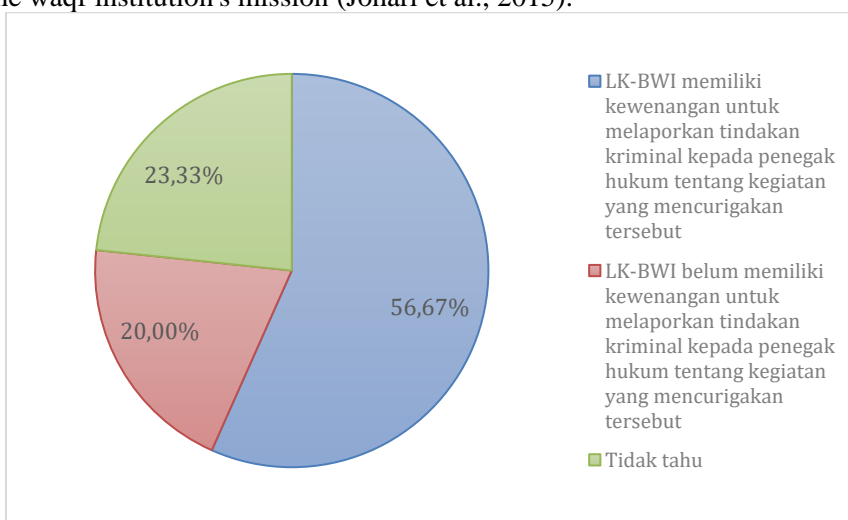


Figure 38. Respondents' assessment of BWI's strength in taking appropriate action in the event of criminal activities

The majority of respondents (60%) believe that BWI has collaborated with the Indonesian Ulema Council (MUI) to ensure Sharia compliance, despite not hearing any news about it. Additionally, 26.67% are confident in this collaboration, while 13.33% are unaware of it.

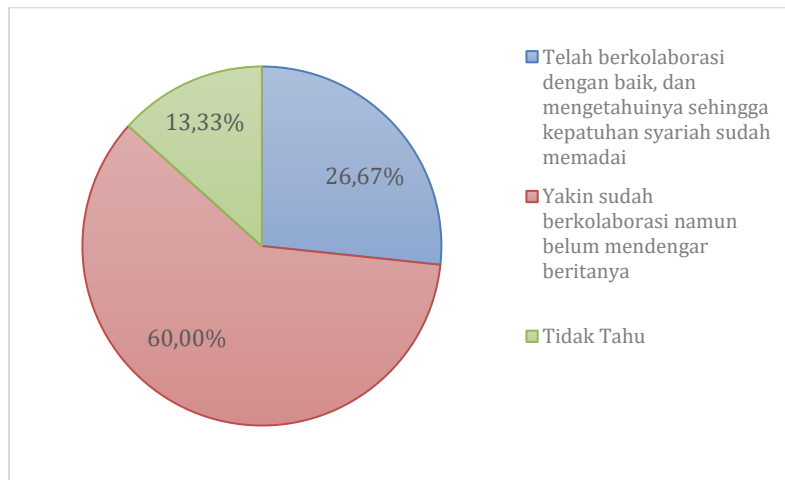


Figure 39. The collaboration between the BWI and MUI to ensure Sharia compliance risk

Regarding the ease of accessing information, 40% of respondents were unaware of BWI's publication of financial and performance information. However, 20% believed that such information was regularly and easily accessible. Another 20% found accessing the publications difficult, while 13.33% stated that the reports were sometimes published but were challenging to access. Additionally, 6.67% believed that BWI did not regularly publish such reports, making them difficult to access. Regular and easily accessible publication of financial and performance information is crucial for promoting transparency and good governance practices within waqf institutions (Hassan et al., 2017).

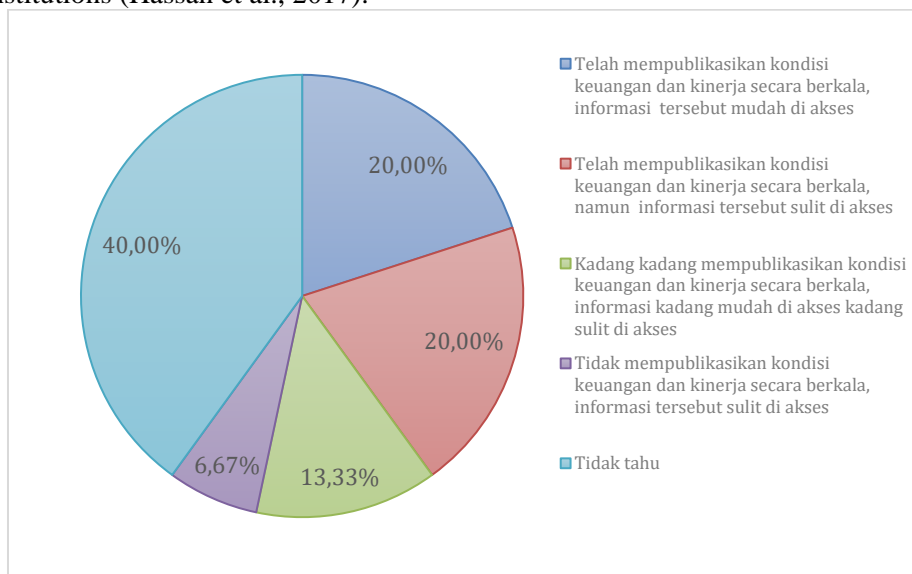


Figure 40. Respondent Evaluation Regarding Financial Information Publication and Public Access Ease

Based on the research findings, 50% of respondents are unaware of BWI's publication of financial and performance conditions, both quantitatively and qualitatively. However, 23.33% perceive that BWI has published this information. Meanwhile, 13.33% believe that BWI has published it but not in a quantitatively and qualitatively disclosed manner. Additionally, 10% stated that BWI occasionally publishes, and 3.33% assess that BWI does not publish regularly, making the information difficult to access. Inaccurate or absent reporting can undermine public trust in the nazhir institution (Jalil et al., 2019).

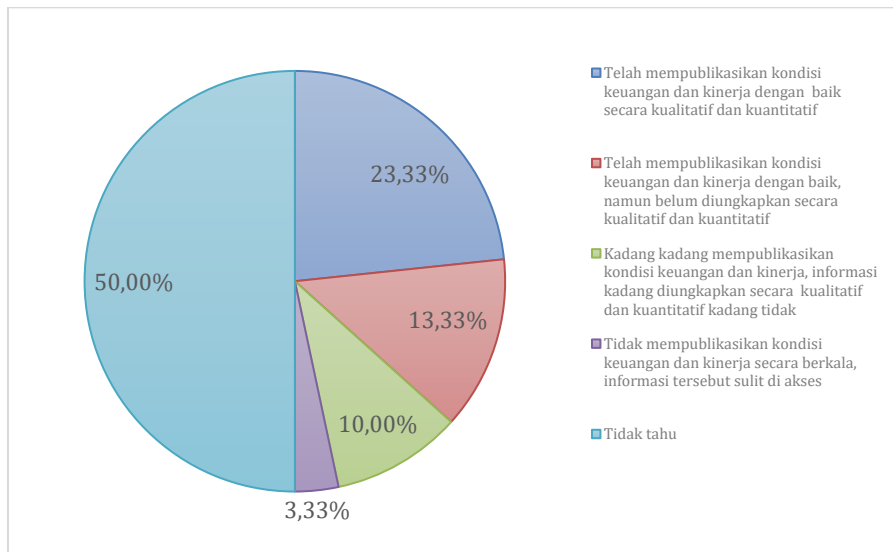


Figure 42. Respondents' assessment regarding the Coverage of Publications by BWI as a Nazhir Institution

Based on respondents' assessment, 33.33% are aware that BWI undergoes external audits but believe these reports are not regularly published. Meanwhile, 30% perceive BWI to have reliable financial reports and regularly published external audits. Another 30% are unaware of these reports, and 6.67% believe BWI lacks relevant reports. This indicates a lack of awareness among respondents regarding BWI's publication reports. Regularly published reports are crucial for transparency in waqf management, meeting stakeholder expectations (Utomo et al., 2020).

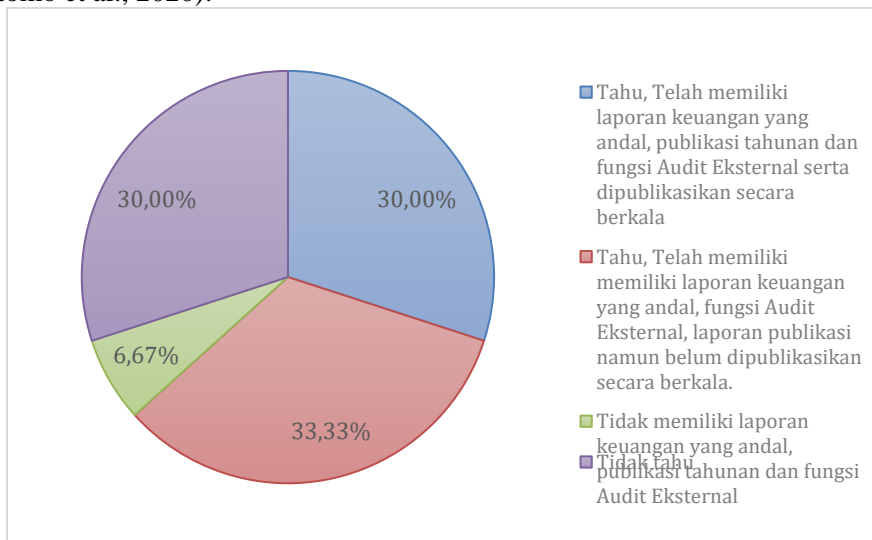


Figure 43. Respondents' assessment regarding the Publication Reports and External Audits of the BWI Nazhir Institution

The study's discussion on BWI's internal risk mitigation processes reveals that 66.67% of respondents are aware of these processes, albeit not publicly known. Additionally, 16.67% recognize BWI's capability in this regard. However, 16.67% remain unaware of these internal processes.

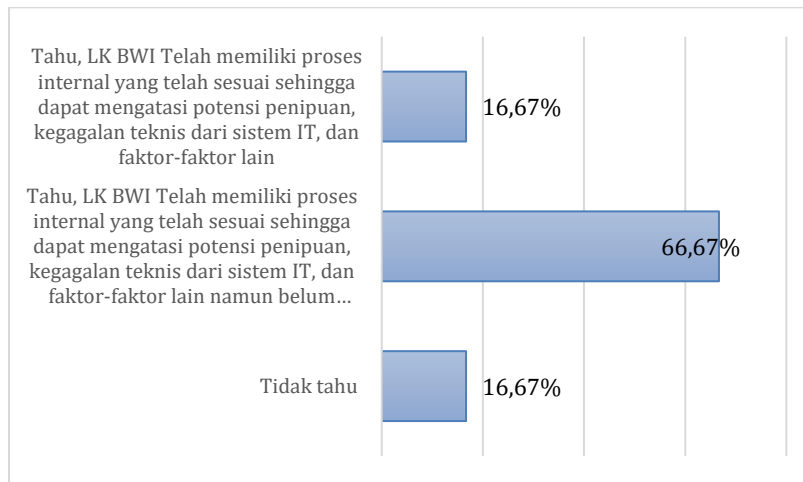


Figure 44. Respondents' assessment of the internal processes to mitigate operational risks at the BWI Nazhir Institution

Most respondents (46.67%) are aware that BWI Nazhir Institution has established policies to promote Islamic ethics and standards, including preventing criminal activities, but these are insufficiently socialized. Additionally, 20% believe these policies are not optimal, and another 20% are unaware. Sharia implementation in wakaf institutions requires rigorous monitoring (Siswantoro et al., 2018). Therefore, further socialization and dissemination of information about this matter are still needed by the BWI.

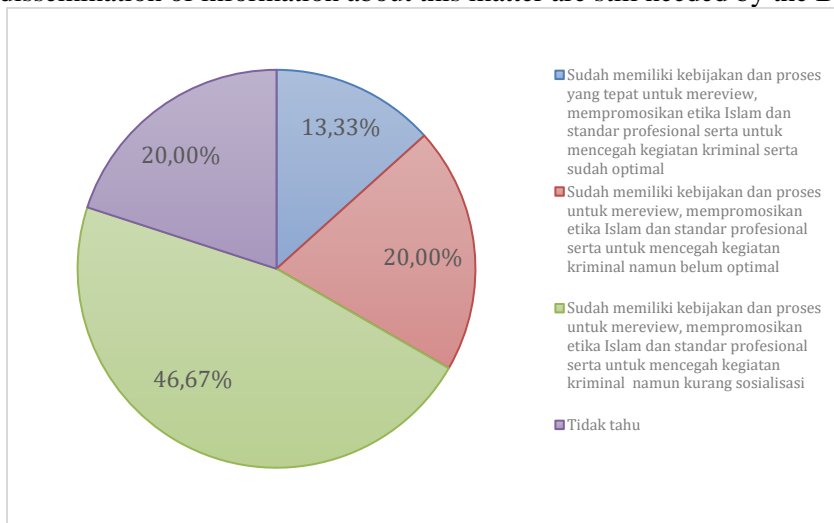


Figure 45. Respondent assessment regarding Policies and Processes for Reviewing, Promoting Islamic Ethics, and Preventing Criminal Activities

Key factors for building public trust, including among legal entities, involve digital platform development and collaboration between BWI trustee institutions and other financial sectors for effective waqf collection. Survey results show that 53.33% of respondents agree BWI trustee institutions are pursuing digital platforms and collaborating with Sharia financial sectors, but are unaware of the specifics. However, 43.33% are both aware of and agree with these developments. Only 3.33% of respondents are uninformed. Disseminating information on the type of digital platform and collaboration methods is crucial for public awareness.

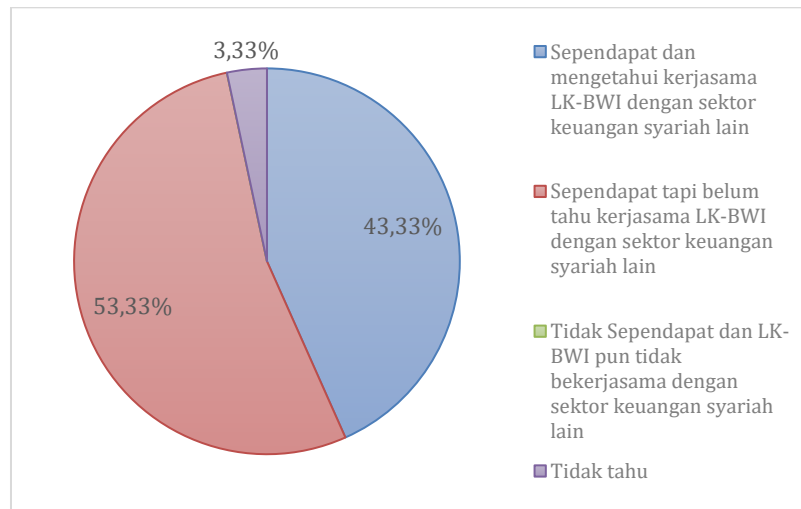


Figure 46. The Need for the Development of Digital Platforms and Collaboration between BWI Trustee Institutions and Other Financial Sectors

Total Trust Index

Table 15. Assessment of the Trust Index of Legal Entities to Donate to BWI

Assessment	Total Value	Rating			
		Very Trustworthy	Trustworthy	Less Trustworthy	Untrustworthy
Waqf Supervision	25	19-25	13-18	7-12	Below 7
The Nazir Governance	5	5	3-4	1-2	Below 1
Risk Management	50	38-50	25-37	12-24	Below 12
Sharia Governance	20	16-20	11-15	6-10	Below 6
Total Index	100	75-100	50-74	25-49	Below 25

The total trust index for legal entities to endow their waqf to BWI, based on survey results, is 53.36. This composite score is derived from four indices: waqf supervision (13.49), trustee governance (3.18), risk management (25.25), and Sharia governance (11.45).



Figure 47. Index of Trust of Wakifs to Endow to BWI

The trust index value of 53.36 falls into the category of "Trust," indicating that legal entities are inclined to endow to BWI in accordance with Waqf Core Principle. While respondents generally express trust in BWI, there's room for improvement by addressing certain factors. This aligns with research by (Kasri & Chaerunnisa, 2021), which highlights the significance of knowledge, trust, and religiosity in shaping attitudes towards endowing money.

Table 16. The average value of the Endowment Oversight Index and the Nazhir Governance Index

Description	Endowment Oversight					The Nazir Governance
	WCP-7	WCP-8	WCP-9	WCP-10	WCP-11	WCP-13
Average	2,6	1,8	2,6	2,1	2,3	0,4
Maximum Value	5,0	5,0	5,0	2,5	5,0	0,6

Table 17. The average value of the Risk Management Index

Description	Risk Management									
	WCP-14	WCP-15	WCP-16	WCP-17	WCP-18	WCP-19	WCP-21	WCP-22	WCP-23	WCP-24
Average	1,3	0,4	1,0	0,3	1,8	1,7	1,0	1,0	1,0	1,0
Maximum Value	5,0	0,8	1,7	0,6	5,0	5,0	1,7	1,7	1,7	1,7

Table 18. Average Sharia Governance Index Value

Deskripsi	Sharia Governance			
	WCP-25	WCP-27	WCP-28	WCP-29
Average	0,8	3,0	1,0	1,4
Maximum Value	1,3	5,0	1,7	2,5

Questionnaire Validity Test

Tabel 19. Respondent Validity Test Results

No	Variabel	Item	Item Pernyataan	r hitung	r tabel	Keterangan	Kesimpulan
1	Pengawasan Wakaf	WCP 7	PW_1	0,857	0,3610	r hitung > r tabel	Valid
2		WCP 8	PW_2	0,785	0,3610	r hitung > r tabel	Valid
3		WCP 9	PW_3	0,715	0,3610	r hitung > r tabel	Valid
4		WCP 10	PW_4	0,410	0,3610	r hitung > r tabel	Valid
5			PW_5	0,416	0,3610	r hitung > r tabel	Valid
6		WCP 11	PW_6	0,690	0,3610	r hitung > r tabel	Valid
7	Tata Kelola Nazhir	WCP 13	TKN_1	0,635	0,3610	r hitung > r tabel	Valid
8			TKN_2	0,574	0,3610	r hitung > r tabel	Valid
9			TKN_3	0,713	0,3610	r hitung > r tabel	Valid
10			TKN_4	0,606	0,3610	r hitung > r tabel	Valid
11			TKN_5	0,666	0,3610	r hitung > r tabel	Valid
12			TKN_6	0,421	0,3610	r hitung > r tabel	Valid
13			TKN_7	0,793	0,3610	r hitung > r tabel	Valid
14			TKN_8	0,804	0,3610	r hitung > r tabel	Valid
15	Manajemen Risiko	WCP 14	MR_1	0,766	0,3610	r hitung > r tabel	Valid
16		WCP 15	MR_2	0,372	0,3610	r hitung > r tabel	Valid
17			MR_3	0,757	0,3610	r hitung > r tabel	Valid
18			MR_4	0,372	0,3610	r hitung > r tabel	Valid
19			MR_5	0,631	0,3610	r hitung > r tabel	Valid
20			MR_6	0,656	0,3610	r hitung > r tabel	Valid
21			MR_7	0,399	0,3610	r hitung > r tabel	Valid
22			WCP 16	MR_8	0,526	0,3610	r hitung > r tabel
23		MR_9		0,586	0,3610	r hitung > r tabel	Valid
24		MR_10		0,423	0,3610	r hitung > r tabel	Valid
25		WCP 17	MR_11	0,672	0,3610	r hitung > r tabel	Valid
26			MR_12	0,484	0,3610	r hitung > r tabel	Valid
27			MR_13	0,470	0,3610	r hitung > r tabel	Valid
28			MR_14	0,529	0,3610	r hitung > r tabel	Valid
29			MR_15	0,365	0,3610	r hitung > r tabel	Valid
30			MR_16	0,461	0,3610	r hitung > r tabel	Valid
31			MR_17	0,708	0,3610	r hitung > r tabel	Valid
32			MR_18	0,366	0,3610	r hitung > r tabel	Valid
33		WCP 18	MR_19	0,675	0,3610	r hitung > r tabel	Valid
34		WCP 19	MR_20	0,841	0,3610	r hitung > r tabel	Valid
35		WCP 21	MR_21	0,393	0,3610	r hitung > r tabel	Valid
36			MR_22	0,614	0,3610	r hitung > r tabel	Valid
37			MR_23	0,423	0,3610	r hitung > r tabel	Valid
38		WCP 22	MR_24	0,468	0,3610	r hitung > r tabel	Valid
39			MR_25	0,508	0,3610	r hitung > r tabel	Valid
40			MR_26	0,398	0,3610	r hitung > r tabel	Valid
41		WCP 23	MR_27	0,572	0,3610	r hitung > r tabel	Valid
42			MR_28	0,530	0,3610	r hitung > r tabel	Valid
43			MR_29	0,413	0,3610	r hitung > r tabel	Valid
44		WCP 24	MR_30	0,555	0,3610	r hitung > r tabel	Valid
45			MR_31	0,555	0,3610	r hitung > r tabel	Valid
46			MR_32	0,386	0,3610	r hitung > r tabel	Valid
47	Tata Kelola Syariah	WCP 25	TKS_1	0,548	0,3610	r hitung > r tabel	Valid
48			TKS_2	0,652	0,3610	r hitung > r tabel	Valid
49			TKS_3	0,625	0,3610	r hitung > r tabel	Valid
50			TKS_4	0,545	0,3610	r hitung > r tabel	Valid
51		WCP 27	TKS_5	0,884	0,3610	r hitung > r tabel	Valid
52		WCP 28	TKS_6	0,852	0,3610	r hitung > r tabel	Valid
53			TKS_7	0,856	0,3610	r hitung > r tabel	Valid
54			TKS_8	0,373	0,3610	r hitung > r tabel	Valid
55		WCP 29	TKS_9	0,776	0,3610	r hitung > r tabel	Valid
56			TKS_10	0,440	0,3610	r hitung > r tabel	Valid

The table demonstrates that the validity level (r value) of each questionnaire item surpasses the critical value of 0.3610. Consequently, it is evident that the measurement instrument (questionnaire) utilized in the research is deemed valid.

Questionnaire Reliability Test

Table 20. Respondent Reliability Test Results

No.	Variable	Alpha Cronbach	Reference	Conclusion
1	Waqf Supervision	0,728	>0.6	Reliable
2	Nazir Governance	0,801	>0.6	Reliable
3	Risk Management	0,854	>0.6	Reliable
4	Sharia Governance	0,787	>0.6	Reliable

Table 20 demonstrates high reliability, with Cronbach's Alpha coefficients exceeding 0.6 for the Waqf Supervision Index and Sharia Governance Index, and surpassing 0.8 for the Nazir Governance Index and Risk Management Index. These results affirm the questionnaire's effectiveness in aligning with the intended target respondents.

CONCLUSIONS

The Trust Index for legal entities to donate waqf to BWI stands at 53.36, indicating a level of trust in alignment with the Waqf Core Principle. This index encompasses the Waqf Supervision Index (13.49), Nazhir Governance Index (3.18), Risk Management Index (25.24), and Sharia Governance Index (11.45), all falling within the "Trust" category. However, there is room for improvement to achieve an ideal value for BWI as a national waqf management institution. The survey reveals that respondents lack awareness in key areas of waqf management within waqf institutions. These include waqf supervision techniques and performance evaluations, Nazhir Governance policies and branding, risk management frameworks, and Sharia governance processes. Despite this, legal entities still exhibit trust in BWI for endowment management. The findings underscore the potential for legal entities in Indonesia to support endowment fundraising efforts, which are actively promoted by the Government and BWI. This support can contribute significantly to economic development initiatives in the country.

REFERENCES

- AAOIFI. (2022). *Shariah Standard*.
- Abduh, M. (2019). The role of islamic social finance in achieving sdg number 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture. *Al-Shajarah*, 2019, 185–206.
- Abu Talib, N. Y., Abdul Latiff, R., & Aman, A. (2020). An institutional perspective for research in waqf accounting and reporting: A case study of Terengganu state Islamic Religious Council in Malaysia. *Journal of Islamic Accounting and Business Research*, 11(2), 400–427. <https://doi.org/10.1108/JIABR-11-2016-0132>
- Aldeen, K. N., Ratih, I. S., & Pertiwi, R. S. (2021). Cash waqf from the millennials ' perspective : a case of Indonesia. *ISRA International Journal of Islamic Finance*, 19. <https://doi.org/10.1108/IJIF-10-2020-0223>
- Ascarya, A., Husman, J. A., & Tanjung, H. (2022). Determining the characteristics of waqf-based Islamic financial institution and proposing appropriate models for Indonesia. *International Journal of Ethics and Systems*. <https://doi.org/10.1108/IJOES-01-2022-0001>
- Astuti, H. H., Basri, Y. Z., & Tanjung, H. (2019). Analysis of Nazhir Accountability Implementation in Empowerment of Productive Waqf in Indonesia. *Tazkia Islamic Finance and Business Review*, 13(1), 63–80. <https://doi.org/https://doi.org/10.30993/tifbr.v13i1.199>
- Badan Wakaf Indonesia. (2020). *Laporan Indeks Literasi Wakaf 2020*.
- Badan Wakaf Indonesia. (2021). *Mengenal Wakaf Uang*.

- Badan Wakaf Indonesia. (2022). *Laporan Indeks Wakaf Nasional 2021*.
- Badan Wakaf Indonesia, Bank Indonesia, Kementerian Keuangan RI, Kementerian Agama RI, & Universitas Islam Internasional Indonesia. (2021). Laporan Tahunan CWLS 2021. *Departemen Ekonomi Dan Keuangan Syariah Bank Indonesia*, 76.
- Budiarto, U. (2022). Tata Kelola dan Manajemen Risiko Nazhir Wakaf. *Webinar Wakaf Nasional Pusat Wakaf Universitas YARSI*.
- DJPPR Kementerian Keuangan. (2021). *Di Tengah Kondisi Pandemi CWLS Ritel Seri SWR002 Sukses Menarik 91,03% Wakif Baru*.
- Ennew, C., & Sekhon, H. (2007). Measuring trust in financial services: The Trust Index. *Consumer Policy Review*, 17(2), 62.
- Gebara, R. E. A. (2018). The relevance of Waqf to the Australian society from the perspective of Maqasidal-Shari'ah (higher objectives of Shari'ah). *Al-Shajarah*, 23(1), 149–168.
- Gray, P. S., Williamson, J. B., Karp, D. A., & Dalphin, J. R. (2007). The Research Imagination. An Introduction to Qualitative and Quantitative Methods. In *Cambridge University Press, UK* (Issue 2007).
- Hassan, R., Musa, S., Syed, B., Alhabshi, J., & Yusoff, A. (2017). TOWARDS PROVIDING THE BEST SHARĪ'AH GOVERNANCE PRACTICES FOR WAQF BASED INSTITUTIONS. *Al-Shajarah Journal of Islamic Thought and Civilization, Special Issue*, 165–186.
- Hirigoyen, G., & Laouer, R. (2013). Convergence of corporate and public governance: Insights from board process view. *SAGE Open*, 3(2), 1–8. <https://doi.org/10.1177/2158244013494384>
- Huda, N., Rini, N., Mardoni, Y., Hudori, K., & Anggraini, D. (2017). Problems, solutions and strategies priority for waqf in Indonesia. *Journal of Economic Cooperation and Development*, 38(1), 29–53.
- Huda, N., Sentosa, P. W., & Rini, N. (2021). Factors that Influence Muslim Employee Behaviour to Contribute to Money Waqf through Salary Cutting. *BWI Working Paper Series BWPS No.4/PKTD/BWI/VI/2021*.
- Ismal, R. (2010). Assessment of liquidity management in Islamic banking industry. *International Journal of Islamic and Middle Eastern Finance and Management*, 3(2), 147–167. <https://doi.org/10.1108/17538391011054381>
- Jalil, M. I. A., Yahya, S., & Pitchay, A. A. (2019). Building committed Waqif: the role of information disclosure. *Journal of Islamic Accounting and Business Research*, 10(2), 185–215. <https://doi.org/10.1108/JIABR-05-2016-0058>
- Johari, F., Alias, M. H., Shukor, S. A., Wahab, K. A., Aziz, M. R. A., Ahmad, N., Kefeli, Z., Hussin, F. A., & Ibrahim, P. (2015). Factors that influence repeat contribution of Waqf in Islamic Philanthropy. *Management & Accounting Review*, 14(2), 55–78. <https://doi.org/http://dx.doi.org/10.24191/mar.v14i2.490>
- Kamaruddin, M. I. H., & Hanefah, M. M. (2021). An empirical investigation on waqf governance practices in waqf institutions in Malaysia. *Journal of Financial Reporting and Accounting*, 19(3), 455–473. <https://doi.org/https://doi.org/10.1108/JFRA-03-2020-0055>
- Kasri, R. A., & Chaerunnisa, S. R. (2021). The role of knowledge, trust, and religiosity in explaining the online cash waqf amongst Muslim millennials. *Journal of Islamic Marketing*. <https://doi.org/10.1108/JIMA-04-2020-0101>
- Kementerian Agama RI. (2022). *Data Umat Beragama*.
- Khalid, M. M., Yaakob, M. A. Z., Bhari, A., Mohd, & Yusof, F. M. (2019). Risk Management in Waqf Institutions: A Preliminary Study. *Journal of Fatwa Management and Research*, 16(2).
- Majelis Ulama Indonesia. (2002). *Fatwa MUI tentang Wakaf Uang*.
- Moon, S. (2017). The Effect of Trust on Giving : Evidence from Korean-Americans in California. *The Korean Journal of Policy Studies*, 32(1), 53–70.
- Morgan, R. M., & Hunt, S. D. (1994). The Commitment-Trust Theory of. *Journal of Marketing*, 58(July), 20–38.
- Nurailhan, W., & Shatar, A. (2021). *Determinants of cash waqf fund collection in Malaysian Islamic banking institutions : empirical insights from employees ' perspectives*. 13(2), 177–193. <https://doi.org/10.1108/IJIF-06-2020-0126>
- Osman, A. F., Mohammed, M. O., & Fadzil, A. (2016). Factor Influencing Cash Waqf Giving Behavior : a Revised Theory of Planned Behavior. *Journal of Global Business and Social Entrepreneurship (GBSE)*,

1(2), 12–25.

- Pitchay, A. A. (2022). Factors influence intention of management of Shariah-compliant companies to participate in Islamic voluntary charity. *International Journal of Islamic and Middle Eastern Finance and Management*. <https://doi.org/https://doi.org/10.1108/IMEFM-11-2019-0466>
- Sargeant, A., & Lee, S. (2004). Trust and relationship commitment in the United Kingdom voluntary sector: Determinants of donor behavior. *Psychology and Marketing*, 21(8), 613–635. <https://doi.org/10.1002/mar.20021>
- Shukor, S. A., Anwar, I. F., Aziz, S. A., & Sabr, H. (2017). Muslim Attitude Towards Participation in cash waqf: Antecedents and Consequences. *International Journal of Business and Society*, 18(S1), 193–204.
- Shukor, S. A., Johari, F., Wahab, K. A., Kefeli, Z., Ahmad, N., Alias, M. H., Rahman, A. A., & Orip, N. M. M. (2018). Trust on awqaf institutions: evidence from Malaysia. *Journal of Islamic Marketing*. <https://doi.org/10.1108/JIMA-05-2017-0054>
- Siswanto, D., Rosdiana, H., & Fathurahman, H. (2018). Reconstructing accountability of the cash waqf (endowment) institution in Indonesia. *Managerial Finance*. <https://doi.org/10.1108/MF-05-2017-0188>
- Sukmana, R., Sholihin, M., Irfan, S. B., Lestari, Y. D., Indrawan, I. W., & Ajija, S. R. (2021). National Waqf Index: A Measurement for Waqf Performance. In *BWI WORKING PAPER SERIES BWPS No 1/PKTD/BWI/III/2021* (Issue 1).
- Sulaiman, M. B., & Zakari, M. A. (2019). Financial sustainability of state waqf institutions (SWIs) in Malaysia. *Journal of Islamic Accounting and Business Research*. <https://doi.org/https://doi.org/10.1108/JIABR-05-2016-0054>
- Tanjung, H. (2021). *Gerakan Nasional Wakaf Uang 2021*. Website Badan Wakaf Indonesia.
- Tanjung, H. (2022). *Wakaf dan Ekonomi Syariah Isu-Isu Kontemporer*. PT Elex Media Komputindo, Jakarta.
- Tanjung, H., Beik, I. S., & Ayuniyyah, Q. (2022). *Indeks Implementasi Waqf Core Principles pada Nazhir* (F. Noor, A. Sakti, & M. Hutagalung (eds.); Cetakan 1). Departemen Ekonomi dan Keuangan Syariah Bank Indonesia dan Badan Wakaf Indonesia bekerja sama dengan UIKA Press.
- Tanjung, H., Saptono, I. T., & Azis, I. N. (2020). *Awqaf-led Islamic Social Finance* (M. M. Billah (ed.)). Routledge.
- The International Working Group on Waqf Core Principles. (2018). *Core Principles for Effective Waqf Operation and Supervision* (Issue October).
- Usman, H. (2015). Customers Trust on Islamic Banks in Indonesia. *The Journal of Asian Finance, Economics and Business*, 2(1), 5–13. <https://doi.org/10.13106/jafeb.2015.vol2.no1.5>.
- Utomo, S. B., Masyita, D., & Hastuti, F. (2020). Why Cash Waqf Fails to Meet the Expectation: Evidence from Indonesia. In *OJK Working Papers* (Vol. 02, Issue October).
- Yang, Y., Brennan, I., & Wilkinson, M. (2014). Public trust and performance measurement in charitable organizations. *International Journal of Productivity and Performance Management*, 63(6), 779–796.
- Zain, N. R. M., Mahadi, N. F., & Noor, A. M. (2019). The potential in reviving waqf through crowdfunding technology: The case study of thailand. *Al-Shajarah*, 2019(Special Issue Islamic Banking and Finance 2019), 89–106.