

## A Review of The Literature on Islamic Corporate Governance (ICG) In Waqf Entities

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**Abstract:** *Waqf is a social financial tool that is based on sharia and could help Indonesian efforts to fight poverty. Currently, however, the Waqf literacy index among Indonesians is not particularly high. The waqf topic has evolved in recent years in terms of research. This study aims to analyze and evaluate previously conducted research by identifying similarities between articles on the same topic. This study focuses on articles on <https://www.connectedpapers.com> that contain the keywords "waqf institution" and "Islamic corporate governance (ICG)". According to the keywords, 19 articles were discovered in total. This study's findings indicate that Islamic corporate governance (ICG) practice is a strategic issue in waqf institutions for enhancing public trust.*

**Keywords:** *Waqf, Islamic corporate governance (ICG), Literature*

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### INTRODUCTION

Waqf is a Islamic social financial tool that could help Indonesian programs that try to fight poverty (Fahham, 2015), (Machmud et al., 2018). However, the waqf literacy index of the Indonesian population is currently low (BWI, 2020), Thus, the introduction to the potential of waqf continues to center on the three M: *masjid*, *madrrasah*, and *maqam*. Therefore, it is essential to provide professional management for waqf so that the community can maximize its benefits.

In various nations, numerous waqf institutions have developed, including Warees (Singapore), Waqf Future Fund (part of Islamic Relief, London), Awqaf SA (South Africa), World Waqf Foundation (IDB), Dompot Dhuafa Republik (Indonesia), and others. These institutions have attempted to develop waqf with professional management in order to serve as a model for waqf institutions that have yet to develop.

Strategic issues with waqf institutions include poor management and a lack of professionalism, a large number of abandoned and lost waqf assets, waqf assets that are not being utilized, and insufficient waqf income to cover operating expenses.

(Assegaf, 2015). By incorporating sharia ideals into the governance system, the gap between what people anticipate will happen with waqf funds and what actually happens will be smaller.

*Amanah*, or trust, is essential to the development of Islamic Corporate Governance (Maghbul & Alhajam, 2018), So the waqf institution is required to maintain this for the long-term viability of the received funds. The purpose of this literature review is to confirm that the study of Islamic corporate governance in waqf institutions established by universities has not previously been conducted.

**RESEARCH METHODS**

An strategy of literature review was used in this study. A literature review analyzes the pertinent writing on a certain topic. The first step in acquiring relevant data about the research topic is to do this (Bungin, 2021). The stages of the literature review process are as follows: choosing review topics; looking for and choosing appropriate articles; assessing and synthesizing material (Ramdhani et al., 2014).

The database found at <https://www.connectedpapers.com/> can be used as a search strategy for articles. Waqf (Islamic corporate governance) institution was the term used to find articles. A screening process was then carried out using the findings of 19 articles out of the 40 articles that the original search produced as related to the keywords. The selection of articles for this study was based on studies of non-English publications, duplication studies, articles that weren't pertinent to the research issue, and articles that weren't full texts. No open articles are present.

**RESULTS AND DISCUSSION**

According to the findings of a literature search, there are 19 papers that explore Islamic corporate governance (ICG), four of which concentrate on Islamic banking. Islamic corporate governance (ICG) in waqf entities is covered in sixteen articles.

The following is a comprehensive analysis of each article's findings:

No	Author	Purpose	Metode	Result	Researcher Notes
1	(Ahmed et al., 2015)	This study makes a corporate governance model for the UIEC that can be used to make Waqf institutions in Uganda more accountable, open, and effective.	qualitative	Islamic corporate governance differs from the Western model in that it theoretically upholds and maintains the principles of <i>Tauhid</i> , social justice, and productive resource utilization.	Presents an ICG model for the nation of Uganda.

2	(Indrawaty & Wardayati, 2016)	Explanation of the relationship between ICG and ISR in Indonesian Islamic banks	qualitative	The ISR report illustrates the effectiveness of ICG implementation.	Discusses ICG on Islamic banking in relation to ISR.
3	(Maghrib & Alhajam, 2018)	Propose a framework for the governance of waqf institutions.	Library research	Trust is the key to the development of ICG	Primarily presents the ICG concept based on previous literature.
4	(Sani et al., 2021)	Analyzing the application of good governance The institution of zakat is composed of accountable administrators and leaders. Informational clarity. Melaka Islamic Religious Council's disclosure practices and constituent management (MAIM)	qualitative	good governance practices in these two institutions, but not optimal	This study evaluates the technical implementation of ICG by two zakat institutions in Malaysia.
5	(Razak, 2018)	discusses the concept of centralizing corporate governance within Islamic financial institutions	critical legal studies approach	Lack of standardization or, alternatively, a diverse approach to corporate governance on the part of IFI in all Islamic banking areas	This research critiques the use of ICG in Islamic banking.
6	(Rofiqoh et al., 2021)	Developing the Islamic Corporate Governance (ICG)-based cash waqf model.	Kualitatif	The three main things that make the ICG model of new entrepreneur-based cash waqf transferable are: (1) the addition	This study offers an ICG cash waqf model based on entrepreneurs.

				of waqif, the involvement of the general public, and the selection of permanent donors; (2) the productivity of cash waqf funds is meant for qardhul hasan financing for the qualifications of seedlings, shoots, business development, and other financing; and (3) job training in potential sectors is a multi-benefit project development strategy.	
7	(Syamsuri et al., 2020)	The practice of management accountability in waqf institutions should be analyzed, as demonstrated by the waqf manager of Pondok Modern Darussalam Gontor (PMDG).	qualitative	PMDG has implemented the vision, mission, and objectives of the Gontor Waqf Charter and implemented Islamic corporate management with an awareness of waqf governance accountability. Waqf assets are mapped by increasing the productivity of different business units, expanding and using land assets every year, and following the waqf motto,	This study explores the governance practices of Gontor Islamic Boarding School.

				"waqf must always move."	
8	(Heni & Emawati, 2022)	to evaluate the influence of Islamic corporate governance, Islamic social reporting, and Islamicmaqashid pada bank syariah di Indonesia	Quantitative	The board of directors variable has a probability of 0.8720, which is greater than or equal to 0.05, and a coefficient of 0.002718. This indicates that the board of directors variable has no significant effect on maqashid sharia, thus rejecting the hypothesis. b. The coefficient value for the independent board of commissioners variable is 0.320162 and its probability is 0.0018, less than 0.05 or 0.05. This demonstrates that the independent board of commissioners has a substantial impact on maqashid sharia, thus supporting the hypothesis.	This research makes use of the ICG variable ISR
9	(Huda, 2020)	It analyzes the exciting paradigm of fiqh as a legal foundation for the development of corporate waqf and identifies its characteristics.	qualitative	the establishment of a new waqf management body, the right to use hybrid waqf as a waqf function, and the implementation of istibdal waqf	This study utilized an Islamic law methodology to identify the waqf paradigm.

				becoming more flexible and straightforward. finance authorities' transformation of self-management capabilities, waqf, and waqf stock administration	
10	(Saad et al., 2016)	Evaluating the best practices of selected waqf entities in Malaysia and Saudi Arabia	qualitative	This waqf entity has taken a creative approach to making waqf programs and trying out new ways to manage and invest waqf property.	This research evaluates waqf practices in Malaysia and Saudi Arabia.
11	(Ahmad & Rasyid, 2016)	Research on corporate governance Zakat and waqf institutions in Nigeria in the context of existing law	library research	Adding high-level corporate governance to zakat and sector waqf will help them do their jobs better and reach their goals.	This study uses an Islamic law approach to discuss ICG.
12	(Badshah & Bulut, 2020)	look at the role of Islamic corporate governance as a whole in the context of long-term financial success.	qualitative	It shows a strong positive correlation between ICG and the financial sustainability of organizations in Turkey.	This study looks at how the performance of Turkey's financial institutions changed after ICG was put into place.
13	(Sano & Kassim, 2021)	To work on making a good system for waqf (Islamic waqf) in the Republic of	Library research	I propose fundamental reform measures This includes approving	This study develops an Islamic waqf governance

		Guinea. This will help boost socio-economic activities and get rid of poverty in this country.		codified general laws that govern waqf affairs in the country as a whole and setting up a special supervisory body and a competent management body to make sure the agency works well in the country.	framework for the nation of Guinea.
14	(Alner, 2022)	Analyze the rules and standards that the Saudi Waqf Authority is currently using to run and control local waqf institutions.	qualitative	Several recommendations have been made for the adoption of best Waqf practices, regulations, and governance.	This study reveals some of the challenges and obstacles facing Saudi Arabia's waqf practice.
15	(Sadek et al., 2018)	Compare the concept of corporate governance from the western and Islamic perspectives. regarding the definition and function of corporate governance in Islamic financial institutions.	qualitative	According to both Western and Islamic perspectives, corporate governance is a responsibility that all organizations must uphold. Nonetheless, this corporate governance structure incorporates diverse philosophies, tasawwur, and ideas. In addition, the conventional concept evolved from Western culture and	Peneitian ini membandingkan konsep good governance dari sudut pandang barat maupun islam

				<p>beliefs, which renders it contrary to Sharia 'and potentially difficult to implement in Islamic businesses. Second, as noted in the aforementioned literature, Islamic corporate governance is not new; it was observed by the Prophet Muhammad (S.A.W.) and mentioned in the Quran and Al-Sunnah. Incorporating the principles of monotheism, freedom, and duty, as well as</p>	
16	(Kam aruddi n & Hanef ah, 2021)	The goal of this research is to look at and compare how Malaysian waqf institutions run waqf governance right now.	qualit ative	<p>moderate waqf governance practices in three categories: waqf governance policies, waqf governance boards, and waqf governance processes. This study also finds that the way waqf institutions are run is affected by how they are turned over to corporations.</p>	This study focuses on governance practices in Malaysian waqf institutions.



17	(Abdullah, 2020)	to look into the potential role of Waqf (Islamic waqf or philanthropy) institutions in the alleviation of poverty and socioeconomic development of Indian Muslims.	qualitative	Waqf in India consists of one of the largest collections of Waqf properties in the world and has a greater potential than is commonly believed.	This study identifies the challenges and issues with waqf that India faces.
18	(Istrefi, 2020)	Analyze the significant differences that have highlighted the need to develop alternatives to conventional models.	Kualitatif	In the Islamic model, corporate governance is founded on religious principles, with God and Islam as its primary participants. This differs from conventional philosophy, which emphasizes material and fundamental aspects.	This research confirms the principle of monotheism-based ICG
19	(Ramli et al., 2019)	To look at the relevant research on how to measure performance for waqf institutions and to come up with a good model for judging how well waqf institutions are doing.	qualitative	Waqf institutions can have good governance if they have a reliable internal control system. A performance measurement system based on sharia that looks at both qualitative and quantitative aspects of his current behavior.	This research develops a model for assessing the performance of waqf institutions.

According to the table above, numerous studies, including research, have focused on Islamic corporate governance in waqf institutions in a country; (Ahmed et al., 2015), (Sani et al., 2021), (Rofiqoh et al., 2021), (Saad et al., 2016), (Badshah & Bulut, 2020), (Sano & Kassim, 2021), (Alnemer, 2022), (Kamaruddin & Hanefah, 2021), (Abdullah, 2020).

Several studies have proposed a model for improving the governance of waqf institutions, both as regulators and as waqf fund managers, in order to restore the social justice function of waqf. Several more studies have tried to compare how Islamic philanthropic institutions in Islamic countries run their businesses.

The researcher included four articles discussing Islamic corporate governance in commercial Islamic financial institutions out of the total of nineteen. (Sadek et al., 2018), (Heni & Emawati, 2022), (Razak, 2018), (Wisandiko, Firman Adhar Indarwati, 2020). This research focuses on Islamic corporate governance in Islamic banking as its central topic. This indicates that the practice of Islamic corporate governance in Islamic banking can be used to describe the requirements of Islamic corporate governance in other Islamic financial institutions. All four of these articles come to the same conclusion: Islamic social reporting (ISR) is often linked to Islamic corporate governance (ISR).

Using the tools at <https://www.connectedpapers.com>, researchers randomly selected a subset of Scopus-indexed journal articles during their article search. Together with the growth of waqf in various Islamic nations, this demonstrates that Islamic corporate governance has become a global concern. The majority of the 19 articles utilized qualitative research methods with varied approaches.

The research focus of the 19 articles listed above diverge significantly. The research focus of each article is summarized in the table below.

Focus of Research	ICG Model	Islamic Banks ICG Practices	ICG Practices	Potential and waqf fiqh
Total of Articles	5	4	7	3

According to the table above, research on ICG practice comprises the greatest number of articles. Multiple Islamic nations do not adhere to a standard ICG practice, so this conclusion can be drawn. If the focus of this research is on the fact that several universities in Indonesia are helping to set up waqf institutions, then the ICG concept that can be used in waqf institutions that are part of a university setting is needed.

**CONCLUSION**

Along with the development of the waqf instrument as a sharia economic study, waqf research has changed in important ways. For example, the question of Islamic corporate governance in waqf institutions has become more important. This is done

to ensure that the community's trust is maintained and that the focus of research on ICG practice remains an intriguing topic for scholars. According to the findings of the available research, there are still a small number of individuals who practice waqf in institutions, particularly university-established waqf institutions.

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