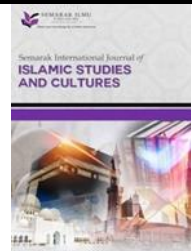




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Waqf –Takaful Compensation Model: The Documentation Framework Index (DFI) Towards Good Governance Practices and Sustainability of Takaful Companies in Malaysia

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ABSTRACT

The concept of Waqf in Takaful refers to the distribution of Takaful contributor death compensation benefits to selected religious institutions for Waqf property. In this given context, the Waqf is established upon the contributor's death, and the compensation received by the Waqf beneficiary will be utilized for religious welfare until the culmination of time on the day of judgment. Therefore, this study focused on the level of implementation of the Waqf-Takaful Compensation Model toward good governance practices and sustainability of takaful companies, using a Documentation Framework Index (DFI) which was developed based on the data collected from 106 takaful agents who were involved directly throughout the introduction of Waqf-Takaful Compensation Scheme until 2022. It was found that 88% of Takaful Agency documented the percentage of the death compensation to participants by choice. Followed by 81% of Takaful Agency declared participants have the right to decide the percentage of the Waqf to be contributed to religious institutions and 79% of Takaful Agency restricted participants can only Waqf the percentage of death compensation not to an individual but to religious institutions. However, there are still some weaknesses in several elements of documentation and marketing of Waqf –Takaful Compensation Scheme by Takaful companies that needs some improvement. Therefore, the Waqf-Takaful Compensation Model, facilitated by the Documentation Framework Index, presents a forward-looking approach that aligns with Islamic principles based on waqf and Takaful compensation practices which promotes good governance, fosters sustainability, and contributes to the overall growth and positive impact of the Takaful industry in the country. However, successful implementation of the Waqf-Takaful Compensation Model requires collaborative efforts from various stakeholders, including regulators, Takaful operators, scholars, and the community. Adequate awareness, education, and buy-in are essential for the widespread adoption of this innovative model.

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1. Introduction

Bank Negara Malaysia in the Takaful report in 2019 [1] shows that the total compensation received by customers is RM5.345 billion. In 2019, the Life Insurance Associations of Malaysia (LIAM) Report in its report showed an increase in overall compensation claims amounting to RM 10,831,524,433 and increased to RM11,935,309,565. Of these total claims, death compensation increased from 2018 by RM1.422 billion to RM1.518 billion in 2019 [2].

In 2020 the takaful death compensation for all takaful companies in Malaysia in that year was as much as RM809,632,862 which is close to RM810 million. This amount is very beneficial to takaful contributors across the country. This figure has shown an increase in 2021 when total death claims by takaful institutions amount to RM1,023,743,130 [3]. Based on the above-mentioned statistics, if the takaful companies provide a share of one-third in death compensation for both 2020 and 2021 @30% of the overall participant death compensation, we find that nearly RM240 million in 2020 and RM300 million in 2021 can be used for Waqf.

The Takaful industries are fast in their business. There are 12 family/life Takaful companies in Malaysia as of 2020 and it was established based on cooperation and mutual assistance as it is widely used in the commercial sector but only three companies Takaful Ikhlas Family Berhad, Etiqa Takaful Company and Zurich Takaful Malaysia Berhad Company offered Waqf opportunities through the death compensation of Takaful products [4].

Since only a small number of Takaful companies actively introducing the Waqf-Takaful Scheme in Malaysia, the context of a clear product such as "hibah" is used by almost all companies. Waqf only exists in terms of the distribution of death compensation. Takaful industry needs of broader Islamic Syiar spirit in introducing the takaful scheme by looking into a higher perspective on the concept of the Tabarru fund to the provision of the Waqf Fund for Takaful compensation benefits for the development of the socio-economic of the country. Waqf instrument works as a long-term reward given by Allah and also works as a death saving for life after death (by Muslim Prophet S. A. W. Hadith).

Three Takaful companies, Syarikat Takaful Ikhlas Family Berhad, Etiqa Bhd, and Zurich Takaful Malaysia, introduced opportunities for Waqf integration through Takaful product death compensations. The different approaches and procedures for administering Takaful-linked Waqf through death compensation benefits among takaful companies were crucial. For instance, Syarikat Takaful Ikhlas Family Berhad complies with the *Qias* and Hadith principles, which encourage the devotion of one-third of potential property, by limiting its death compensation allocation to a maximum of 30% [4]. In contrast, Zurich Takaful Malaysia Berhad follows the State Religious Council's discretion over where the entire death benefit may be directed. This diversity in methods emphasizes the need for consistent standards to enable equal and coordinated Waqf-Takaful Compensation implementation in the Takaful sector [5].

Many weaknesses exist in takaful operations especially in the distribution of death compensation to selected institutions of Waqf funds because there is a lack of disclosure in the standard framework or model that would cater for the problems [6].

Therefore, the objectives of this study were as follows:

- i. To examine the level of implementation in the procedure and management system of the Waqf-Takaful Compensation Model of Takaful Companies in Malaysia
- ii. To analyse the Waqf-Takaful Compensation Model-Documentation Framework Index (DFI) for Takaful Companies in Malaysia.

2. Literature Review

The concept of Takaful in Islam is based on the notion of mutual assistance (Ta'awun), mutual security and responsibility (Tadhamun), and mutual protection and assurance, incorporated into the concept of Tabarru' (donation) [7]. The Takaful system is based on the principle of collaboration, accountability, guarantee, protection, and reciprocal help among participants to ensure the mutual protection of members [8]. In Takaful, the term "Waqf" describes the allocation of Takaful contributor death payments to specific religious institutions in order to establish permanent Waqf property [9]. Waqf in Takaful can meet contributors' financial requirements and social needs at the same time [10]. In this case, the Waqf will continue to exist after the contributor dies, and the receiver of the Waqf will use the compensation received for religious welfare up until the Day of Judgment. Malaysia should seize this chance to instil a culture of waqf among Muslim communities since waqf is the life after death saving and it is a long-term reward given by Allah [11].

Hassan *et al.*, [6] case study on the Waqf Johor Unit (UWJ) and Waqf Selangor Corporation (PWS) found that effective management of Waqf Institution required 5 important management components which are manpower, marketing, administration, information and finances. The development of Waqf product innovations was crucial since it will give great benefit to those who are in need.

Rosele [4] conducted a case study on Waqf takaful implemented by Syarikat Takaful Malaysia Berhad (STMB) which offers two products namely general takaful and family takaful found that STMB Waqf takaful achieved success in 2002-2004 when the company manage to collect more than 5000 certificates. However, this product was discontinued from the market in 2009 due to uncertainty in the terms of the warranty contract that exists in the plan.

Naim *et al.*, [12] who conducted interviews with several Takaful Agents personnel found that the Waqf-Takaful Compensation plan did not receive good feedback from the public because most of the Takaful agents were not aware of Waqf Takaful Compensation models existed but they were more concerned on delivering the information to the customer regarding the benefits offered by the Waqf Takaful Compensation plan only.

Sulaiman & Zakari [14] claimed that effective risk management and financial sustainability were also important elements in examining the efficiency and effectiveness of a good governance framework for Waqf Institutions. Sulaiman & Zakari [14] also found that financial sustainability is achieved when a company's favourable operating margins, desirable revenue concentration (near zero), appropriate equity balances, and moderately high administrative costs due to well-managed Waqf fund, commercial assets, revenue concentration, asset fund/management expertise and the age of the institutions.

The development of good Waqf-Takaful governance requires takaful agents to understand the whole administration and operation process. Sulaiman *et al.*, [15] claimed that a well-design Waqf-Takaful Compensation needs to be run by well-knowledgeable professional officers and management who well well-versed in Waqf-Takaful systems for more excellent operations to achieve overall efficiency and effectiveness.

The Waqf funds and properties need to be managed more systematically. A new framework of Waqf-Takaful Compensation needs to be developed and continuous training for Takaful agents is a must to ensure the Waqf Takaful is run efficiently by the takaful company in Malaysia. Therefore, this study will focus on the level of implementation of the Waqf-Takaful Compensation Model toward good governance practices and sustainability using a Documentation Framework Index (DFI) which was developed based on the data collected from 106 Takaful Agents Takaful company who involved directly throughout the introduction of Waqf-Takaful Compensation Scheme in 2022.

3. Methodology

This study used a quantitative research method where a set of checklists named the Documentation Framework Index (DFI) were developed. A checklist was transferred to Google Forms and distributed to 106 respondents/takaful operators' staff who were involved in the product development department or unit using SPSS statistics software to run the Descriptive Analysis and the T-test result. From 150 Takaful Agents involved in completing the checklist of the Documentation Framework Index (DFI) only 106 Takaful Agents samples were taken and used since there were missing data in the checklist that failed to be filled in by the agents. The Documentation Framework Index (DPI) was first developed based on the study done by Wan Ab Rahaman & Yaacob [16], Hassan *et al.*, [6], Abdullah and Yaacob [17] and Abdullah [11]. Some modifications were made to the above study to suit the objectives of this study. The finalized Documentation Framework Index (DFI) was developed with 15 items as mentioned in Table 1 after consulting with several experts who have more than 5 years of experience in the standard procedure of documentation for the Wakaf-Takaful Compensation Scheme employed in this study. The unweighted method scores adopted with modification from the studies of Ahmad *et al.*, [18] and Arsad *et al.*, [19] were as follows:

$$WTC = \frac{\sum_{i=1}^n \sum_{j=1}^m m_{ij}}{n \times m} \quad (1)$$

*WTC = Documentation Framework Index (DPI)

*Nj = number of items expected for the company $n \geq$ items of each matter

*Mij = "3" if the items were documented/implemented by the company, the score "2" given if the item was partially documented /implemented by the company, and "1" if it was not documented /implemented by the company.

3.1 Documentation Framework Index (DFI)

The Documentation Framework Index (DFI) is a checklist developed to identify the Standard Operation Process in documenting the Waqf-Takaful Compensation Scheme run by 4 Takaful companies in Malaysia. Takaful Agents who have a direct connection with the participant go through the registration and documentation process. The Documentation Framework Index (DPI) will help to identify the level of understanding and implementation of 105 Takaful Agents who are involved in the Waqf-Takaful Compensation Scheme. The detailed items used in the Documentation Framework Index (DFI) were explained in detail in Table 1 as follows:

Table 1
Documentation Framework Index (DFI)

| Items | Description of Index |
|---------|---|
| DOCQC1 | Our organization provides a waqf option column in the death benefit nomination form. |
| DOCQC2 | The staff submit the absolute assignment of waqf to participants who wish to waqf and ensure the stamp duty must be attached by the participants |
| DOCQC3 | In the application form, it has been stated that participants can endow death compensation to religious institutions |
| DOCQC4 | Our takaful company provides absolute assignment forms to religious institutions other than to individuals |
| DOCQC5 | Do the participants acknowledge the existence of nomination for the Waqf option in death compensation benefits? |
| DOCQC6 | Is there a list of recipients of religious institutions as beneficiaries of death benefits? |
| DOCQC7 | Does the application form mention the choices of the percentage of the participant death compensation to be selected? |
| DOCQC8 | Can the participant have the choice to choose any religious institution to submit the waqf? |
| DOCQC9 | Can the client choose the percentage of death compensation they want to waqf to a religious institution? |
| DOCQC10 | A special position has been created to provide training to staff and agency personnel in promoting waqf takaful |
| DOCQC11 | Is there a department in your company that processes death compensation? |
| DOCQC12 | Is there any statistical record regarding the waqf benefit to religious institutions been recorded? |
| DOCQC13 | Did your company hand over a certain amount of death compensation to some religious institutions for these 5 years? |
| DOCQC14 | There are promotional materials such as posters/pamphlets/flyers to the community about giving waqf to religious institutions from the death compensation |
| DOCQC15 | Our organization provided a certificate stating the percentage of waqf to our client |

The collected data was represented in Table 2 whereby the descriptive analyses such as mean score, frequency, percentage and standard deviation were used to explain the profile of the respondents as well as each item in this study. Furthermore, this study also performs reliability analysis to check the value of Cronbach alpha and an inferential analysis namely the T-Test.

Table 2
Summary of the Variables

| Variables | Proxies | Symbol |
|--------------------|--|--------|
| Gender | 1. Male, 2.Female | GEND |
| Religious | 1. Muslim,2.Non-Muslim | RELIG |
| Type of Employment | 1. Company Staff(salaried) 2. Marketing Agency (Commission) | EMPL |
| Year of Experience | 1. 0-5 years,2.6-10 years, 3. 11-15 years, 4. More than 16 years | EXPE |
| Type of Company | 1. Etiqa Family Takaful Bhd, 2. Takaful Ikhlas Family Bhd, 3. Takaful Malaysia Family Bhd, 4. Zurich Takaful Malaysia Bhd | COMP |

4. Results and Discussion

The collected data was analysed using IBM SPSS Statistics software for statistical analysis whereby the descriptive analyses such as mean score, frequency, percentage and standard deviation were used to explain the profile of the Takaful Agents as well as each item in the Documentation Framework Index (DFI). The Independent Samples T- Test analysis is also done to compare two sample means to determine whether the population means are significantly different. Furthermore, this study also performed normality testing and the rule of thumb stated that a variable is close to normal if its skewness and kurtosis had a value between -10 and +10 as mentioned by Brown [20] since the data were less than 300. Table 3 shows all the data that were normally except for the Religious. It cannot be avoided that most Takaful Agents were Muslim compared to Non-Muslim.

Table 3
Descriptive Analysis

| | Min | Max | Mean | Std. Deviation | Skewness | Kurtosis |
|------------|-----|-----|------|----------------|----------|----------|
| GENDER | 1 | 2 | 1.26 | 0.443 | 1.085 | -0.838 |
| RELIGIOUS | 1 | 2 | 1.02 | 0.137 | 7.174 | 50.423 |
| EMPLOYMENT | 1 | 2 | 1.88 | 0.330 | -2.334 | 3.513 |
| EXPERIENCE | 1 | 4 | 2.48 | 1.236 | 0.029 | -1.612 |
| COMPANY | 1 | 4 | 2.05 | 1.064 | 0.873 | -0.431 |
| DOCQC1 | 1 | 3 | 2.55 | 0.758 | -1.301 | 0.029 |
| DOCQC2 | 1 | 3 | 2.59 | 0.629 | -1.300 | 0.581 |
| DOCQC3 | 1 | 3 | 2.54 | 0.719 | -1.229 | 0.047 |
| DOCQC4 | 1 | 3 | 2.68 | 0.594 | -1.702 | 1.821 |
| DOCQC5 | 1 | 3 | 2.49 | 0.759 | -1.100 | -0.362 |
| DOCQC6 | 1 | 3 | 2.22 | 0.840 | -0.431 | -1.451 |
| DOCQC7 | 1 | 3 | 2.78 | 0.516 | -2.373 | 4.794 |
| DOCQC8 | 1 | 3 | 2.58 | 0.660 | -1.333 | 0.529 |
| DOCQC9 | 1 | 3 | 2.70 | 0.588 | -1.820 | 2.229 |
| DOCQC10 | 1 | 3 | 2.25 | 0.805 | -0.498 | -1.283 |
| DOCQC11 | 1 | 3 | 2.35 | 0.691 | -0.588 | -0.753 |
| DOCQC12 | 1 | 3 | 2.20 | 0.709 | -0.305 | -0.966 |
| DOCQC13 | 1 | 3 | 2.49 | 0.621 | -0.815 | -0.318 |
| DOCQC14 | 1 | 3 | 2.13 | 0.794 | -0.242 | -1.370 |
| DOCQC15 | 1 | 3 | 2.30 | 0.719 | -0.525 | -0.915 |

Table 4 below shows the demographic breakdown of the 105 samples used in this study. It was found that the majority of the takaful agents 74% were male and the others (26%) were female takaful agents. Most of the takaful agents were Muslim (98%) compared to non-Muslim 2%. The employment status of the agents involved in this investigation majority was from Marketing Agencies paid based on commission (88%) and the remaining 12% were from permanent staff paid with monthly salary. The level of experience among the takaful agents showed that most of them were junior agents (less than 10 years) at 51% and senior agents (more than 11 years) at 49%. The study reported, that 44% of the takaful agents engaged in this study were from Takaful Ikhlas Family Bhd, 35% from Etiqa Family Takaful Bhd, 19% from Zurich Takaful Malaysia Bhd and the rest (2%) from Takaful Malaysia Keluarga Bhd.

Table 4
Demographic Breakdown of the Sample (N=104)

| Demographic Information | | Frequency | Percentage |
|-------------------------|-------------------------------|-----------|------------|
| Gender | Male | 78 | 73.6% |
| | Female | 28 | 26.4% |
| | Total | 106 | 100% |
| Religious | Muslim | 104 | 98.1% |
| | Non-Muslim | 2 | 1.9% |
| | Total | 106 | 100% |
| Employment | Company staff (Salary) | 13 | 12.3% |
| | Marketing Agency (Commission) | 93 | 87.7% |
| | Total | 106 | 100% |
| Experience | 0-5 years | 34 | 32.1% |
| | 6-10 years | 20 | 18.9% |
| | 11-15 years | 19 | 17.9% |
| | More than 16 years | 33 | 31.1% |
| | Total | 106 | 100% |
| Takaful Company | Etika Family Takaful Bhd | 37 | 34.9% |
| | Takaful Ikhlas Family Bhd | 47 | 44.3% |
| | Takaful Malaysia Keluarga Bhd | 2 | 1.9% |
| | Zurich Takaful Malaysia Bhd | 20 | 18.9% |
| | Total | 106 | 100% |

4.1 Descriptive Analysis of Documentation Framework Index (DFI)

This study employed a set of 15 items to evaluate the Documentation Framework Index (DFI). Each item in the DFI represented the level of implementation toward good governance practices of the documentation standard in the Waqf-Takaful Compensation Model implemented by the Takaful companies in Malaysia. Table 5 below indicates the 5 highest and 5 lowest Documentation Framework Index (DFI) scores in percentage.

It was found that DOCQC7 had the highest percentage (88%) when the Takaful Agencies documented the percentage of the death compensation required by the participants. The second highest percentage is 81% which claimed the autonomy given to the participants in determining the percentage of their Waqf contribution and selecting the intended religious institution as the beneficiary. The third highest percentage 76.4% revealed that Takaful Agency participants were limited to contributing their Waqf percentage of the death compensation to a legal religious institution rather than an individual. However, the lowest percentage of 36.8% indicated that Takaful Agency participants did not have access to a standardized list of religious institutions in the provided form. Followed by 38.7% of participants claimed a lack of promotional materials such as posters, pamphlets, or flyers in their community regarding waqf contributions from death compensation to religious institutions. Table 5 presents the overall finding of the descriptive analysis of each item employed based on the unweighted index percentage to calculate the mean and standard deviation score for the Documentation Framework Index (DFI) developed in this study. To further examine the result of this study a set of T-test analyses was done to value each item separately and identify the significant effect changes in means values of each item in the indexes which are clearly explained below in Table 6.

Table 5
The Descriptive Analysis of Documentation Framework Index (DFI)

| CODE | DOCUMENTATION FRAMEWORK INDEX | NO | | UNCERTAIN | | YES | | MEAN | STD DEV |
|-------------|---|-----|------|-----------|------|-----|------|------|------------|
| | | 1 | | 2 | | 3 | | | |
| | | NO. | % | NO. | % | NO. | % | | |
| DOC QC1 | Our organization provides a waqf option column in the death benefit nomination form | 17 | 16.0 | 14 | 13.2 | 75 | 70.8 | 2.55 | 0.758 |
| DOC QC2 | The staff submit absolute assignment of waqf to participants who wish to waqf and ensures the stamp duty must be attached by the participants | 8 | 7.5 | 27 | 25.5 | 71 | 67.0 | 2.59 | 0.629 |
| DOC QC3 | In the application form, it has been stated that participants can endow death compensation to religious institutions | 14 | 13.2 | 21 | 19.8 | 71 | 67.0 | 2.54 | 0.719 |
| DOC QC4 | Our takaful company provides absolute assignment forms to religious institutions other than to individuals | 7 | 6.6 | 20 | 18.9 | 79 | 74.5 | 2.68 | 0.594 |
| DOC QC5 | The participants acknowledge the existence of nomination for waqf option in death compensation benefits? | 17 | 16.0 | 20 | 18.9 | 69 | 65.1 | 2.49 | 0.759 |
| DOC QC6 | Is there a list of recipients of religious institutions as beneficiaries of death benefits? | 28 | 26.4 | 27 | 25.5 | 51 | 48.1 | 2.22 | 0.840 |
| DOC QC7 | Is the application form mentioned the choices of percentage of the participant death compensation to be selected? | 5 | 4.7 | 13 | 12.3 | 88 | 83.0 | 2.78 | 0.516 |
| DOC QC8 | Can the participant have the choices to choose any religious institution to submit the waqf? | 10 | 9.4 | 24 | 22.6 | 72 | 67.9 | 2.58 | 0.660 |
| DOC QC9 | Can the client choose percentage of death compensation they want to waqf to a religious institution? | 7 | 6.6 | 18 | 17.0 | 81 | 76.4 | 2.70 | 0.588 |
| DOC QC10 | Special positions have been created in providing training to staff and agency personnel in promoting waqf takaful | 24 | 22.6 | 31 | 29.2 | 51 | 48.1 | 2.25 | 0.805 |
| DOC QC11 | Is there a department in your company that processes death compensation? | 13 | 12.3 | 43 | 40.6 | 50 | 47.2 | 2.35 | 0.691 |
| DOC QC12 | Is there any statistical record regarding the waqf benefit to religious institutions been recorded? | 18 | 17.0 | 49 | 46.2 | 39 | 36.8 | 2.20 | 0.709 |
| DOC QC13 | Did your company hand over a certain amount of death compensation to some religious institutions for these 5 years? | 7 | 6.6 | 40 | 37.7 | 59 | 55.7 | 2.49 | 0.621 |
| DOC QC14 | There are promotional materials such as posters/pamphlets/flyers to the community about giving waqf to religious institutions from the death compensation | 27 | 25.5 | 38 | 35.8 | 41 | 38.7 | 2.13 | 0.794 |
| DOC QC15 | Our organization provided a certificate stating the percentage of waqf to our client | 16 | 15.1 | 42 | 39.6 | 48 | 45.3 | 2.30 | 0.719 |

4.2 Overall T-Test Result-Rank by Highest Score

The T-test is a statistical test that is used to compare the means of two or more groups. Based on Table 6 below, the analysis demonstrates that the three highest T-values, namely DOCQC7, DOCQC9, and DOCQC4 were significant with the changes in mean value difference among other items used in this study. Referring to Table 6 below, DOCQC7 ($t=55.8$) were the highest score, where most of the Takaful Companies documented the choices of the percentage of the participant death compensation to be selected. The second highest score is DOCQC9 ($t=47.219$) where most of the Takaful Agents claimed that the form provided for the clients/participants stated the choices to choose the percentage of death compensation they want to Waqf to a religious institution. This finding was supported by the study done by Kamaruddin and Hanefah [13]. The third highest index was the DOCQC4 ($t=46.409$) which expressed that all Takaful Companies prepared absolute assignment forms to religious institutions other than to individuals to ensure only registered religious institutions were eligible to accept the Waqf and this finding was clearly mentioned in the study by Farouq *et al.*, [21].

The 3 lowest score based on the T-test was the DOCQC6 ($t=27.187$) which stated that most of the Takaful Companies did not have a list of recipients of religious institutions as beneficiaries of death benefits as a reference to the clients/participants to choose any registered religious institutions to accept the Waqf. The second lowest score was the DOCQC14 ($t=27.656$), which showed that most of the Takaful Agents agreed that they lacked promotional materials such as posters/pamphlets/flyers to the community about giving waqf to religious institutions from the death compensation. Lastly, the third lowest score is DOCQC12 ($t=31.902$) which pointed out that most of the Takaful Companies did not create special positions in providing training to staff and agency personnel in promoting waqf takaful and this finding seems to agree with Sulaiman, Hasan, Mohd Noor, Ismail and Noordin [15] statement that competent experts and proficient management are crucial for efficient Waqf-Takaful Compensation implementation and operations.

Table 6
The Overall T-Test Result-Rank by Highest Score

| CODE | DOCUMENTATION FRAMEWORK INDEX | t | df | Sig. (2-tailed) | Mean Difference | 95% Confidence Interval of the Difference | |
|----------|---|--------|-----|-----------------|-----------------|---|-------|
| | | | | | | Lower | Upper |
| DOC QC7 | Does the application form mention the choices of the percentage of the participant death compensation to be selected? | 55.477 | 105 | .000 | 2.783 | 2.68 | 2.88 |
| DOC QC9 | Can the client choose the percentage of death compensation they want to waqf to a religious institution? | 47.219 | 105 | .000 | 2.698 | 2.58 | 2.81 |
| DOC QC4 | Our takaful company provides absolute assignment forms to religious institutions other than to individuals | 46.409 | 105 | .000 | 2.679 | 2.56 | 2.79 |
| DOC QC2 | The staff submit the absolute assignment of waqf to participants who wish to waqf and ensure the stamp duty must be attached by the participants | 42.457 | 105 | .000 | 2.594 | 2.47 | 2.72 |
| DOC QC13 | Did your company hand over a certain amount of death compensation to some religious institutions for these 5 years? | 41.292 | 105 | .000 | 2.491 | 2.37 | 2.61 |
| DOC QC8 | Can the participant have the choice to choose any religious institution to submit the Waqf? | 40.324 | 105 | .000 | 2.585 | 2.46 | 2.71 |
| DOC QC3 | In the application form, it has been stated that participants can endow death compensation to religious institutions | 36.316 | 105 | .000 | 2.538 | 2.4 | 2.68 |
| DOC QC11 | Is there a department in your company that processes death compensation? | 35.018 | 105 | .000 | 2.349 | 2.22 | 2.48 |
| DOC QC1 | Our organization provides a waqf option column in the death benefit nomination form | 34.616 | 105 | .000 | 2.547 | 2.4 | 2.69 |
| DOC QC5 | Do the participants acknowledge the existence of nomination for the Waqf option in death compensation benefits? | 33.783 | 105 | .000 | 2.491 | 2.34 | 2.64 |
| DOC QC15 | Our organization provided a certificate stating the percentage of waqf to our client | 32.944 | 105 | .000 | 2.302 | 2.16 | 2.44 |
| DOC QC12 | Is there any statistical record regarding the waqf benefit to religious institutions been recorded? | 31.902 | 105 | .000 | 2.198 | 2.06 | 2.33 |
| DOC QC10 | Special positions have been created in providing training to staff and agency personnel in promoting waqf takaful | 28.82 | 105 | .000 | 2.255 | 2.1 | 2.41 |
| DOC QC14 | There are promotional materials such as posters/pamphlets/flyers to the community about giving waqf to religious institutions from the death compensation | 27.656 | 105 | .000 | 2.132 | 1.98 | 2.28 |
| DOC QC6 | Is there a list of recipients of religious institutions as beneficiaries of death benefits? | 27.187 | 105 | .000 | 2.217 | 2.06 | 2.38 |

5. Conclusion

The Waqf-Takaful Compensation Model, facilitated by the Documentation Framework Index, presents a forward-looking approach that aligns with Islamic principles based on waqf and Takaful compensation practices which promotes good governance, fosters sustainability, and contributes to the overall growth and positive impact of the Takaful industry in the country. The Waqf-Takaful Compensation Model in Malaysia have some weaknesses in several elements of the documentation and marketing of Waqf-Takaful base product such as beneficiaries right, governance and procedure on death benefit of religious institution. To make Malaysia one of the centres of Islamic Financial Hub in Asia, especially in the Takaful industry, the government should enact laws for Waqf-Takaful Compensation standard operations by reviewing the management and governance of Waqf-Takaful Compensation Framework implemented by takaful companies in Malaysia. The successful implementation of the Waqf-Takaful Compensation Model requires collaborative efforts from various stakeholders, including regulators, Takaful operators, scholars, and the community. Waqf-Takaful Compensation Scheme has the potential to create productive social-economic ummah in Malaysia and is part of the national agendas towards Share Prosperity Vision 2020 (SPV 2030) and Sustainable Development Goal (SDG 1 & 2) since the sharing of prosperity in terms of wealth and health which gives the opportunity to takaful participation to *infak* their wealth to the needy and reduced the poverty level in Malaysia.

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