



Determining the Priority of the LKS-PWU Cash Waqf Aspect in Indonesia

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Cash waqf is one of the instruments of Islamic philanthropy that has great potential in supporting sustainable social and economic development in Indonesia. In the context of its management, Sharia Financial Institutions Recipients of cash Waqf (LKS-PWU) play a strategic role as an intermediary between waqif and mauquf 'alaih. However, the effectiveness of cash waqf management is largely determined by various institutional, managerial, regulatory, and operational aspects that do not yet fully have clear priorities. This study aims to identify the priority of important aspects in the management of LKS-PWU cash waqf in Indonesia based on the consensus of experts. The method used is the Delphi method involving 11 experts consisting of academics, practitioners, and regulators of waqf. The results of the study show that of the 23 aspects of LKS-PWU cash waqf analyzed, as many as 19 aspects have reached a consensus, while the other 4 aspects have not been agreed. The three aspects with the highest priority are management professionalism, management productivity, and community education. These findings affirm the importance of strengthening managerial capacity and the quality of cash waqf management as the main prerequisites in improving the performance and sustainability of cash waqf in Indonesia.

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INTRODUCTION

Waqf is one of the instruments of Islamic economics that has a dimension of worship as well as a socio-economic one. In its development, the concept of waqf is not only limited to immovable assets such as land and buildings, but also extends to cash waqf which is considered more flexible, productive, and adaptive to the needs of modern development (Cizakca, 2011; Kahf, 2003). In Indonesia, the development of cash waqf gained legal legitimacy through Law Number 41 of 2004 concerning Waqf and was strengthened by the role of LKS-PWU as the official institution managing cash waqf funds.

LKS-PWU Cash Waqf is a cash waqf mechanism in Indonesia administered through *Lembaga Keuangan Syariah Penerima Wakaf Uang* (LKS-PWU), which are Islamic financial institutions officially appointed by the Indonesian Waqf Board (BWI) to receive, manage, and safeguard wakaf uang (cash waqf) from donors (wakif). In practice, LKS-PWU functions as the authorized gateway for cash waqf collection and administration. The institution receives cash waqf deposits, issues Cash Waqf Certificates (Sertifikat Wakaf Uang), and ensures that the principal value of the waqf is preserved. The collected funds are then invested or managed in Sharia-compliant instruments, and the returns (not the principal) are distributed to designated beneficiaries (mauquf 'alaih) for social, educational, religious, and productive economic purposes.

The primary functions of LKS-PWU include receiving cash waqf from donors (wakif), issuing Cash Waqf Certificates, maintaining waqf accounts, and ensuring the preservation of the waqf principal. While LKS-PWU acts as the custodian and administrator, the role of waqf development and utilization is typically carried out in collaboration with nazhir (waqf managers), thereby creating a multi-layer governance structure.

Despite having enormous potential, the realization and performance of cash waqf in Indonesia still faces various challenges, ranging from institutional aspects, management professionalism, governance, community literacy, to regulatory and infrastructure support (Hasanah, 2018; Rusydiana & Devi, 2018). Various studies show that weak management and lack of public trust are the main inhibiting factors in optimizing cash waqf (Ascarya et al., 2021).

In this context, LKS-PWU is required not only to function as recipients of waqf funds, but also as an institution that is able to manage waqf money in a professional, transparent, and productive manner in

accordance with sharia principles and good governance. However, there are still various views on which aspects should be the main priority in strengthening LKS-PWU. Therefore, an approach is needed that is able to formulate the priority of the cash waqf aspect systematically based on the views of experts.

The Delphi method is seen as relevant for this purpose because it is able to accommodate expert assessments and consensus in situations where quantitative data is still limited and the issues being studied are multidimensional (Linstone & Turoff, 2002). By using this method, the research is expected to produce a more objective and applicable priority mapping of the LKS-PWU cash waqf aspect as the basis for the formulation of policies and strategies for the development of cash waqf in Indonesia.

METHODOLOGY

This study aims to find the priority aspects of LKS-PWU cash waqf in Indonesia. The data used are the results of interviews with academics, practitioners and regulators of waqf and Islamic economics in general. The total number of expert respondents was 11 experts. The application *Software* used as a tool is Microsoft Excel. The method used is the Delphi technique which is a qualitative method based on interviews with experts.

The Delphi method is a group process that involves interaction between researchers and a group of experts related to a specific topic, and through the help of questionnaires. This method is used to get a common point about future trends using a structured information collection process. This method is useful when the opinions and judgments of experts and practitioners are needed in solving problems.

This study will use the 3 most widely used statistical indicators in the application of the Delphi method, namely *mean* values, standard deviation values, and *interquartile range* or IR values. The first measure of convergence assessment is when the answers or assessments of all respondents have a standard deviation value of less than 1.5 (<1.5). The formula for standard deviation notation as already known is as follows.

$$s = \sqrt{\frac{\sum(x_i - \bar{x})^2}{n-1}} \quad \text{or} \quad \sqrt{\frac{\sum x_i^2 - \frac{(\sum x_i)^2}{n}}{n-1}}$$

Where:

x = respondent A's answer to instrument n

\bar{x} = average respondents' answers to instrument n

The next measure is the consensus assessment or convergence where the answers or assessments of all

respondents have an *Interquartile Range* value or IR of less than 2.5. The calculation of the IR value is the difference between the upper and lower quartiles (IR = Q3 – Q1), where the quartile value formula is as follows.

$$Q_1 = \frac{x_{(\frac{n-1}{4})} + x_{(\frac{n+3}{4})}}{2}$$

$$Q_2 = x_{(\frac{2(n+1)}{4})}$$

$$Q_3 = \frac{x_{(\frac{3n+1}{4})} + x_{(\frac{3n+5}{4})}}{2}$$

The measurement to express the convergence or consensus level of all variables is when the standard values of the deviation <1.5 and the *value of the interquartile range* <2.5. If one of the indicators does not meet the requirements, then the variable is declared non-convergent or not agreed (divergent). Meanwhile, for variables that have met the requirements, the next step

is to rank with the highest average value for each variable that reaches consensus (convergent).

RESULTS

Based on literature studies, there are at least 23 aspects of LKS-PWU cash waqf in Indonesia, namely: (1) Number of assets, (2) Financial performance, (3) Administrative completeness, (4) Experience & reputation, (5) Management professionalism, (6) Contract structure, (7) Socialization media, (8) Time frame, (9) Management productivity, (10) Public education, (11) Managerial ability, (12) Clarity of strategy, (13) HR certification, (14) Sharia principles guidelines, (15) Waqf PSAK Standards, (16) Nadzir Development, (17) Management Guarantees, (18) Sanctions for violations, (19) Government Policies, (20) Waqf Socialization, (21) IT Network, (22) Office Network, (23) Distribution of mauqf alaih. Of the 23 elements of the LKS-PWU cash waqf aspect in Indonesia above, the following is a complete answer in the form of weights given by the 11 expert respondents.

Table 1. Expert Respondent Answer Results

LKS-PWU CASH WAQF ASPECTS	R1	R2	R3	R4	R5	R6	R7	R8	R9	R10	R11
Number of Assets	5	5	6	9	8	4	5	7	7	6	7
Financial Performance	5	8	7	8	8	6	7	9	8	8	8
Administrative Completeness	5	8	5	8	8	5	8	7	8	7	7
Experience & Reputation	5	5	8	7	8	7	8	8	7	7	7
Management Professionalism	6	8	9	9	9	8	9	9	9	8	8
Contract Structure	5	9	6	9	8	7	7	9	7	8	7
Socialization Media	6	9	8	9	9	6	8	8	8	8	8
Term	5	7	3	8	8	5	6	9	7	7	7
Productivity Management	6	8	7	9	9	8	9	9	8	8	8
Community Education	7	8	9	9	9	4	8	9	9	9	8
Managerial Skills	5	8	8	9	8	7	8	8	8	8	8
Strategy Clarity	6	7	9	8	8	8	9	9	8	9	8
HR Certification	5	7	7	9	8	6	7	7	9	7	7
Sharia Principles Guidelines	5	9	7	9	9	8	9	8	8	8	8
PSAK Waqf Standards	5	8	5	8	7	6	8	7	7	7	7
Nadzir Construction	6	8	7	8	7	5	8	7	7	7	7
Management Guarantee	5	6	4	9	9	4	8	8	6	6	7
Violation Sanctions	5	7	6	9	9	2	7	8	8	7	7
Government Policy	5	9	8	8	7	7	9	8	9	8	8
Waqf Socialization	6	9	9	8	8	3	9	9	9	9	8
IT Network	5	7	7	9	9	7	9	9	8	7	7
Office Network	6	6	6	8	9	8	8	7	8	8	8
Distribution of Mauqf Alaih	6	8	8	9	9	6	8	8	7	8	7

In the application of the Delphi method, there are 3 most widely used statistical indicators, namely *mean* values, standard deviation values, and *interquartile range* or IR values. Based on the results of the data processing

that has been carried out, the priority calculation of the aspect of LKS-PWU cash waqf in Indonesia is as attached in the following table.

Table 2. Delphi Calculation Results of LKS-PWU Cash Waqf Aspect

LKS-PWU CASH WAQF ASPECTS	Q1	Q2	Q3	IR	STDEV	CONSENSUS		MEAN	RANK
						IR	STDEV		
Number of Assets	5	6	7	2	1.42	Converge	Converge	6.273	23
Financial Performance	7	8	8	1	1.076	Converge	Converge	7.445	12
Administrative Completeness	6	7	8	2	1.24	Converge	Converge	6.909	18
Experience & Reputation	7	7	8	1	1.044	Converge	Converge	7.000	16
Management Professionalism	8	8.5	9	1	0.881	Converge	Converge	8.364	1
Contract Structure	7	7	8.5	1.5	1.233	Converge	Converge	7.455	12
Socialization Media	8	8	8.5	0.5	0.996	Converge	Converge	7.909	6
Term	5.5	7	7.5	2	1.616	Converge	Divergent	6.545	21
Productivity Management	8	8	9	1	0.9	Converge	Converge	8.091	2
Community Education	8	8.5	9	1	1.443	Converge	Converge	8.091	2
Managerial Skills	8	8	8	0	0.962	Converge	Converge	7.727	9
Strategy Clarity	8	8	9	1	0.9	Converge	Converge	8.091	2
HR Certification	7	7	7.5	0.5	1.113	Converge	Converge	7.182	15
Sharia Principles Guidelines	8	8	9	1	1.128	Converge	Converge	8.000	5
PSAK Waqf Standards	6.5	7	7.5	1	1.029	Converge	Converge	6.818	19
Nadzir Construction	7	7	7.5	0.5	0.853	Converge	Converge	7.000	16
Management Guarantee	5.5	6	8	2.5	1.725	Divergent	Divergent	6.545	21
Violation Sanctions	6.5	7	8	1.5	1.898	Converge	Divergent	6.818	19
Government Policy	7.5	8	8.5	1	1.113	Converge	Converge	7.818	8
Waqf Socialization	8	8.5	9	1	1.781	Converge	Divergent	7.909	6
IT Network	7	7	9	2	1.226	Converge	Converge	7.636	10
Office Network	6.5	8	8	1.5	0.988	Converge	Converge	7.455	12
Distribution of Mauquf Alaih	7	8	8	1	0.979	Converge	Converge	7.636	10

Based on table 2, in general of the 23 variables of the LKS-PWU cash waqf aspect, 19 variables have been agreed upon by experts and only 4 variables have not been agreed. The four variables that are not agreed upon regarding the aspect of LKS-PWU cash waqf in Indonesia are related to the time period, management guarantees, sanctions for violations and waqf socialization.

Meanwhile, the order of the most important variables in the sharia audit issue in zakat institutions in Indonesia is: (1) Management professionals, (2) Management productivity, (2) Public education, (2) Clarity of strategy, (5) Sharia principles guidelines, (6) Socialization media, (8) Government policies, (9) Managerial skills, (10) IT Network, (10) Distribution of mauquf alaih, (12) Financial performance, (12) Contract structure, (12) Office network, (15) HR certification,

(16) Experience & reputation, (16) Nadzir Coaching, (18) Administrative completeness, (19) PSAK waqf standards, and (23) Number of assets.

The results of data processing using the Delphi method showed that of the 23 aspects of LKS-PWU cash waqf identified through a literature study, as many as 19 aspects have reached a consensus level among experts, while the other 4 aspects were declared to have not converged. This high level of consensus indicates that there is a relatively strong understanding among experts regarding the key factors that affect the performance of cash waqf management in Indonesia.

The highest-ranked aspect was management professionalism, which obtained the highest average score (mean = 8.364) with a low dispersion rate. This finding confirms that the quality of human resources, management systems, and institutional governance are

the main foundations in the management of cash waqf. This is in line with the views of Kahf (2003) and Cizakca (2011) who emphasized that the success of modern waqf is highly determined by the professionalism of nadzir and management institutions.

The second rank is occupied by management productivity, which reflects the ability of LKS-PWU to develop waqf funds optimally and sustainably. Cash waqf is not only required to be sharia-safe, but also productive so that the benefits can be widely felt by mauquf 'alaih (Ascarya et al., 2021). This productivity is closely related to investment instrument innovation, risk management, and adaptability to economic dynamics.

Furthermore, public education and clarity of strategy also ranked high with the same average score. The low literacy of waqf money in the community has been the main obstacle in the collection of waqf funds (Hasanah, 2018). Therefore, strengthening education and socialization based on a clear strategy is an important prerequisite for increasing public participation and trust in LKS-PWU.

On the other hand, there are four aspects that have not reached a consensus, namely the waqf period, management guarantees, violation sanctions, and waqf socialization. This disagreement shows that there is a difference of opinion among experts regarding the urgency and implementation of these aspects. For example, the debate on management guarantees reflects the dilemma between the prudential principle and the characteristics of waqf which are fiqh trustworthy and non-commercial.

Overall, the results of this study strengthen the argument that the development of cash waqf in Indonesia is not enough to rely solely on regulatory aspects or fundraising, but must begin with strengthening the internal capacity of LKS-PWU, especially in the aspects of professionalism, productivity,

and management strategies. These findings also provide an empirical basis for regulators and stakeholders to formulate more targeted and priority-based policies.

CONCLUSION

This study aims to identify the priority of important aspects in the management of LKS-PWU cash waqf in Indonesia. Based on the results of the calculation, in general, of the 23 variables of the aspect of LKS-PWU cash waqf in Indonesia, 19 variables have been agreed upon by experts and only 4 variables have not been agreed. From the results of the calculation using the Delphi method, the 3 main priorities of the LKS-PWU cash waqf aspect in Indonesia are (1) Management professionals, (2) Management productivity, and (3) Community education.

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