

Accountability in managing waqf properties: the case of two State  
Religious Councils in Malaysia

by

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## Declaration

The work presented in this thesis is my own except where explicitly stated otherwise in the text. This work has not been submitted for any other degree or award in any other university or educational establishment.

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## **ABSTRACT**

This study investigates how waqf officers in two State Religious Councils (SRCs) in Malaysia undertake their responsibilities and duties of accountability to inform and improve the management of waqf properties for the benefit of beneficiaries and the public.

The thesis uses the concept of holistic accountability by O'Dwyer & Unerman (2008) to conceptualise the relationship between waqf officers (accountors) and waqf stakeholders (accountees). Two key components of holistic accountability are identified, i.e., hierarchical upward and downward accountability. The religious setting of waqf presents an opportunity to examine how Islamic values influence the way holistic accountability is enacted and experienced. The thesis uses the concept of felt accountability to assess the extent to which this occurs.

Semi-structured interviews are employed to understand the waqf officers' perception of the extent to which they discharge their responsibilities and duties of accountability. This data collection method is complemented by non-participant observation and documentary analysis.

The study finds that Islamic values, such as belief in the Day of Judgement, encourage the officers to undertake their responsibility and duty of accountability in a proactive and creative way. This is explained in the thesis as felt accountability, an individualised perception of accountability that provides a powerful motivation for waqf officers to discharge their downward accountability. However, the study also finds that the impact of felt accountability on holistic accountability is influenced by the organisational structure of the SRC. Hierarchical structures may constrain officers' felt accountability whilst decentralised structures may offer too much flexibility to waqf officers.

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## **LIST OF ABBREVIATIONS**

<b>DWO</b>	<b>District waqf officer</b>
<b>LSP</b>	<b>Local service provider</b>
<b>MRI</b>	<b>Magnetic resonance imaging</b>
<b>MRT</b>	<b>Middle range thinking</b>
<b>NLC</b>	<b>National Land Code</b>
<b>SRC</b>	<b>State Religious Council</b>
<b>SRD</b>	<b>State Religious Department</b>
<b>WMC</b>	<b>Waqf Management Committee</b>

## CHAPTER 1 : INTRODUCTION

### 1.0 Introduction

The study aims to discover the way in which the accountability relationship may inform and improve the management of waqf properties. It examines how accountability is experienced and enacted in waqf settings and which factors facilitate and impede the achievement of holistic accountability. The thesis starts, in this chapter, with the introduction of the research problem. In the first section, it begins by outlining a brief background to the research. The second section lists the theoretical literature, which is later used to theoretically frame the understanding of waqf. The following two sections highlight the main issues of this thesis by discussing its research aim and objectives, and its research design. Once the main issues of the study have been highlighted, the next section explains the contribution of the study to the literature. This chapter closes by outlining the structure of the thesis.

### 1.1 Background and motivation

In general, waqf is an Arabic term, commonly found in Islamic literature, which refers to a charitable act. It is also used to refer to properties, such as land and buildings, used for the benefit of the recipients, hence the name waqf properties. Services provided by waqf range from religious-related activities to education, health, water supply, cleaning and many more (McChesney, 1991, p. 3). The term waqf, as found in this thesis and other waqf literature, is normally used in conjunction with other words, such as waqf property, waqf unit, waqf manager, waqf entity, waqf enactment. Therefore, the term 'waqf property' could easily be understood as donated property.

The impetus to begin this research started when issues regarding waqf received great attention in Malaysia in the early and mid-2000s. It was arguably mooted by the then Prime Minister of Malaysia, Abdullah Badawi, as one of the means to galvanise the economy, as he saw that waqf properties were under- or/and undeveloped. With this

intention, efforts were made to develop and make use of existing and potential waqf properties. Similarly, academic research started to grow. Studies from various perspectives – legal, technical, management, economic, historical and Islamic – were also set in motion. Within the management literature, there are studies regarding the administration of waqf, the structure of waqf management, the financing of waqf properties, and the leadership, which were developed with the view to improve the management of waqf properties (Baharuddin et al., 2006, Hasan, 2007, Kahf, 2007, Laldin et al., 2006, Siti Mashitoh, 2006). The present study joins the above effort with special attention to the accountability relationship concerning State Religious Councils, generally, and waqf officers, specifically.

An empirical investigation is carried out to study the perceptions of waqf officers/managers in two State Religious Councils (hereinafter SRC) of two states in Malaysia. An SRC is a legal entity established by the legislative assembly of each state to administer the matter of Islam in that state. The SRCs are the sole legal trustees for all waqf properties in their respective states, as enshrined in the Federal Constitution of Malaysia. The study looks at why waqf was created, its objective and how this objective can be achieved. In this thesis, this is accomplished by understanding the responsibilities of the officer managing waqf properties, i.e., the waqf officer. The objective of the waqf is to ensure that the waqf property benefits the public/beneficiaries. Therefore, the present study focuses on the perception of the waqf officers of both SRCs with regard to how they discharge their responsibilities and their duty of accountability to the public/beneficiaries. As the waqf officers are the officers in charge of the waqf matter within the SRC, their understanding of how waqf properties are managed is important to understand how accountability is experienced and enacted. In particular, the thesis examines the extent to which the management of waqf properties may be informed and improved through the accountability relationships/process with the objective of ensuring that the properties benefit the public/beneficiaries.

## 1.2 Research problem

In explaining the way the waqf officer carries out his/her responsibilities and duties of accountability with the aim to inform and improve the way waqf properties are managed, the present study uses accountability to frame its discussion; specifically, the notion of holistic accountability.

Accountability has become a very popular catch phrase. A simple Google search results in about 31.1 million hits<sup>1</sup> while the Yahoo! search engine comes up with a staggering 182 million hits. A more 'academic' search engine, Scopus, results in 21,926 hits. Scholars from various fields of studies have described accountability in different ways using various adjectives. Accountability is described as a "key problem" (Scott, 2000); a "topic of concern" (Erkkila, 2007, p. 1); "a notoriously imprecise term" (Mulgan, 2000, p. 87), "elusive concept" (Sinclair, 1995, p. 219), and "endemic in society" (Willmott, 1996, p. 24). Meanwhile some other studies use a more positive description such as "central to the emphasis on good government" (Moncrieffe, 1998, p. 389); "a golden concept" (Bovens, 2006, p. 5), "an iconic role" (Dubnick, 2002, p. 2), a "key concept in the management of social affairs" (Cousins and Sikka, 1993, p. 53), and the "adhesive that binds social systems" (Frink and Klimoski, 2004, p. 2).

Mulgan (2000, p. 555) noted that accountability is about relationships, albeit involving social interaction and exchange. To understand the accountability relationship better, a study should be made in a specific setting (O'Dwyer and Unerman, 2008, p. 819). This thesis presents accountability in a specific organisational setting, i.e., waqf, a form of charity. This thesis uses accountability to conceptually frame the relationship that waqf officers have in undertaking their responsibilities and duties of accountability in the Malaysian context. In particular, it looks at how waqf officers perceive their responsibilities and duties of accountability in managing waqf properties using a theoretical framework of holistic accountability.

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<sup>1</sup> General search at 2.07pm on 2<sup>nd</sup> February 2011.

The concept of holistic accountability introduces two directions in the accountability relationship, i.e., an upward accountability and a downward accountability (Edwards and Hulme, 1996, p. 967). The upward accountability focuses on the accountability relationship involving “overseeing authorities” such as donors, foundations and governments (Ebrahim, 2003a, p. 814). While, the downward accountability refers to the accountability relationship with the “less powerful stakeholders” (O’Dwyer and Unerman, 2008, p. 802), such as the public and the beneficiaries. It includes “those in the catchment (considered as) indirect beneficiaries” and the community at large. Therefore, the concept of holistic accountability aims to balance the current emphasis on hierarchical upward accountability with a more holistic approach that privileges downward accountability (O’Dwyer and Unerman, 2008, p. 804).

The thesis uses the concept of holistic accountability as a theoretical framework to understand the way in which a waqf officer carries out his/her responsibilities and duties of accountability. The theoretical discussion on holistic accountability is informed by the work of O’Dwyer & Unerman (2008, pp. 4-5) in that,

“(t)his leads to explicit consideration of multiple stakeholder groups, with a significant emphasis being placed on downward accountability to beneficiaries..., in addition to upward accountability to donors and governments. Issues encompassing how responsive and aware NGOs are of the actual needs of those whom they seek to assist, as well as the extent of their openness to involving beneficiaries and/or partners in assessing the nature and impact of their work, are prioritised”.

The above offers the framework for the study of the management of waqf properties in the SRC. More specifically, a waqf officer may need to rely on both upward and downward parties to discharge his/her responsibilities and duties of accountability in managing waqf properties.

In addition to the holistic accountability framework, an Islamic values lens was also employed, as the practice of waqf has a long tradition in Islamic history and is considered a devotional act to draw nearer to God (Hoexter, 2002, p. 122). Islamic values are thought to play some role in the way waqf officers carry out their responsibilities and duties of accountability. Islamic values are theoretically argued to inform the operationalisation of holistic accountability. It is filtered through the waqf

officer in the form of “felt accountability” (Hall et al., 2003, Lindkvist and Llewellyn, 2003). According to Hall et al. (2003, p. 33), felt accountability is defined as a subjective and individualised perception of accountability. Felt accountability can be driven by values (Lindkvist and Llewellyn, 2003). In the present study, felt accountability originates from a religious source (Schweiker, 1993, p. 239) and “a higher being” (Sinclair, 1995, p. 231). Felt accountability is an internal dimension of accountability (Ebrahim, 2003a, p. 814). Felt accountability may be used to motivate downward accountability to beneficiaries, as it serves to “heighten one’s understanding of how his/her work impacts on others” (Fry, 1995, p. 185). This suggests that downward accountability can be experienced when the waqf officer who should ideally be placed closer to beneficiaries has a strong sense of awareness towards the latter’s and the public’s needs and aspirations.

The empirical insight suggests that, in waqf settings, the achievement of holistic accountability depends on the operationalisation of felt accountability by waqf officers. While Islamic values offer a broad yet forceful guide for felt accountability, other factors can facilitate or impede the full extent of the effectiveness of felt accountability.

### **1.3 Aim and objectives**

The aim of this thesis is to discover the way in which accountability may inform and improve the management of waqf properties. To achieve the said research aim, the responsibilities of waqf officers will be examined in terms of the following three research objectives:

- (i) To examine the ways in which accountability is experienced and enacted in waqf settings in Malaysia.
- (ii) To assess the extent of holistic accountability within waqf settings.
- (iii) To analyse the factors that facilitate or impede holistic accountability in waqf settings.

To achieve the above objectives, the thesis examines the perception of waqf managers/officers from two SRCs with regard to their responsibilities and duties of accountability in managing waqf properties. The thesis explores how the officers from both SRCs understand their accountability relationship and how accountability is experienced and enacted in the way the waqf properties are managed. It examines how their values may affect the way they perceive their responsibilities and duties of accountability towards the authorities and the beneficiaries.

#### **1.4 Research design**

To address the research objective, the thesis uses a qualitative approach largely informed by the work of Laughlin (1995, 2004) on middle-range thinking (MRT). This approach employs a skeletal framework, which, theoretically, guides the way the data is collected and interpreted. While it may employ an existing (skeletal) theory to frame the understanding, its aim is not to confirm/falsify the theory, as in a positivist approach. The empirical richness ‘fleshes’ out the skeletal understanding. MRT argues that a researcher always starts his/her quest with some prior understanding, although he/she may not acknowledge it. This approach offers “respect for the detail of actual situations” and “the possibility of learning from other situations through theoretical insights” (Laughlin, 1995, p. 83). This skeletal theory “cannot stand on its own” but needs “empirical flesh to make it meaningful and complete” (Laughlin, 2005). Therefore, the empirical work undertaken in this thesis is to search for flesh to understand the way waqf properties may be informed and improved through the skeletal theory based on the understanding of holistic accountability.

#### **1.5 Contribution**

The findings of the present study contribute towards the literature on accountability and waqf in terms of its theoretical framework and empirical support.

Theoretically, it ‘visibilises’ the role of values in the concept of holistic accountability (O’Dwyer and Unerman, 2008) through the felt accountability of the waqf officer. It

argues that values inform the achievement of holistic accountability through the felt accountability of the waqf officer. It extends the concept of holistic accountability by suggesting that felt accountability chained the hierarchical upward and the downward accountability together to achieve a holistic accountability. In waqf settings, the extent of the holistic accountability achievement depends on the operationalisation of felt accountability of waqf officers.

The study also offers greater theoretical understanding on the nature of felt accountability in two ways. First, values-drawn felt accountability should be facilitated by autonomy if its full potential is to be realised. While felt accountability may be driven by values, its operationalisation requires an individual to be autonomous. Second, felt accountability in waqf settings embraces rather than problematises the sense of anxiety highlighted in the concept of hierarchical accountability (Lindkvist and Llewellyn, 2003). This negative perspective of hierarchical accountability is given a positive outlook in that the notion of how one is seen is perceived as a motivating force. This seems to be possible because Islamic values, which drives felt accountability, put God instead of human beings as the “one seeing” – albeit the salient audience. This offers a different perspective on the understanding of “negative and positive sanctions”. In addition to its implications in the workplace, it has a final implication in the Hereafter. In other words, even if one undertakes – or neglects – one’s responsibilities and duties of accountability without being seen by others, one still knows that God is always watching. In other words, the empirical findings showed that the felt accountability embraces the ‘negative perspective’ of hierarchical accountability.

The present study also provides empirical support to O’Dwyer & Unerman (2008) in their two arguments regarding the importance of engaging partners and the “crowding-out” effect of hierarchical accountability. In this study, local service providers (hereinafter LSP) become the channel to which downward accountability is operationalised where the needs and the aspiration of beneficiaries and the public can be effectively identified and responded when the LSP engages with them. Meanwhile, the “crowding-out” effect characterises the possibility that the hierarchical upward accountability could jeopardise the potential to achieve holistic accountability. The

empirical insights showed that putting more effort towards achieving hierarchical upward accountability could mean less effort towards downward accountability. More effort on preparing and presenting reports to waqf management committee (WMC) may affect the time spent on having an informal chat with beneficiaries/public.

The thesis also provides empirical evidence for a theoretical argument in Lindkvist & Llewellyn (2003). They argued that felt accountability offers an advantage to an organisation because an individual with a strong felt accountability is normally creative, has initiative and goes the extra mile to ensure that what he believes in is carried out. However, they did not provide any empirical evidence supporting their argument. This thesis provides empirical evidence that such an officer does exist and he/she seems to undertake his/her (felt) responsibilities and duties of accountability for the benefit of the beneficiaries and the public (Lindkvist and Llewellyn, 2003, p. 269).

## **1.6 Structure of the thesis**

The thesis has nine chapters, starting with this introduction chapter. The substantive chapters begin with Chapter 2. The latter discusses a contextual review on waqf and offers an understanding of waqf by outlining its definition, characteristics and the conditions/requirements to undertaking the act of waqf. It continues with a discussion on the history of waqf and its importance over time. The discussion also examines the evolving emphasis on research areas within waqf literature, from Islamic studies to management studies. The contextual setting in Malaysia is then presented by outlining the common structure within which waqf operates.

Chapter 3 reviews the theoretical literature on accountability. Accountability has been extensively researched. The chapter starts with the definition of accountability provided by Gray et al. (1996). It continues by examining accountability as a relational and individual perspective. The relational perspective argues that accountability involves a relationship between actors – accountor and accountee. The discussion highlights a common view of accountability, in which the accountor is accountable to the authority, and a relatively new view, in which the accountor is accountable to a less powerful

accountee. These are respectively commonly referred to as hierarchical upward accountability and downward accountability. Meanwhile, an individual perspective of accountability examines the experience of accountability in an individual self. When accountability is experienced as liberating, the accountor tends to create his/her own scope of responsibility (Lindkvist and Llewellyn, 2003). This characterises the felt accountability where an individual reacts to his/her subjective individualised perception of responsibilities and duties of accountability (Hall et al., 2003). The chapter ends by examining the influence of Islamic values on felt accountability. Several key concepts in Islam, which influence the way the waqf officer discharges his/her responsibilities and duties of accountability, are explored.

Informed by the theoretical literature on accountability, Chapter 4 develops a skeletal theoretical framework for the thesis. The holistic accountability theoretical framework is based on O'Dwyer & Unerman (2008). The two main elements of holistic accountability, i.e., the hierarchical upward and downward accountability and the languages associated with each, explain the way the waqf officer perceives his/her responsibilities and duties of accountability. A macro view of accountability, where Islamic values inform holistic accountability, is complemented by a micro view, where downward and upward accountabilities are examined. This presence of Islamic values and the extent to which they may influence the achievement of holistic accountability – both hierarchical upward and downward accountability – offers additional insights into the skeletal understanding of holistic accountability framework.

Chapter 5 explains the research methodology underpinning the study. The present study uses a qualitative approach guided by middle range thinking – MRT (Laughlin, 1995, 2004). The MRT approach suggests that a researcher may have an *a priori* theory informing his/her quest for understanding. However, the existing theory is only skeletal and requires empirical richness to gain better insights. In this thesis, a holistic accountability skeletal framework provides a skeletal theory to understand the way waqf properties are managed. This skeletal theory is fleshed out through an empirical study drawing from the perceptions of both SRCs' waqf officers. The empirical data is collected through semi-structured interviews complemented by observation and

documentary evidence. The data collected are coded and analysed using both the Nvivo software and the researcher's own themes.

Chapters 6 and 7 present a structured analysis of the empirical data in both SRC A and B.<sup>2</sup> They examine the way waqf properties are managed according to the holistic accountability theoretical framework. Initially, the context of each SRC is presented by briefly outlining the state, the SRC and the parties responsible in managing waqf properties. The chapter continues by examining the way accountability is experienced by the waqf officer. This includes exploring the enactment of hierarchical accountability and the experience of downward accountability. The perception of Islamic values by the waqf officer is sought to explain how holistic accountability is operationalised and the extent to which it may influence and be influenced by the felt accountability of the waqf officer. At the end of each chapter, the potential facilitating or/and impeding factors associated with the achievement of holistic accountability are identified.

Chapter 8 presents an analytical discussion drawn from the empirical findings of the two earlier chapters. The analysis concludes that Islamic values may underpin the felt accountability of the waqf officer to achieve holistic accountability. However, the effect of Islamic values may be limited in cases where the hierarchical structure is strong. The ability of felt accountability to influence the operationalisation of holistic accountability may depend on the way waqf responsibility is structured. In the event that the waqf officer is 'prevented' from satisfying his/her felt accountability, he/she may channel this feeling to a partner, i.e., an LSP<sup>3</sup> who is placed closer to beneficiaries, where the opportunity is available. The risk is that this is a chanced event that requires the LSP to share his/her objective/mission. In the event that the waqf officer is freely allowed to discharge his responsibilities and duties of accountability, there may be a risk that his/her interpretation of responsibility may not be congruent with the need of the beneficiaries and the public. There are risks associated with both cases. The analysis suggested that shared Islamic values encourage them to undertake both formal hierarchical accountability and informal downward accountability.

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<sup>2</sup> The name of the SRC is disguised to protect the identity of the SRC and the interviewees.

<sup>3</sup> E.g., the manager of a retirement home or of an orphanage.

Finally, Chapter 9 highlights the main argument in each chapter, draws a conclusion and explains how this conclusion addresses the aim and the objectives. It revisits the theoretical framework and offers some insights into its usefulness for future studies. After presenting the theoretical insights, the chapter highlights contributions to the literature. A discussion on the limitations of the study and potential future research concludes the thesis.

## CHAPTER 2 : UNDERSTANDING WAQF AND WAQF MANAGEMENT

### 2.0 Introduction

This chapter outlines waqf and the management of waqf properties. The chapter gives the definition and explains the characteristics of waqf, as they may not be widely understood. This may be important as the thesis delves further into issues regarding the management of waqf.

Waqf is simply defined as donation. However, perhaps, the difference between other acts of donation and waqf is that waqf donation is religiously motivated; a form of recommended worship in Islam. Salamon & Anheier (1999) stated that religious creed provides a strong motivation for undertaking voluntary works. They added that, in the case of Islam,

“strong religious incentives exist...to establish *al waqf*” (Salamon and Anheier, 1999, p. 75)

This suggests that Islamic values are inherent in the establishment of waqf. The enjoinder of undertaking the act of waqf is stated in the two most authoritative sources of divine law (*shari'ah*), i.e. the Holy Book of Islam, the Qur'an, and also the Sayings of the Prophet Muhammad (peace be upon him – hereinafter pbuh<sup>4</sup>). The Qur'an states that,

“And establish regular prayer and give regular charity (*zakah*), and loan to God a beautiful loan” (verses 73:20).

In the above, the majority of Muslim scholars interpret 'loan to God' as waqf. There are several Sayings of the Prophet (pbuh), i.e., *Hadeeth*, stating the same. One of them narrated the story of 'Umar (companion of the Prophet, pbuh). When he asked the Prophet Muhammad (pbuh) what he should do with his precious property, the Prophet (pbuh) replied,

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<sup>4</sup> It is encouraged in Islam that, when any prophet's name is mentioned, it is followed by this notation.

“If you wish, you can put aside and give in charity from it from what it produces, but the original property should not be sold, given away or inherited”. So ‘Umar gave it in charity to the poor and to relatives, used it to set slaves free, gave it for the sake of Allah, helped wayfarers and honoured his guests”.

The mention of “give in charity from it from what it produces, but the original property should not be sold, given away or inherited” donation refers to waqf. It automatically refers to the characteristic of properties which could benefit people continuously, i.e. fixed assets. The purpose of highlighting the two most authoritative sources of Islamic law is to signify that the act is highly encouraged in Islam and that the encouragement comes from the Qur’an and the *Hadeeth*. This indicates that religion provides a strong motive for the act of waqf specifically and the act of donation generally (Al-Habshi, 1991, Becker and Dhingra, 2001, Wilson and Janoski, 1995).

This chapter is divided into 5 main sections. The next section, Section two, offers an understanding of waqf, i.e. the definition, the characteristic, the type of waqf and the typical participants in a waqf relationship. Section three explains the significance of waqf in Islamic societies, which reflects the importance of the present study. Section four demonstrates the experience of waqf management in several Muslim countries, including Malaysia. Section five explains the Malaysian contextual setting in which waqf operates. It focuses on the management of waqf in Malaysia, highlighting the issues and entities involved in the management of waqf properties. Section six concludes the chapter.

## **2.1 An introduction to waqf**

This section introduces waqf and provides an understanding of the concept. This is accomplished in four subsections. The first subsection outlines the definition of waqf and is followed by second subsection explaining the characteristics of waqf properties. The third subsection discusses the classification of waqf properties and the fourth concludes with a discussion on the parties involved in waqf.

### 2.1.1 Definition of waqf

The word waqf is an Arabic word which literally means to stop, to hold, confinement or prohibition (Kahf, 2007b, p. 2). It is a singular form, in which the plural form is *awqaf*. In Islamic law literature, waqf denotes holding certain property and preserving it for the exclusive benefit of certain philanthropy and prohibiting any use or disposition of it outside its specific objective (Kahf, 2007b). Kahf further adds that waqf is an endowment of money or property made for benevolent reasons. The Encyclopaedia of Islam<sup>5</sup> notes that

“the essential elements are that a person, with the intention of committing a pious deed, declares part of his or her property to be henceforth unalienable and designates persons or public utilities as beneficiaries of its yields”.

Meanwhile Gaudiosi (1988, p. 1234) states that waqf is “the detention of the corpus from the ownership of any person and the gift of its income or usufruct, either presently or in future, to some charitable purpose”. She adds that, while “ownership of the waqf property was thereby relinquished by the founder, it was not acquired by any other person; rather it was ‘arrested’ or ‘detained’”. McChesney (1991, p. 6) similarly notes that waqf is

“the voluntary relinquishing of the right of a disposal of a thing by its owner and the dedication of the usufruct of that thing to some charitable end, as a charitable gift”.

This indicates that the donor, motivated by his/her religious belief, donates some properties so that they can be used to benefit recipients and public.

The word waqf has since been widely used not just by Arabs, but also by Muslims from other parts of the world. This has resulted in different transliterations, such as *wakf*, *vakf*, *vakif*, *vaqf*, *wakaf* (Islahi, 2003, p. iii). Waqf is also known with different names, such as *habs* in North and South Africa (Kahf, 2007b) and *qadsh* in Hebrew (Gil, 1998, p. 126). In brief, waqf is a donated property used for the benefit specified by the donor, in which the purpose must be benevolent, normally serving community interests (McChesney,

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<sup>5</sup> [http://www.brillonline.nl/subscriber/uid=3454/entry?result\\_number=2&entry=islam\\_COM-1333&search\\_text=waqf#hit](http://www.brillonline.nl/subscriber/uid=3454/entry?result_number=2&entry=islam_COM-1333&search_text=waqf#hit).

1991, p. 10). The donor can state his/her intention to do waqf verbally or in writing (waqf deed), although the current practice requires the undertaking to be in writing.

In addition to the definition, waqf literature in Islamic studies also elaborates on the characteristics of waqf properties and the parties involved in waqf. These are discussed next.

### **2.1.2 Characteristics of Waqf**

Donation, in Islam, may come in various forms. There are *zakah* (similar to tax), *sadaqah* (voluntary donation in cash or/and in kind), *hadiyyah* (similar to gift), and waqf (fixed asset donation) (Siddiqi, 1991, p. 14). For a donation to qualify as a waqf, the donated properties need to possess three important characteristics, i.e. (i) perpetuity; (ii) irrevocability and (iii) inalienability. These three characteristics are discussed next.

#### **2.1.2a Perpetuity**

One of the most important characteristics of waqf property is perpetuity. This means that the properties donated must be perpetual in nature, hence fixed asset properties. Zahraa (1995, p. 204) states that waqf is “properties left in perpetuity”. The need for perpetuity benefits both to donor and beneficiaries. Laldin et. al (2006, p. 9) states that waqf

“is a perpetual donation. It does not only allow the *waqif* [donor] the opportunity to receive continuous reward, it also provides a continuous benefit to the beneficiaries”.

For the donor, the perpetual characteristic of the properties ensures that he/she keeps receiving the rewards from God as long as the properties are being used by the beneficiaries and the public. For a Muslim, the reason to carry out waqf is to draw nearer to God and to obtain His pleasure (Kuran, 2001, Siti Mashitoh, 2006a). By donating a perpetual-type property, religious rewards received by the donor are also continuous, i.e. for as long as the property continuously benefits the recipients. This is noted in a *Hadeeth*,

“when sons of Adam die, all their good deeds will stop, except for three things; firstly, his donation, which people continuously use; secondly, knowledge, which is continuously used and benefited and, thirdly, good sons/daughters who always pray for his/her good”.

Thus, a waqf donation provides a person with a channel through which rewards keep on accumulating. For example, if a person donates a building for the purpose of a library, every time people use the library, the donor will continuously reap the religious reward.

Meanwhile, for the beneficiaries and the public, perpetual properties ensure that they can continuously make use of them for their benefit. While the donor gains intangible rewards from God, the beneficiaries receive a tangible benefit in the form of the properties' usufruct. A perpetual characteristic of waqf property ensures that the beneficiaries will keep receiving the benefit. Laldin et al (2006, p. 9) stated that the beneficiaries who depend on waqf properties, especially school and education centres, are able to make a proper financial planning with the presence of perpetual income. They provided the example of al-Azhar University, Cairo, Egypt, which was established 1,000 years ago. They contend that it was developed using waqf property and waqf income and has provided free education to students from all over the world up to this day.

Although there are debates on whether perpetuity is the main characteristic of waqf (see for example Bradley, 2006), the majority of scholars agree that perpetuity is important (Kahf, 2007b, Sadeq, 2002, Siti Mashitoh, 2006a). Kahf (1999, p. 2), while arguing on the acceptability of temporality, states that “perpetuity, in waqf, remains the rule and temporality the exception”. He adds that the principle of perpetuity, in Islamic law, needs to be analysed within the context of societal need. The importance of perpetuity, he argues,

“provides for capital accumulation in the third sector that, over time, builds the necessary infrastructure for providing social services on a non-for-profit basis” (Kahf, 1999, p. 3).

### 2.1.2b Irrevocability

The second characteristic of irrevocability implies that, once the property is declared waqf by its owner, it cannot be revoked anymore. In other words, the owner ceases to have any right to revert the property to private use. As stated in the definition of waqf, waqf signifies stopping the use of property for private purposes, i.e. the owner's purpose, and 'return' it to God to benefit society. If there is any clause in a waqf deed stating any inference of revocation to owner, waqf is considered invalid. Gaudiosi (1988, p. 1235) asserts that,

“the endowment itself was invalid unless irrevocable, and the *waqif* [*donor*] was bound by the terms of the waqf document”.

Powers (1999) similarly asserts that waqf property, once declared “takes effect immediately, cannot be revoked by the founder...”. The ownership has symbolically been transferred to God for the public benefit; hence stopping the private benefit. Laldin et. al (2006) state that “in principle, waqf is a perpetual contract where the property is symbolically owned by Allah (God)... as a result, once the property is declared as waqf property, it cannot be revoked anymore”.

In cases where the properties are not suitable for development or use, the waqf deed can be revoked, although the revocation must fulfil certain conditions. For example, revocation of waqf properties is allowed provided that the properties are replaced (Kahf, 2007). The waqf properties can only be disposed if similar replacement can be supplied. However, the original objective/intention stated in the waqf deed remains in the replaced property, i.e. the benefit must accrue to the same public intended by the donor. The permission to replace, however, does not rest on the waqf management or board; it is decided by a Muslim jurist with the assistance of experts (e.g. economists, land experts etc) (Gerber, 2002, Hoexter, 2002).

### 2.1.2c Inalienability

The third characteristic is inalienability. Gaudiosi (1988, p. 1235) quoting Cattan (1955) states that inalienability implies that the property could not be subject to “any sale, disposition, mortgage, gift, inheritance, attachment, or any alienation whatsoever”. Cattan (1955) notes that,

“the power to sell or exchange was very strictly exercised and waqf property could not, generally speaking, be sold in exchange for other property merely because the resulting increase in the corpus would be beneficial to the waqf” (Gaudiosi, 1988, p. 1235).

Siti Mashitoh (2006b, p. 6) similarly notes that there are three legal principles pertaining to the implementation of waqf deeds that one needs to be wary of; i.e. waqf property is not meant for sale or gift or inheritance. She gives an example of a provision in a legal enactment, in one of the states in Malaysia, which stated that “any waqf that has already been enforced, cannot be sold or given as a gift by the *waqif* [donor] or inherited by any person”<sup>6</sup>. This indicates the seriousness of the waqf authorities in upholding the intention of the donor to ensure that the benefit continuously accrues to the beneficiaries. According to Kahf (2007, p. 16), this inalienability characteristic could mitigate “the continuous threat of mishandling the property and usufruct or income”. He claims that waqf properties, in many countries, which should benefit the community,

“are subject to all kinds of ownership-transferring contracts by the management, as well as to litigation by others for lack of actions of managers”.

Thus, inalienability could help reduce the risk of waqf property being alienated, hence remaining for the benefit of the public.

These characteristics are closely intertwined. For example, for waqf properties to remain perpetual, one might have to ensure that irrevocability and inalienability is in place. The objective of having these characteristics attached to waqf properties is to ensure that waqf properties continuously benefit the beneficiaries or/and public.

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<sup>6</sup> Section 4(2), Selangor Waqf Enactment, 1999. Translated from Malay language.

### 2.1.3 Classification of waqf in waqf literature

This subsection discusses classification in terms of the intention of the donor and the type of waqf properties.

Many waqf literatures from Islamic studies and Islamic law normally classify waqf into two types, i.e. specific waqf and general waqf or better known as *waqf khas* and *waqf 'am* respectively (Baharuddin et al., 2006). This classification concerns the purpose that waqf properties should serve, which is normally stated in the waqf deed. In other words, the donor should declare whether he/she would like to donate the properties for a specific purpose, i.e. for example, to build a school; or that the donation is used generally for the public benefit, without specifying the exact nature of the waqf donation. Examples of specific waqf, as declared by the donors, are; to build schools, hospitals, orphanages, wells, places of worship or libraries (see Kuran, 2001, Sadeq, 2002, Siti Mashitoh, 2006a). This purpose is stated in the waqf deed. Therefore, it is the responsibility of the waqf manager to ensure that the work must be guided by the deed. On the other hand, general waqf is an open-ended waqf. In this case, the waqf manager may choose to use the donated waqf properties for any purpose, as long as the waqf properties benefit the public. In other words, the benefit must accrue to society at large.

With regards to the type of waqf properties, the traditional interpretation in Islamic law envisages only fixed assets to be allowed for donation. In this instance, cash is not considered an acceptable form of donation. The original interpretation of waqf only allows for immovable property to qualify. This owes much to one of the characteristics of waqf, i.e. the need for perpetuity. Kahf (2007b, p. 2) notes that perpetuity is inherent in the definition of waqf because,

“it applies to non-perishable property the benefit of which can be extracted without consuming the property itself”.

However, contemporary interpretation of the rules now includes all sort of movable properties such as cash, shares, cattle, even smaller items such as books (Cajee, 2007, Hasan, 2007, Nik Hassan, 1999, Sait and Lim, 2006). Although other forms of property

have gained popularity, land and buildings still form the major bulk of waqf property, especially in terms of value (Sait and Lim, 2006, p. 153)<sup>7</sup>.

#### **2.1.4 Participants in a Waqf relationship**

In any exchange or transaction, there are at least two parties, i.e. the giver and the receiver, the seller and the buyer, the donor and the beneficiary. In the case of waqf, as in any act of donation, the obvious parties are the donor and the beneficiary. In addition to these two parties, there is a manager, who manages the waqf properties for the good of the beneficiaries. This is similar to that agency relationship commonly experienced in a corporate setting. This subsection explains the roles and functions of these three parties.

##### **2.1.4a The donor**

The donor, in the waqf concept, is known as the *waqif* - the 'doer' form of the word waqf. Among the conditions required to be a donor is that he/she must be "in full possession of his physical and mental faculties, be of age and a free man". Laldin et.al (2006, p. 4) explain that the donor undertakes the waqf transaction of his own free-will, without being coerced or harassed or manipulated. He must also have unrestricted ownership of the property intended for waqf (Gaudiosi, 1988, p. 1236). Gaudiosi further adds that the donor is to clearly state his/her intention to create waqf and to clearly specify the purpose of waqf. A waqf deed is normally made in writing (although oral declarations are allowed) to avoid future conflict. With regards to the waqf deed, the donor has considerable discretion in deciding terms and conditions. Gaudiosi (1988, p. 1236) gives some examples, such as the appointment of the manager/trustee, the choice of beneficiaries, and the distribution of waqf income. However, the discretion accorded to the donor must not violate Islamic law. In other words, although the donor has a vast discretionary power, his/her choice is still bound by Islamic law.

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<sup>7</sup> See for example statistical reports by JAWHAR at [http://www.jawhar.gov.my/statistik\\_wakaf.php](http://www.jawhar.gov.my/statistik_wakaf.php)

However, the role of the donor – as a resource provider - seems to be passive unlike shareholder in a typical agency relationship of a private company setting. According to Siti Mashitoh (2006a, p. 39), the donor believes that, once he/she has donated the property, his/her role is over. While the resource provider, or the shareholder in private company settings, plays a significant role in ensuring that the resource is used effectively; in waqf settings, the resource provider – the donor – does not seem to be interested in ensuring that the properties are effectively used. Unlike the shareholder, who is motivated by financial gain, the donor, in waqf settings, is more interested in discharging his/her religious obligation (Siti Mashitoh, 2006a, p. 39).

#### **2.1.4b The beneficiaries**

The second participant is the beneficiary of the waqf properties. The beneficiary could be the general public or a specific group of recipients defined in the waqf deed. According to Gaudiosi (1988), the beneficiary is to receive the benefit as long as it complies with the conditions stipulated in the waqf deed, if such conditions exist. For example, a donor may require his donated property to be rented and the proceeds used to pay for a student's (a group of students') fees. He may put in, as a condition, the maximum number of days the student is allowed to be absent, failing which, he/she ceases to be the beneficiary of that particular waqf. However, some scholars do not recognise this kind of condition because it "arbitrarily deprives the beneficiaries of their rights" (Gaudiosi, 1988, p. 1239). This is a specific waqf, which is seldom practiced nowadays. The practice of specific waqf is generally not encouraged.

Gaudiosi (1988) hints at the important role of beneficiaries in the management of waqf properties. He (1988) elucidates that, although beneficiaries may seem to play a passive role in the way waqf properties are managed, they need,

“to be as informed as the *mutawalli* [i.e., manager] regarding the provisions of waqf deeds (Gaudiosi, 1988, p. 1239).

The above quote highlights two points. Firstly, it highlights the right of the beneficiaries to receive information regarding the details of the waqf deed. Although this does not

explicitly suggest the need to get the beneficiaries involved, it highlights that the beneficiaries should not be kept in the dark despite them being on the receiving end of the relationship of donor-manager-beneficiaries. Secondly, it outlines the extent of information relative to the manager. The mention of “as informed as the manager” may suggest the need to ‘check and balance’ the power of the manager in his/her work (Gerber, 2002, p. 76). If this is the case, then the emphasis on engaging the beneficiaries makes more sense in that the information gained by the latter may serve to provide a better insight into the way waqf properties are managed. As the party most directly affected by the use of waqf properties, the beneficiaries need to be well aware of any information stated in the waqf deed, including the actions and decisions of the manager (Kahf, 2007b, p. 13).

#### **2.1.4c The manager**

The third participant in the waqf relationship is the manager/trustee. The manager is normally an individual appointed by a donor to manage the property for the benefit of the beneficiaries, although, under current conditions, the task of managing waqf properties is gradually being taken over by groups of people – such as entities – rather than individuals. The manager implements the wishes of the donor as expressed in the waqf deed. Gaudiosi (1988, p. 1239) states that among the primary duties of the manager are,

“preservation of the waqf, collection of waqf income, distribution of that income to the appropriate beneficiaries, hiring and firing of subordinates, and resolution of disputes”.

Gaudiosi (1988) also adds that the manager is given “free reign in his administration of waqf” as long as it is “within the boundaries of Islamic law; and any decision regarding the waqf were to be made for the common good”. This is similarly articulated by McChesney (1991, p. 11), when he says that,

“the primary concern of the *mutawalli* [manager] and, indeed, the only reason for his existence is the “general good” of the waqf”.

The “general good” refers to the continuous beneficial use of waqf properties. Therefore, the role of the manager is to ensure that the beneficiaries continuously receive the benefit accrued from waqf properties (McChesney, 1991, p. 11). This is generally outlined in the waqf deed. However, in cases where it is not clearly stipulated, McChesney (1991, p. 12) states that the manager is given wide discretionary power but is not diverted from helping beneficiaries. He notes that,

“it was therefore to the advantage of the donor to allow the *mutawalli* [*manager*] as wide a scope as possible to manoeuvring while at the same time trying to insure he kept his attention riveted on the welfare of the waqf” (McChesney, 1991, p. 12).

This illustrates that the manager of waqf properties plays a significant role in making sure that the waqf properties are continuously used for the good of the beneficiaries. In doing so, he is given a wide discretionary power, subject to observing that the properties are continuously usable. Although the manager is given wide discretionary power, he/she must not only communicate his/her actions and decisions to the beneficiaries; he/she may have to also accept the views of the beneficiaries (Hoexter, 2002, p. 130). The previously mentioned notion of “as informed as the manager” (Gaudiosi, 1988, p. 1239), may and should not stop at information-giving only but extended to getting the beneficiaries engaged in the matter affecting them (Hoexter, 2002, p. 131). This is the notion of accountability where the involvement of the wider stakeholder is encouraged.

In the current setup, the role of the manager is now being taken up by a group of people or entity or state, rather than by an individual (White, 2006, p. 17).

### **2.1.5 The way waqf properties benefit**

The establishment of waqf may benefit the beneficiaries and the public in two ways. The donated waqf properties can benefit them directly or indirectly. Kuran (2001, p. 842) noted that waqf is,

“a trust established... for the provision of a designated social service in perpetuity. Its activities are financed by revenue-bearing assets that have been rendered forever inalienable”

The type of waqf properties and services which directly benefit the beneficiaries and the public are orphanages, schools, hospitals and other goods deemed public (Sait and Lim, 2006). Kuran (2001, p. 850) illustrates that "...all the soup kitchens" in Middle eastern countries in the Middle Ages "were financed through the waqf system". Other categories of public good and services include hospitals, orphanages, mosques, schools and shelters (Peri, 1992, p. 167).

Meanwhile, the waqf properties that indirectly benefit the beneficiaries are the properties which can produce revenue, the proceeds of which are used for their good. The type of waqf properties and service which bear revenue may range from vacant land to a 5 star hotel. Meriwether (1999 p. 182 in Kuran, 2001, p. 850) noted an instance where a donor's waqf properties covered a diverse range of revenue-bearing assets which included "10 houses, 67 shops, 4 inns, 2 storerooms, several dyeing plants and 3 baths, 3 bakeries, 8 orchards and 3 gardens... including agricultural land".

In both cases, the manager is entrusted to ensure that the benefit of the properties accrues to the beneficiaries and the public.

## **2.2 Significance of waqf in Islamic societies**

This section discusses the significance of waqf in Islamic societies. It is presented in two subsections. The first subsection discusses the importance of waqf from a historical point of view. This subsection underlines the historical significance of waqf properties in terms of the breadth of services they provided, the dependence of the public on them and the scale of physical waqf properties. In the second subsection, the trend of literature studying waqf issues is explored. The waqf study seems to evolve from focusing on Islamic law to discussing management issues.

### **2.2.1 Importance of waqf in history**

In classical Islamic studies, waqf is intended to be a "third sector... existed independently of both the state and the profit-making private sector" (Sait and Lim,

2006, p. 156). Historically, waqf played a very important role in Islamic civilisation. In the social context, waqf is considered as “the oldest civil society institution... combin[ing] the features of a philanthropy, a social service agency and, albeit indirectly, a political voice competing with that of the ruler” (Bremer, 2004, p. 5). Garcin (1998) notes that waqf is “an instrument of liberation and social integration” (cited in Shatzmiller, 2001, p. 47). This suggests the importance of waqf as a social instrument. Yediyildiz (1990, p. 5) illustrates the social significance of waqf, noting that a person may owe his/her life entirely to the service provided by waqf properties, starting from the time he/she was born until he/she dies,

“thanks to the prodigious development of the waqf institution, a person could be born in a house belonging to a waqf, sleep in a cradle of that waqf and fill up on its food, receive instruction through waqf-owned books, become teacher in a waqf school, draw a waqf-financed salary, and, at his death, be placed in a waqf provided coffin for burial in a waqf cemetery. In short, it was possible to meet all one’s needs through goods and services immobilized as waqf (Yediyildiz, 1990, p. 5 in Kuran, 2001, p. 851).

This shows that waqf as a social instrument, offers an avenue for the affected people such as the poor and orphans in the health and education sectors (Kahf, 2007b, p. 9). Waqf serves as “a major means through which the Islamic idea of the social order proper for the *umma* (the community of believers) was implemented” (Kahf, 2007b, p. 9).

Waqf is also important as an economic instrument. Kuran (2001, p. 851) notes that,

“to understand the economic success and failures of the Islamic world and in particular the distinguishing features of the contemporary Middle East, one must analyze the history of the waqf system, with particular attention to its efficiency”.

Kuran (2001, p. 851) claims that “waqfs supported so many economic sectors that the evolution of Islamic civilization is incomprehensible without taking account of them”. Therefore, historically, waqf is considered both a social instrument assisting the less fortunate section of people in society and an economic instrument energising it. Baer (1997) considers waqf as “the promoter of social interaction and economic integration”.

In terms of the services provided by waqf, they range from merely religious-related activities to more general benevolent purposes such as education, health, water supply, cleaning and many more (McChesney, 1991, p. 3). Hoexter (2002, p. 128) notes that,

“The waqf’s contribution to the shaping of the urban space can hardly be over-estimated. A major part of the public environment in (Islamic) towns actually came into being as a result of endowments”.

Services that can be generated by waqf properties range from welfare, education, religious services, construction and maintenance of water systems, medical centres to assistance to travellers, operating inns and even providing wedding outfits to impoverished brides (Hoexter, 1998, p. 476, Kuran, 2005, p. 14, Sadeq, 2002, p. 140). Kuran (2005, p. 14) notes that, in the Middle Ages,

“waqfs contributed critically to the functioning of cities far larger than any town in the West. Without direct state involvement, they financed the building and maintenance of innumerable urban services”.

The services provided by waqf encompassed a wide range of assets and it was able to service a whole city without direct provisioning from state. Kuran (2001, p. 849) adds that “the waqf system came to control a vast array of urban assets, including residences, shops, and production facilities”. The significance of waqf services is elucidated by Sait & Lim (2006, p. 128) stating that,

“Indeed, one can hardly imagine the public space of any large town in the Islamic cultural area without these contributions based on endowments [waqf]”

The practice of waqf is not exclusively associated with Islam as it may also involve non-Muslims in terms of administration and beneficiaries. Kuran (2001, p. 852), while relating the experience of a Jewish traveller, wrote that “soup kitchens, hospitals, shelters, and other social welfare institutions served people of all religions...”. This is similarly noted by Sait & Lim (2006, p. 157) stating that,

“Awqaf supported many churches and synagogues and these were equally admissible in the Muslim courts of law. Waqf law after all, insisted only that the property be given into the ownership of God for the benefit of mankind”

This indicates that, historically, waqf services served social, economic and even political purposes ranging over more than just one religion – Islam.

In terms of the area serviced by the waqf system, waqf lands and properties accounted for a huge area (see Bremer, 2004, Hoexter, 2002, Kuran, 2001, Sait and Lim, 2006, Shatzmiller, 2001). Shatzmiller (2001, p. 47) states that waqf “formed a considerable property presence in every Islamic land”. Kuran (2001, p. 849) illustrates that, in 1923, three-quarters of Turkey’s arable lands belonged to waqf. Meanwhile, in Iran and Egypt, one-seventh and one eighth of their cultivated soil was waqf land. He also notes that, when Greece broke away from the Ottoman Empire, the new government expropriated waqf land to the amount of a third of the total area of Greece. This testifies the magnitude of the area served by the waqf system. Kuran (2001, p. 849) notes that, “there is no disagreement over orders of magnitude” The enormity of waqf is also illustrated by Sait & Lim (2006, p. 147),

“Awqaf dot the Islamic landscape, from the Jerusalem Al-Aqsa mosque to the Egyptian Al-Azhar university, from Shishli Children’s Hospital in Istanbul to Zubida’s Waterway in Mecca... Awqaf are also found in the West, in Sicily, in Cyprus, in Andalusia, in Greece and in the Americas”.

The above elucidates the scale of the waqf area and its importance for Islamic countries. Kuran (2001, p. 842) notes that “even a lighthouse on the Romanian coast was established under the waqf system”. This indicates the vast area influenced by waqf.

This rich waqf history indicates its importance in Islamic civilisation. It shows that waqf provides a huge potential to be used both as a social and an economic instrument providing assistance to the less fortunate in sectors such as education and health. In the next subsection, the literature on waqf focuses on the trend of waqf literature, i.e. the area of studies in which the research has been conducted.

### **2.2.2 Previous research emphasis in waqf studies**

This section explores the themes and areas studied by researchers in waqf. This informs the audience on the evolution of the research area, in which the present study becomes

part of the evolution. A very good exposition of the trend of studies is provided by Hoexter (1998). She generally classifies waqf studies into 3 periods; the first period covers up to the early 1950s, the second period covers from the 1950s to the late 1980s, and the third period covers from the early 1990s to, arguably, the present day (as her paper was published in 1998).

### **2.2.2a First period: Islamic law and Islamic studies**

The first period mainly concerned the legal aspect of waqf, i.e. the question of the conditions of waqf, the type of waqf, the characteristics of waqf, the legal rules and sources encouraging such an act. The research were carried out from the viewpoint of Islamic law (*shariah*) focusing on the Qur'an and the *Hadeeth* which provide the rule and conditions for waqf. The study in this period also embarked into an interpretation of the law where the matter is not clearly stipulated in both sources. Hence, the research effort was focused on addressing the waqf-related problem by interpreting and issuing religious decrees dealing with the contemporary problems regarding waqf (Hoexter, 1998). In addition, the translation of the works of early scholars including waqf deeds was also undertaken. Hoexter (1998, p. 475) notes that,

“scholars in later decades of the twentieth century added discussions of the legal reforms undertaken in various parts of the Islamic world during the nineteenth and particularly the twentieth century. A small number of translations and scholarly editions of endowment deeds were also produced”

The above indicates that, in addition to researching waqf from a traditional legal perspective, some efforts of interpretative work, i.e. legal reforms, took place. This was complemented by the translation work.

### **2.2.2b Second period: Case study on historical waqf establishment**

In the second period, the emphasis on the research area was widened. While research was still carried out from the perspective of Islamic law, the study on a specific waqf establishment had emerged. This included analysing available waqf deed documents – a form of case study research. The study of a specific waqf establishment included

investigating the impact of waqf on society at the time; and the study of court records on waqf-related judgements. The research landmark for the second period was the organisation of an international Islamic seminar in Jerusalem in June 1979. This was arguably the first international gathering specifically focusing on waqf (Hoexter, 1998). The seminar discussed a range of diverse issues related to waqf, not restricted to the legal aspect. Among the issues discussed were,

“the economic implications of the waqf; its significance for the various public services; the waqf and the law of succession; the impact of endowments on the social system; the relations between the waqf and the state” (Hoexter, 1998, p. 475).

This marked the difference in emphasis between first and second period research. It also pointed towards the future direction, when the study started to give more attention to economic implications. In addition to the above issues, a discussion on research methodology was also initiated, and the seminar, at a later date, was credited with the introduction of a new branch of study, i.e. Waqf Studies (Hoexter, 1998). This seminar set “an agenda for future studies on the subject” (Hoexter, 1998, p. 475). The second stage of waqf studies provided an understanding of the state of waqf during its golden age. This was perhaps an important departure from the first period study, where the emphasis was on the legal issues only. Hoexter (1998, p. 476) notes that,

“What today is common knowledge, that prior to the twentieth century a broad spectrum of what we now designate as public or municipal services, e.g., welfare, education, religious services, construction and maintenance of the water system, hospitals, etc. were set up, financed and maintained almost exclusively by endowments, was documented in this stage”.

The above passage highlights that the current understanding of the social and economy contribution of waqf was contributed by the second period waqf studies. While the discussion on legal aspect continued from the first period, a discussion on management and financial aspects began to take shape, although mainly undertaken from a historical perspective (Hoexter, 1998). For example, the management of waqf properties was studied in terms of case studies based on available historical waqf deeds. Among the issues researched was how the issue of management neglect was addressed and the available court records dealing with these cases (Hoexter, 1998, p. 480).

### **2.2.2c Third period: Management studies**

The third period begins in the early 1990s and reaches the present day. The emphasis, in this period, departed from the previous in that it did not discuss waqf from a historical perspective. Based on insights gleaned from the first two periods and some current developments, Hoexter (1998, p. 484) argues that the waqf discussion in the third period “may be discerned in the study of the Islamic endowment institution”. She illustrated some examples, such as,

“waqf and the idea of charity, a comparison of the Islamic endowment institution in other cultures, the dynamics of Islamic law as reflected in the waqf, the concepts of private and public in the waqf, the role of the waqf in the formation of civil society and public sphere” (Hoexter, 1998, p. 484).

It seems that almost all the themes outlined above by Hoexter (1998) have, in one way or another, been addressed by waqf literatures. For example, Ariff (1991) and Bremer (2004) explore waqf within the charitable and voluntary contexts. Gaudiosi’s (1988) work compared the concept of waqf with the English concept of trust. The dynamic of Islamic law and the issues regarding the private and public spheres are addressed by Hoexter et al. (2002), while the role of waqf in civil society can be seen in the works of White (2006), Sait & Lim (2006), and Kahf (2007b). These strands of literature are discussed in detail in Section 2.3.2.

During the third period, there also took place much waqf research focusing on a country based experience. The research focused on the reason for its decline in importance and the problems afflicting the traditional practice of waqf management and their potential solutions. For example, in discussing the experience of waqf management in Malaysia, Al-Habshi (1991, p. 135) highlighted that there was no specific entity looking after waqf properties. Although the law requires that all waqf properties should be entrusted to a quasi-government body, i.e., SRC, it does not employ qualified staff to attend to the legal process involved in ownership transfer. In addition, there is an absence of record or of a waqf register keeping details of all waqf assets. To compound the problem, the legal process of land registration and development is very time consuming and expensive (Siti

Mashitoh, 2006a). Therefore, the existing waqf lands remain under- and/or undeveloped and this, in turn, discourages new donors from donating. All these problems discourage both donors from donating, and managers/trustees from managing.

Based on these problems, various researches from different fields have offered some recommendations. Among them are; management researches, which recommend different forms of management, i.e. privatisations or partnerships with corporations (Abdul-Karim, 2007, Dafterdar, 2009); legal researches, which recommend that land law accommodate waqf practices (Karim, 2009, Siti Mashitoh, 2006a), and finance studies, which look at the way waqf development can be financed (Ahmed, 2004, Sabit, 2009). The focus of management research and legal research is discussed in section 2.3, “management of waqf properties in Muslim countries”; while a brief indication on financing as a means to improve management of waqf properties is discussed below.

In a more recent conference on waqf, management studies seem to focus on financing issues, i.e. how to finance the development of waqf properties. At the Singapore International Waqf Conference of 2007, 16 out of 23 presentations discuss financing-related issues, which are presented by both academicians and practitioners. Three of the six sessions discussed financing issues. Among the finance-related issues highlighted on the conference programme<sup>8</sup> are as follows:

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<sup>8</sup> Some of the presenter only provides slides instead of proper conference papers, hence the conference proceeding only offers this.

The role of awqaf in the development of Islamic finance (Al-Ibrahim, 2007)
*Developing awqaf properties and Islamic financial engineering: a conceptual and empirical analysis (Pirasteh and Abdolmaleki, 2007)
Contemporary waqf administration and development in Singapore: Challenges and prospects (Abdul-Karim, 2007)
Legal framework to promote the use of awqaf for the provisos of public goods in financial sector (Djojosingito, 2007)
*Waqf-based microfinance: realising the social role of Islamic finance (Ahmed, 2007)
Waqf development in Singapore: Sharing our experiences (Yacob, 2007)
Role of Islamic finance in developing waqf (Bakar, 2007)
Unlocking the potential of waqf real estate properties using riba-free financing (Abdul-Rahman, 2007)
The development and promotion of awqaf as a business sector (Dafterdar, 2007)
*The effectiveness of waqf fund raising through mutual fund in Indonesia (Siswanto and Dewi, 2007)
Trust and fiduciary services (Chiwi, 2007)
Structuring Sukuk <sup>9</sup> for the development of waqf (Ngadimon, 2007)
Sukuk as model for improving waqf sector: Bosnia as a case study (Becic, 2007)
In supporting waqf performance through sukuk al intifa': a proposed generic model (Kholid et al., 2007)
*Financing the development of waqf property (Kahf, 2007a)

**Table 2.1: Financing issues discussed in waqf conference**

The papers in the asterisk have since been released in an edited book "Contemporary Waqf Issues" (Kahf & Siti Mashitoh, 2011)

The conference papers seems to suggest that waqf properties can be developed through financing mechanism, albeit Islamic-based financial systems. Among them are micro-finance, *takaful* (Islamic insurance), and *sukuk* (Islamic bond). This was perhaps not surprising as the theme for the conference was "Integration of awqaf in the Islamic financial sector". The discussion on the financing of waqf development is beyond the scope of the present study. The main reason this is highlighted is to show that financing is one of the main research areas within waqf literature. This implies that the current concerns of research may have been directed toward issues relating to the financing of waqf properties. In other words, the effort to improve the management of waqf properties is seen from the perspective of finance.

The next section continues with the strands of management literature in the third period, i.e. the management of waqf properties as experienced in several Muslim countries. It highlights the form of entities managing waqf properties.

<sup>9</sup> Sukuk is an Islamic financial instrument similar to a bond.

## **2.3 Management of waqf properties in Muslim countries**

The study looks at the form of entity managing waqf properties in several Muslim countries, such as India, Pakistan, Bangladesh, Indonesia, Singapore, Kuwait, Egypt, and Qatar. It shows that the trend seems to evolve from a voluntary identity to one governed by government and, more recently, it takes the shape and style of a private company.

This section discusses management of waqf in two subsections. The first subsection outlines the form of management of waqf properties as experienced in several Muslim countries. This subsection ends by presenting arguments by scholars regarding a more suitable approach to manage waqf properties. In the second subsection, the management of waqf properties is highlighted as the contextual information for the empirical investigation, i.e., Malaysia.

### **2.3.1 The form of waqf entities managing waqf properties: the trend**

Waqf properties can be managed by an individual or a group of people. In the contemporary context, however, the management of waqf properties is entrusted to a group of people. Sait & Lim (2006, p. 169) notes that,

“Efforts at capacity building by mutawallis/nuzzar [i.e., manager] and enhancing transparency and accountability are important, but the real challenge lies in improving and rendering more efficient the structures of waqf administration”

This indicates that both the manager and the structures of waqf management play an important role in the effort to inform and improve the way waqf properties are managed. The management may thus take the form of; or/and be characterised by the management style of; the public sector, the private sector or the nongovernmental sector. This subsection highlights the form of management influencing the way waqf properties are managed.

### **2.3.1a Non-profit identity**

The earliest known form of entity managing waqf properties is arguably the non-profit entity managed by an individual manager. Kahf (2007b, p. 11) notes that,

“from its beginning, the establishment of awqaf was a clear representation of creating a third and philanthropic sector that is kept away from both the profit-motivated behaviour of individuals and the authority-dominated domain of the government”

The passage above indicates that the management of waqf properties by a government body or profit-making private corporations is not a preferred form of management. Sait & Lim (2006, p. 156) explain this in the fact that Islamic jurisprudence prefers waqf to be seen as a non-profit entity,

“The waqf was intended by classical Islamic jurisprudence to be a ‘third sector’ of philanthropy or civil society, which existed independently of both the state and the profit-making private sector”.

The above highlights the early view on waqf, that waqf should be within the realm of a ‘third sector’. This ‘original’ view of Islam on waqf is also shared by Bremer (2004, p. 5), when she relates waqf institution with the establishment of civil society in Islam,

“...civil society institutions are as old as Islam itself, and have always enjoyed a special place in these societies. The oldest civil society institution, the waqf or Islamic endowment, combined the features of a philanthropy, a social service agency, and albeit indirectly, a political voice competing with that of a ruler”.

### **2.3.1b The government sector identity**

However, since then, the management and control of waqf properties has fallen largely to the state. This trend was arguably started in Turkey during the Ottoman Empire. Ahmed (2004, p. 42) notes that,

“The shift of awqaf properties to government started with the establishment of an Awqaf Administration by the Ottoman Empire in 1826”

The establishment of the new waqf administration was enacted through laws which gave the government authority to establish a directorate for waqf. The Ottoman waqf laws were later adopted and adapted by other Muslim countries, which resulted in empowering the government to control waqf properties.

“This laws established a branch of government, called “Ministry of Awqaf” or “General Directorate of Awqaf” to manage awqaf properties the same way other branches of the public sector are managed” (Kahf, 2007b, p. 10)

The intervention by the government in the majority of these countries was made under the pretext that there was mismanagement and an inefficient management of waqf properties by individual managers.

“Eventually, in modern times, the states’ main justifications for interference were public interest, in that the waqf did not serve the purposes for which it was originally intended and the state was better positioned to administer them efficiently”. (Sait and Lim, 2006, p. 163)

Kahf (2007b, p. 13) notes that in countries such as Syria, Egypt, Turkey, Tunisia and Algeria, waqf properties were added to the public property of the government. This is similarly noted by Sait & Lim (2006, p. 162)

“(In Syria) public awqaf were brought firmly into the state apparatus. Public awqaf came under the surveillance of the Ministry of Awqaf. Other countries that went down a similar road include Tunisia (1958), where some four million acres of formerly endowed land was transferred to public owners as part of a wider process of reform, Libya (1973) and the United Arab Emirates (1980)... This administrative pattern was repeated in most Muslim countries...”

In Iran, the Endowment Organization was created in 1964, with the managers being incorporated into the government as deputies (Kamali 1998, p. 148 in Sait and Lim, 2006, p. 160). Limitations with regards to the management of waqf properties were also observed elsewhere, as in Lebanon in 1947, Kuwait in 1951 and Pakistan in 1959 (Carroll, 2001, pp. 261-4).

In Egypt, the Ministry of Awqaf which was established after independence wielded huge power. Waqf properties were considered as part of the state after it nationalised them in

1952. This nationalisation of waqf properties transferred the responsibility for their management from individual managers to the Ministry of Awqaf (Dafterdar, 2009, p. 4). The nationalisation of waqf properties, which was part of sweeping reforms introduced by the government, even gave the Minister power to decide the way the agricultural revenue should be spent. Arising from this, public motivation to create more waqf properties was halted owing to the concern that, eventually, the properties would come under total governmental control (Sait and Lim, 2006, p. 163)

In the subcontinent of India, Pakistan and Bangladesh, a similar fate was experienced. All waqf properties in these countries were subject to government supervision with the promulgation of the Waqf Validating Act (1913) and, later, of the Bengal Waqf Act (1934). Sait & Lim (2006, p. 163) concluded that “all awqaf in India are subject to wide and strict administrative regulations, drawing them firmly into the control of the state”. After the separation of Pakistan and Bangladesh from India, the matters of waqf remained under government control. Malik (1990) stated that, in Pakistan, the State nationalised waqf properties in 1960. He noted that,

“Hence endowments were no longer available for the economic wellbeing of a Muslim and the State was able to interfere in foundations legally...” (Malik, 1990, p. 74).

Similarly, in Bangladesh, after its separation from Pakistan in 1971, the State governs matters regarding waqf through the Ministry of Religious Affairs. Karim (2009) notes that the management and administration of waqf properties in Bangladesh is highly centralised, where,

“The power to make decisions and to give orders lies solely with The Administrator sitting at the Headquarter in Dhaka”(Karim, 2009, p. 4).

The state controls the administration and management of waqf properties in South East Asian countries. In Indonesia, waqf matters are under the jurisdiction of the Ministry in charge of religious affairs. Although the manager of waqf properties could either be an individual or an entity, they must be registered with the Minister and Indonesian Waqf Body. With the Waqf Act (2004), an Indonesian Waqf Body was established as an independent state body responsible for the management and development of waqf

properties in Indonesia. As for Singapore, the Administration of Muslim Law Act (1968) states that all waqf properties are vested to the Singapore Islamic Religious Council. This was further strengthened when the act was amended, in 1995, making the Council the sole trustee of waqf properties (Abdul-Karim, 2007, p. 2). In the case of Malaysia, the management and administration of waqf properties falls under state jurisdiction. A body known as the State Religious Council is given power, under respective states enactments, as the sole trustee of waqf properties. The date from which the SRC is accorded the sole trustee status varies between states, but the first instance occurred in 1952 (Siti Mashitoh, 2006a, p. 84).

The management of waqf properties in these countries falls under state control, with different degrees of state intervention (Sait and Lim, 2006, p. 164). Although the state's expressed intention for the intervention was to improve the management of waqf properties, it resulted in a decline in the use and potential of waqf itself. Meier (2002 in Sait and Lim, 2006, p. 162) state that, while Islamic law is flexible enough to accommodate waqf development, it was "eventually corrupted by centralization and over-regulation under the impress of modernizing nineteenth-century reforms". The intended effect, which was to ensure that waqf properties benefited the recipients, was not achieved. Sait & Lim (2006, p. 164) observe that there is insufficient evidence to show that the state effort resulted in the beneficiaries receiving the benefit since its takeover of waqf management. They note that,

"it is a widespread belief that these nationalized awqaf have virtually 'disappeared', appropriated by the state without distinction as to their origin or special nature or siphoned off by private individuals" (Sait and Lim, 2006, p. 164)

### **2.3.1c The private corporation identity**

Lately, some states have addressed these concerns by establishing a corporate-like entity to manage waqf properties. Ahmed (2004, p. 43) notes that,

"Since the beginning of the 1990s, governments in several Muslim countries have taken steps to change the style of administering the awqaf properties and activities. Almost all the Muslim countries have established some agency to cater to the needs of awqaf either as ministries or some central administrative unit"

In Sudan, an autonomous Awqaf Corporation was created in 1986. The substantial change, however, took effect in 1991, when the government bestowed greater authority to the entity when it transferred government-owned properties to the Awqaf Corporation to develop (Ahmed, 2004, p. 43). The same thing happened in Kuwait, where a new entity was established in 1993. The entity, called the Kuwait Public Foundation, was established in 1993 to take over the management of waqf properties from the Ministry of Awqaf (Sait and Lim, 2006, p. 166). The takeover of the management role from the Ministry of Awqaf was also observed in Egypt and Jordan. In Egypt, the Egyptian Awqaf Authority took over the role from the Ministry of Awqaf, while in Jordan, the Awqaf Properties Investment Corporation took over from the Ministry of Awqaf, Islamic Affairs and Holy Places. A more recent initiative was seen in Qatar, where the Qatar Awqaf Authority was established in 2007, taking over the activities of the Awqaf Department of the Ministry of Awqaf and Islamic Affairs (Dafterdar, 2009, p. 4). Meanwhile, in Malaysia, the Malaysia Waqf Foundation, an entity created by the government under the Department of Waqf, was established in 2008 and tasked to channel funds to the SRC.

However, these reforms, as observed by scholars, did not really change the way waqf properties were managed. Ahmed (2004, p. 43) notes that,

“In some cases, however, the management of awqaf has become a typical public sector agency and being administered according to the bureaucratic system of the government”

The change was rather superficial as the ultimate authority for managing waqf properties still rests with the state. Kahf (2007b, p. 13) argues that,

“Unfortunately, all these reforms could not touch the real problem; hence, solutions suggested were only cosmetic and represent mere change of hands, a kind of intergeneration struggle, rather than a change in the concept of management”.

Kahf (2007b) reiterates the need to change the concept of management, realising that management under the state, and the new reforms in the mould of corporation, was not the satisfactory reform needed to see an improvement in the management of waqf

properties. The current effort to control and monitor by state; and by an autonomous corporation, seems to relegate the “ideal” recommendation that waqf properties should be managed by non-governmental entity (Kahf, 2007b, Sait and Lim, 2006).

“Most Muslim countries now directly or indirectly administer waqf lands in separate ministries, leading to the demise of the waqf’s non-governmental identity – making awqaf virtually indistinguishable from state lands” (Sait and Lim, 2006, p. 156).

### **2.3.2 Reverting to nonprofit with community involvement**

Kahf (2007b) argues that the management of waqf properties should be placed under a third sector, with the local community empowered to make decisions. He argues that the management of waqf properties by government bodies is fraught with corruption and bureaucratic procedures, while management by the private sector may shift the social objective of waqf into being a profit one. He concluded that,

“In fulfilment of the will of founders, and in respect of the distinctive nature of the third sector, the non-profit sector of awqaf, and in recognition of the outrageous failure of governments in managing economic and benevolent enterprise, and in realization of the need for distinguishing style of management of awqaf from that of profit-motivated private-interest-seeking enterprises, the awqaf management should be run by local people who relate to the beneficiaries of awqaf as well as to the community in which the awqaf properties represent...” (Kahf, 2007b, p. 13)

Kahf (2007b) clearly indicates that waqf properties should be managed by local people. He explains the reason in that local people are close to the beneficiaries and the community in which the properties are located. In the context of the present study, the notion of involvement of the local people echoes the emphasis by O’Dwyer & Unerman (2008) through the notion of holistic accountability. They suggest that holistic accountability, which emphasises downward accountability to the beneficiaries, is characterised by the openness of the NGO towards the involvement of beneficiaries and/or partners (O’Dwyer and Unerman, 2008, p. 805). Although they do not specifically suggest that beneficiaries or/and local people manage the NGO services, they realise the importance of engaging beneficiaries and/or partners in any action and decision that may have an impact on them.

In addition to Kahf's recommendation, there are several other articles which argue the need for local people's involvement. Gerber (2002) argues the importance of the local community's role in the management of waqf properties during the Ottoman empire. He contends that,

“Local communities saw themselves as having the de facto right to ensure that the affairs of ...waqfs were run in the interests of the city's inhabitants...” (Gerber, 2002, p. 76)

This suggests that the role of the manager was always subject to the interest of the local community. He notes that, should a manager be unable to provide food according to the normal standards of a waqf kitchen, he could be brought to court by a group of local people representing the beneficiaries. These representatives were normally teachers from a nearby waqf school who were the depositaries of “the real public opinion” (Gerber, 2002, p. 76). Therefore, although the manager may be appointed by the government, “the local community... exercised a supervisory function every step of the way”. This illustrates the significant role played by the local community in the management of waqf properties. Although they are not the managers, they have the right to voice their opinion – even to sue the manager – on matters impacting them. He concludes that waqf in the Ottoman Empire illustrates a strong involvement of the civil society, stating that,

“Thus, we have here a large network of waqfs providing various services for the public and run by the public itself, with a minimum intervention on the part of the central (or local) government” (Gerber, 2002, p. 77)

Hoexter (2002) extends Gerber (2002) by offering a conceptual argument regarding the importance of the community's role in waqf. Using the concept of public sphere, she argues that waqf is a charitable act for the sake of God and the act of waqf is to bring the donor nearer to God (Hoexter, 2002, p. 122). Under this concept, waqf is an act of one's participation in the formation of public sphere expressing “his sense of belonging to the community of believers and his identification with its values”. She contends that,

“the most basic conception of Islam, from its inception, [is] never conceived of itself as religion regulating only the sphere of worship but as a political community guided by and devoted to Allah in all spheres of human activity. According to this conception a

contribution towards the welfare of community, just as care for one's own family, was considered an act likely to bring a person closer to Allah" (Hoexter, 2002, p. 122)

This indicates that, in a community where everyone is guided by common values, every action, including the act of waqf, is carried out to draw nearer to God. Hence, every action is an act of devotion to God. A good act is not differentiated either by the fact that it was carried out for private well-being, i.e. for one's own family, or public well-being, i.e. for the community. In this case, Hoexter (2002, p. 125) argue that the community "had built-in claims" on the matters impacting them including the use of waqf properties.

In the context of the present study, the mention of the impact of waqf properties on the local community steers the discussion towards the way in which the "in-built claim" can be carried out. In other words, it asks the question of how the local community can be involved in the matters impacting it. Hoexter (2002) suggests "an ongoing discourse" among local community/beneficiaries and manager/government as the means in which the community claim can be addressed. She noted that,

"Because of its impact on the town's economy and development, and its influence on the daily life of the local population, the waqf thus generated an ongoing discourse involving the local community, the *ulama* [scholar] and the rulers" (Hoexter, 2002, p. 130)

The above passage points to the discourse between the local community as beneficiaries of waqf properties; the rulers as managers of waqf properties; and the scholars<sup>10</sup> as interpreters of Islamic norms and social values. Therefore, in the Ottoman Empire, the management of waqf properties always evolved to suit the contemporary needs of the local community, while protecting the perpetual nature of waqf properties.

"Pressure from below, a dynamic approach of the *ulama* toward the interpretation of waqf laws, and the rulers' cooperation combined to bring about solution whereby the letter of the law was made to coexist with the requirements of real life" (Hoexter, 2002, p. 131)

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<sup>10</sup> In this instance, the scholar always acts in the interest of waqf, albeit for the community. Hoexter (2002, p. 123) notes that it was always the scholar who had the backing of community "to speak up in defense of Islamic norms and social values against rulers who deviated from these norms".

This indicates that the way in which waqf properties benefit the beneficiaries and the local community is not rigidly determined. Rather, it is decided in a discourse “to suit local and economic circumstances”. The needs of the local community are met and acted upon as a result of involving it in the discourse.

Literature on waqf shows the importance of waqf in Islamic civilisation in terms of the breadth of services it provided and the scale of area it covered. The role of waqf may, at times, render some of the state’s roles unnecessary as indicated by the absence of some state departments (Sadeq, 2002, p. 140). This historical excursion also serves to indicate a significant potential of waqf as a mechanism for providing social services to beneficiaries such as the poor. This necessitates the discussion for a better management of waqf properties. The trend of studies on waqf in the third period seems to address this concern. This includes studies focusing on the management structure of waqf entity and the financing of waqf properties. A more recent initiative has taken note of the role of the local community in the management of waqf properties. In other words, the local community may be engaged to improve the way waqf properties are managed. This is the emphasis of the present study, in that the effort towards improving the management of waqf properties should not be limited to a discussion regarding the management structure and the financing issues. A holistic approach, where the beneficiaries of the waqf properties should be given due attention as illustrated in Kahf (2007b), Hoexter (2002) and Gerber (2002). The awareness of and responsiveness towards the beneficiaries, including the openness in involving them in the management of waqf properties, is the spirit embodying waqf. Sait & Lim (2006, p. 169) notes that,

“What is certain is that waqf worked best in the past where local actors had a say in its functioning and the revival of this institution will depend on emphasizing its role in the public sphere amongst those who are best equipped to run it”

Sait & Lim (2006, p. 156) suggest that the way in which local actors may be involved in the way waqf properties are managed is by returning to the practice of the ‘idealised past’, i.e., recognising waqf in its nongovernmental identity.

## **2.4 Waqf in Malaysia: Contextual information**

This section provides the contextual information for the present study, highlighting the practices for the management of waqf properties in Malaysia. This provides an overview of the practices and the set up of important parties involved in the management of waqf properties and the roles played by each of them. The section starts by outlining the legal context pertaining to waqf matters. It continues with a discussion on the main players involved in the management of waqf properties, i.e. the SRC, the waqf officers and the local service provider (LSP).

### **2.4.1 The legal framework within which waqf operates**

Malaysia is formed under a concept of federalism and comprises 13 states. A constitution, the Federal Constitution of Malaysia, is formulated to govern the relationship between state and federal governments (Siti Mashitoh, 2006a, p. 57). The constitution states that Islam is the official religion of Malaysia. In addition, the constitution also delineates the responsibilities of federal and state governments, which are referred to in the Constitution as the “Federal List” and the “State List” respectively (Siti Mashitoh, 2006a, p. 57). The specific details of the responsibilities of federal and state governments are spelled out in the Ninth Schedule of the Federal Constitution of Malaysia. The constitution also outlines the role of the monarchs, i.e. the sultans of the 13 states. In Part 1 of the Constitution, which is entitled “The states, religion and the law of the federation”, Article 3(2) states that,

“In every State other than those not having a ruler, the position of the ruler as the Head of the religion of Islam in his state, in the manner and the extent acknowledged and declared by the Constitution, all rights, privileges, prerogatives and powers enjoyed by him as Head of that Religion, are unaffected and unimpaired...”

The purpose of highlighting the above is to underline that each state’s Sultan is the head of the religion in that state. Even with the establishment of federal government, the matter of religious still fall under state, not federal, government (Siti Mashitoh, 2006a, pp. 57-58).

The authority to enact law in the State List is enshrined in the Article 74(2) in Part VI – Relation between the federation and the states” – of the Constitution states that,

“...the Legislature of a State may make laws in respect to any matters enumerated in the State List...”

There are 18 items in the State list and the first of these concerns Islam in that the state holds the power in “Islamic law and personal and family law of persons professing the religion of Islam, including the Islamic law relating to succession,...Wakafs...”.

The above passage makes it clear that waqf matters are religious matters and these fall under state jurisdiction, headed by the state Sultan. For the administration of Islamic matters, every state passes a law to create an entity, a State Religious Council to assist and advise the Sultan on these matters. Thus, every state has an SRC. As an example, in State of Selangor, the Enactment of Administration of Islam 2003, as highlighted in Article 4(1) states that,

“There must be a body known as “State Religious Council A” to aid and advise His Royal Highness the Sultan in matters relating to the religion of Islam”

Since waqf is considered a religious matter, its jurisdiction falls under the purview of the SRC (Al-Habshi, 1991, p. 123). The matter of waqf is mentioned in the enactments of administration of Islam in every state. As an example, in the state of Selangor, the Section 89 of the enactment states that,

“...the Majlis [i.e., SRC] shall be the sole trustee of... (a) all wakaf, whether wakaf am or wakaf khas...”

Therefore, the Islamic Administration Enactment of every state has enacted that all waqf matters fall under the purview of SRC. These include trusteeship, management, development and monitoring of waqf lands and buildings.

However, out of 13 states and 3 federal territories in Malaysia, only three have a specific regulation enacted for waqf matters (Siti Mashitoh, 2006b), i.e. Selangor, Melaka and

Negeri Sembilan. The enactment was introduced in 1999 in Selangor; in 2005 in Melaka and in 2006 in Negeri Sembilan. For the remaining 12 states, the SRCs rely on the Islamic Administration Enactment, which provides a general guideline. To differentiate this and to avoid confusion, the Islamic Administration Enactment is referred to as general enactment while the Waqf Enactment is referred to as specific waqf enactment. For the three states, the waqf enactment specifically spells out the power of the SRC in waqf issues. While the general enactment reiterates that the SRC is the sole trustee of waqf properties, it also highlights the power of the SRC to appoint committees in discharging its duties. This includes establishing a committee to manage all matters relating to waqf. The way waqf properties are managed, including the role and function of this committee, is discussed next.

#### **2.4.2 Management of waqf properties in Malaysia**

We are informed that each state in Malaysia has the authority to enact laws regarding Islam (Siti Mashitoh, 2006a, p. 83) and that each SRC has the authority over Islamic matters, including waqf (Al-Habshi, 1991, p. 123, Siti Mashitoh, 2006a, p. 83). Because of this, one SRC's management of waqf properties may differ from another's. This section, however, presents a typical management structure of a SRC with regard to the way that waqf properties are managed. In those cases where the differences need to be highlighted, these will be duly emphasised.

According to each state's Islamic Administration Enactment, the SRC is accorded a legal identity. This means that it can enter into contract and may acquire, purchase and own assets like a private corporation. For example, Section 5(1) of the Islamic Administration Enactment Selangor (2003) states that,

“The Majlis [i.e., SRC] shall be a body corporate having perpetual succession with a common seal...”

It then continues, in Section 5(3), affirming the power of the SRC for the acquisition, purchase, ownership and mortgaging of properties, amongst others. The SRC is also empowered to appoint committees to assist it in discharging its duties (Section 27 of the

Islamic Administration Enactment). Therefore, in the management of waqf properties, the SRC appoints a waqf management committee (hereinafter referred to as WMC) to administer and manage matters relating to waqf. In the case where there is a specific waqf enactment, this clearly states that the SRC shall establish a WMC. For instance, Section 21 of the Waqf Enactment Selangor 1999 (WES 1999), states that,

“The council shall establish a Wakaf Management Committee to administer and manage all matters relating to wakaf in the State of Selangor”

Whereas, in a state where there is no specific provision regarding the establishment of a WMC, the SRC makes use of the general provisions of general enactment to establish the WMC (Siti Mashitoh, 2006a, p. 58). In carrying out its duties, the WMC receives direction from the SRC main board. In other words, the SRC monitors the activities of the WMC. These duties are however stipulated in the specific waqf enactment (Section 24 of WES, 1999). These are;

- (i) to carry out any direction, policy, and decision made by the SRC in relation to waqf property
- (ii) to supervise, arrange, manage and administer waqf property,
- (iii) to develop, improve and upgrade waqf property,
- (iv) to administer the Wakaf Fund,
- (v) to exercise any other powers or functions as provided under this Enactment or as directed by the Council from time to time.

The SRC, through its board (hereinafter referred to as the SRC main board) appoints the WMC<sup>11</sup>, delegates its power and monitors the activities (Siti Mashitoh, 2006a, p. 88). The members of the committee comprise some members from the SRC main board. Thus, the relationship between SRC main board and WMC is similar to, for example, the relationship between the board of directors and the finance committee in a private company.

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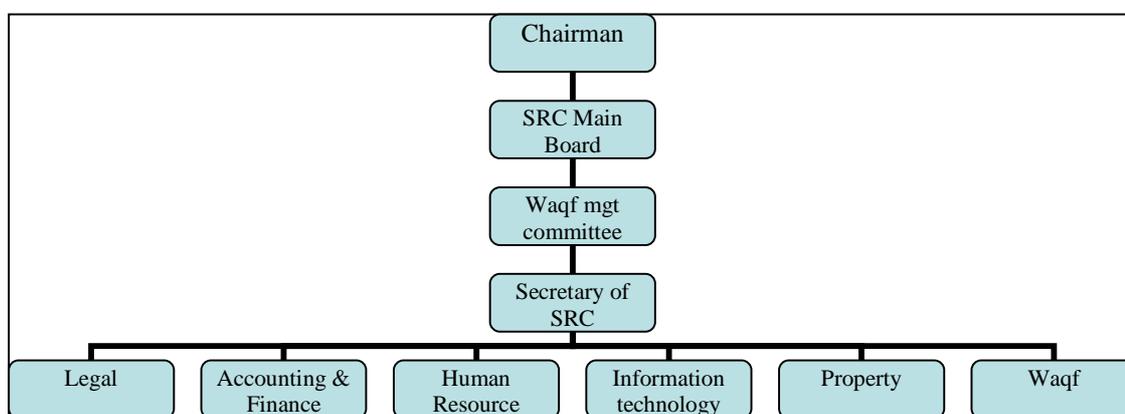
<sup>11</sup> The committee is known by many different names, such as waqf investment committee, waqf development committee, cash waqf committee etc. Generally, it is responsible for managing waqf properties. In this thesis, the term WMC is used.

The SRC is also empowered to appoint a Registrar of Waqf who is responsible for keeping and maintaining a register of all waqf including any relevant documents evidencing that the act of waqf has taken place, such as documents of property title, any completed application forms or letters (see WES 1999). In addition to these responsibilities, the general enactment invests the SRC with the power to appoint officers to carry out the operational side of its duties. Thus, similar to a private entity, the SRC establishes a department to implement the policies decided by the SRC board. In the specific waqf enactment, the provision gives the SRC the power to appoint officers to carry out waqf-related tasks. This then necessitates the establishment of a waqf unit as a department within the SRC. Therefore, the typical departments in the SRC include legal, accounting/finance, human resources, information technology, property and waqf. The property department is considered a main department of the SRC because the enactment provides the SRC with the power to own properties. Although the waqf department is a property department, it is created to specifically deal with waqf properties, while the property department deals with other non-waqf properties, such as the SRC's own properties and other properties created under Islamic concept (e.g., unclaimed properties, inherited properties).

The number of departments is, however, different from one SRC to another. The number of departments seems to be influenced by state status, i.e. more modern states, which enjoys higher economic activities, such as Selangor, Penang, Kuala Lumpur and Johor, seem to have more departments compared to more rural and traditional states, such as Pahang, Kelantan and Terengganu (Abdul-Rahman, 1999). Generally, in the larger and more organised SRCs there are more departments while, other SRCs only maintain the general functional departments as previously outlined. Differences may also be observed in terms of waqf-related responsibilities. Responsibilities such as supervision, administration, management, development, improvement, upgrading, registration and record-keeping of waqf properties are all considered to be waqf-related activities. These responsibilities can all be carried by the waqf department or each can be carried out by different departments, i.e. the activities are functionally segregated. For example, the SRC in State A may require the waqf department to be in charge of registration and recordkeeping only, while waqf department in another SRC may include development

and improvement as its responsibilities. Stated differently, waqf-related responsibilities can be carried out exclusively by one waqf department or they can be undertaken by several others. Based on the information available on individual SRCs websites, SRCs which are situated in ‘modern’ States organise their waqf-related tasks according to functional departments, whereas SRCs situated in rural and more traditional states entrust all waqf-related tasks to a single department. Similar observations are made in a study by Abdul-Rahman (1999) and Al-Habshi (1991). They note that states on the west coast are generally regarded as modern; hence the operation and the structure are influenced by a private entity style of management with many functional departments.

A typical organisation structure for a SRC is shown below.



**Figure 2.1: A typical SRC organisation chart focusing waqf tasks**

The organisational chart above is drawn with an emphasis on waqf. Besides the waqf committee, there are other committees – similar to the setting in private companies, which have, for example, finance committees and human resource committees. The chairman is the head of the SRC board appointed by the Sultan in his role as the state’s head of religion. However, the practice is different from one state to another (Al-Habshi, 1991, p. 124). In several cases, the chairmanship is delegated to the Regent while, in others, the duty is assumed by the Chief Minister. Meanwhile, the Secretary of the SRC is considered to be the Chief Executive Officer of the SRC. He/she is the head of the management team (Al-Habshi, 1991, p. 124). There are also differences among states with regard to the appointment of the SRC Secretary. In some states, the position of SRC Secretary is a permanent position (e.g. state of Pahang, Johor, Melaka) while, in others, it is held by virtue of holding a state government position. The convention is that the

Director of the State Religious Department (SRD) is automatically the Secretary of the SRC (e.g. state of Kedah, Perak, Selangor). In these states, the SRC normally creates the additional position of Deputy Secretary of SRC as permanent staff. He/she normally runs the day-to-day operation of the SRC.

With regards to the number of departments, it ranges between 5 and 14 departments, depending on SRC activities. For example, in the case of developing waqf properties, the tasks may be shared among three different departments, i.e. the waqf department, property planning and project development. The tendency to have more departments is arguably associated with the location of the state and the level of SRC activities. In other words, a state situated in a more economically developed area has a greater tendency to have higher activities, hence a larger number of departments. Even if the number of activities is similar, certain states may decide to organise their SRCs to look more organised, hence establishing more departments. Whether this claim is true or not is beyond the scope of the present study. However, the two SRCs located in the two most developed states seem to have the largest number of departments, i.e. 15 and 14 departments respectively. The name of the states is not revealed here due to research ethic concerns as one of the states with the largest number of departments is one of the empirical sites where the present research takes place.

In addition to parties within the SRC, i.e. the SRC board, the WMC, and the waqf officers, there are also outside parties engaged in the management of waqf properties. In the present study, there are referred to as local service providers (LSP). Generally, there are two types of LSPs, i.e., those that are independently managed and those managed by or/and monitored as part of the SRC. The involvement of the LSP in the management of waqf properties is explained next.

### **2.4.3 The process involved in the management of waqf properties**

Based on the responsibilities highlighted in the waqf enactment, the typical processes involved in the management of waqf properties in Malaysia consist of registration of waqf properties, development of waqf properties, daily management and maintenance of

the properties. These were drawn from interviews with officers and staff of SRC A and SRC B and internal documents, such as desk files<sup>12</sup>.

The registration of waqf properties involves the legal transfer of ownership from the donor to the SRC as the sole trustee (Siti Mashitoh, 2006a, p. 83). In other words, the properties must be transferred from individual donor's name into SRC's name. The process is bound by legal provisions, i.e. the National Land Code – hereinafter NLC (Siti Mashitoh, 2006a, p. 63). Therefore, the process involves the technical requirements of filling in and signing forms in the presence of an officer from the Land Office – a government department (Siti Mashitoh, 2006a, p. 63). The process, at this stage, is very much governed by legal requirements. This is normally carried out by the SRC, more specifically by the waqf officers.

In the second stage, the process involves developing waqf properties into properties and services that can benefit the beneficiaries and the public. In Malaysia, generally, the effort to develop waqf properties is carried out by either the SRC or by an independent LSP. If the process is conducted by an LSP, the next process, involving the daily management of waqf services, is almost exclusively undertaken by the LSP. In other words, the LSP management is responsible to manage the project, including financing the development of the properties into usable waqf services. If this is the case, the funding may come from the public donation. In such a case, the role of the SRC and the waqf officer is limited to the registration and inspection of the physical properties. The SRC is not involved in the development of the properties. If, however, the waqf properties are developed by the SRC or/and in partnership with other parties, the SRC is going to be involved in the management of the properties and services. If the SRC is an organised SRC, the development phase is undertaken by the development department. The waqf department is only involved in the registration and inspection of the use of the physical asset. But for a smaller SRC, the waqf department may be involved in all process.

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<sup>12</sup> They did not allow me to copy desk files but they did show them to me.

In the third stage, the process involves the daily management of waqf properties. This is the stage where beneficiaries and the public receive the benefit of the waqf properties, either through their direct use or through the funds generated through them (e.g. rental income). Following the development process, the LSP has wide discretion in the decision making with regard to the operation and management of the waqf properties. For example, the daily management of an orphanage is fully under the LSP’s responsibility, including seeking funding for its daily operation. The SRC may be involved in contributing some funds, although the LSP is responsible for the overall management of the orphanage. If the properties are managed by the SRC, a committee will be established comprising local people and SRC officers. For example, a committee may be established to look after residential houses the rental income of which is used to benefit a school. If there is any defect with the houses, the local people will inform the SRC through the waqf officer. Thus, the SRC is responsible for the management and maintenance of the properties.

The above highlights the typical processes and the parties involved in the management of waqf properties, from the donation by the donor to the usage of waqf properties. In a larger SRC, the above three processes may involve three different SRC departments while, in a smaller SRC, the processes may be carried out by a single department, i.e. the waqf department. The process involved in the management of waqf properties is highlighted below.

Process	Larger SRC	Small SRC
Registration	SRC-waqf	SRC-waqf
Development	SRC-development or LSP	SRC-waqf or LSP
Daily operation	SRC-maintenance or LSP	SRC-waqf or LSP

**Table 2.2: Processes in managing waqf properties in two SRC settings.**

The Table 2.2 above highlights the three major processes involved in the management of waqf properties. It is presented according to two settings of SRCs. In a large SRC, the three processes may be undertaken by three different departments. In this case, the process of making waqf properties into properties or/and services usable for the beneficiaries and the public may need to pass through three different departments before it can come to fruition. In other words, the management of waqf properties traverses

three different departments before it can benefit the beneficiaries and the public. On the other hand, in a smaller SRC, all the processes are carried out under one waqf department. In addition to the SRCs, the Table 2.2 also shows the involvement of LSPs. The registration is however still under the SRC's responsibility as is legally enacted. However the development and the daily operation are almost exclusively put under the LSP's responsibilities with minimal SRC intervention.

This section illustrates that the power to manage waqf properties is accorded to the SRC through legal provisions such as the Federal Constitution of Malaysia, the Administration of the Religion of Islam Enactment and the Waqf Enactment (where available). However, the way the SRC manages waqf properties may differ from state to state. In a more organised SRC, waqf properties may be managed by several departments while, in a smaller SRC, the management is entrusted to just one waqf department. In addition, there is also LSP involvement in the management of waqf properties where the role and function of SRC seems to be limited to the registration and inspecting the use of physical asset.

## **2.5 Conclusions**

This chapter discusses waqf in two parts. The first part provides an introduction and an understanding of waqf. This is followed by literature reviewing the importance of waqf in Islamic societies and the waqf study in the academic circle. The second part highlights the experience of managing waqf properties in several Muslim countries. This is then continued with the case of waqf management in Malaysia.

The chapter shows the growing significance placed by Muslim countries on the waqf issue. This underscores the importance of this present study. It also highlights a concern by scholars with regard to placing waqf management under public or/and private organisations as these entities may not be able to satisfactorily discharge the responsibilities associated with the managing of waqf properties. In the next chapter, the discussion takes up this concern by offering some insights, drawn mostly from nongovernmental organisations, regarding the notion of accountability.

## CHAPTER 3 : ACCOUNTABILITY IN ACADEMIC LITERATURE

### 3.0 Introduction

“It seems that in almost every aspect of our lives – from family life and schooling to corporate governance and public administration – we are subjected to ever greater demands for accountability. We are also increasingly likely to demand more accountability from those we deal with – from our kids to the public servants and managers of the corporations that now permeate our lives” (Dubnick, 2006, p. 1).

Accountability is what makes human beings human. It is an activity where human beings “come to be as selves” (Schweiker, 1993, p. 235). Accountability is “an everyday and all pervasive process of mundane expressions and mutual understandings” (Munro and Mouritsen, 1996, p. x). Living in this world, human beings “are continuously involved in making and giving accounts to others and ourselves, about who we are, what we are doing...” (Willmott, 1996, p. 23). In other words, the act of giving and receiving account defines human.

This chapter discusses accountability as it informs the theoretical framework of the present study. It is divided into 6 sections. The chapter starts by highlighting the definitions of accountability used in this study and several key terms commonly used in literature, especially accounting literature. Section two examines accountability by classifying it into relational and individual perspectives. Relational accountability is further expanded to include a discussion on hierarchical and downward accountability. In this thesis, hierarchical and the downward accountability are collectively referred to as holistic accountability and individual perspective of accountability is analysed as felt accountability. The individual perspective of accountability is discussed in relation to the values which, arguably, underpin the way accountability operationalises. This is presented in sections three and four. Section five examines Islamic values that may underpin the way accountability is discharged. Some important concepts in Islam are introduced here. Section six concludes the chapter.

### 3.1 Defining accountability relationships

Accountability has been scholarly discussed in various fields. Hence, the definition also varies according to the field of study. Accountability can simply be defined as the act of giving and demanding reasons (Roberts and Scapens, 1985, p. 447). This implies that accountability is relational in nature in that there may be a party who gives reasons and another party requiring such reasons. Thus accountability is conventionally typified as a relationship between two parties<sup>13</sup>; the accountant (giving reasons) and the accountee (requiring reason).

The short definition above could be extended by the definition suggested by Gray et al. (1996). The present study uses this definition when it refers to accountability. They define accountability as,

“The duty to provide an account (by no means necessarily a financial account) or reckoning of those actions for which one is held responsible” (Gray et al., 1996, p. 38)

As will become apparent later, the word ‘account’ and ‘responsible’ are always associated and used interchangeably with accountability in literature (see for example, Lindkvist and Llewellyn, 2003, Mulgan, 2000). This definition of accountability highlights two sets of responsibilities, i.e. the action and the account/report of the action. In other words, accountability involves the responsibility to act and the responsibility to give account for the action. These responsibilities are derived from the relationship that the accountability entails between accountant and accountee – a relationship defined by society (Gray et al., 1996, p. 38). Therefore accountability *is* about relationships.

Gray et al. (1996) further argue that responsibility may be legal – i.e. governed by legal and bureaucratic procedures – or non-legal – i.e. governed by the ruling ethics, values and principles of society. Therefore, the relationship arising out of those responsibilities may be formal or/and informal (Gray et al., 2006). The formal accountability

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<sup>13</sup> The relational nature, however does not necessarily require two separate physical bodies, as one can take the role of others in that an individual may become both the giver and the demander of reasons (Roberts, 1991, 1996). This is discussed in detailed in the next section on individual perspective of accountability.

relationship is commonly characterised by adherence to a legal requirement, fulfilling bureaucratic procedures and preoccupation with achieving a predetermined set of targets; they are more commonly referred to as legal accountability, bureaucratic accountability and performance accountability respectively (Ebrahim, 2003b, Erkkila, 2007, Laughlin, 2008, Mulgan, 2000, Sinclair, 1995, Stewart, 1984). This accountability relationship is arguably drawn from a hierarchical structure of which the power mechanics – or “steering media” (Habermas, 1987), such as power, laws, money – dictate how accountability should look like. In this context, this type of accountability appears as a hierarchical accountability where the relationship is shaped by the need to adhere to the conditions determined by the legal, bureaucratic and economic requirement. This hierarchical accountability is always associated with upward accountability, denoting the upward direction of hierarchical accountability (Edwards and Hulme, 1996, p. 967, O'Dwyer and Unerman, 2008, p. 802). This implies that the accountant is always accountable to those who own the power mechanics to exert influence and impose accountability. For example, a lower level manager is accountable to a mid-level manager who, in turn, is accountable to an upper level manager. A common example of hierarchical accountability is the relationship between a director and the shareholders, where the director is accountable for managing funds provided by the shareholders (Gray et al., 1996, p. 38, Unerman and O'Dwyer, 2006, p. 355). It conforms to the agent/principal relationship (Ebrahim, 2003b).

There is, however, another type of accountability. This is not governed by legal, bureaucratic and economic requirements (Gray et al., 1996, p. 41). Gray et al. (1996, p. 40) refer to this as an accountability derived from philosophical responsibility. This is normally established through an informal relationship where accountant and accountee enjoy a close relationship (Gray et al., 2006, p. 335). Accountability in an informal setting is normally inherent to a familial environment or/and any relationship based on a physical or/and a “value and/or epistemic” closeness where members share similar values (Gray et al., 2006, p. 336). Since it is normally unwritten, the scope may not be as defined as in the case of hierarchical accountability, but is probably more important (Gray et al., 1996, p. 40). The scope of ‘philosophical’ accountability is more nebulous. This seems to be attributable to the nebulous nature of the values and principles of

society. This ‘philosophical’ form of accountability may be more prevalent in an informal setting where power mechanics are absent or/and inactive or/and not surveilling (Roberts, 1991). In other words, an informal accountability relationship may flourish where there are no or/and inactive legal, bureaucratic and economic considerations affecting the relationship. In the present study, accountability to those devoid of power mechanics is referred to as downward accountability (Agyemang et al., 2009, O’Dwyer and Unerman, 2008). As the downward parties, such as the beneficiaries/public (Callamard, 2006, p. 193, Edwards and Hulme, 2002, p. 9, Najam, 1996, p. 345), do not possess the legal, bureaucratic and economic hierarchical forces to operationalise accountability, they rely on the accountant to be sensitive and aware of their needs/aspirations. In this perspective, the accountant ‘chooses’ – rather than acting under an imposition – to be accountable because of the values and principles of society and the ruling ethics that he/she holds.

The above paragraph, however, does not suggest that accountability is dichotomised, although it may not be too difficult to find instances where hierarchical accountability is privileged. An example from a commercial entity is given here. The legal provisions dictating how an entity should operate, such as the Company Act; the bureaucratic reporting requirement to the main board; the standard operating procedures detailing step-by-step actions; and the predetermined requirement highlighting quantitative targets, such as budget variance, encapsulate the concept of hierarchical upward accountability (Laughlin, 1996, p. 228, Willmott, 1996, p. 31). This form of accountability can be complemented by downward accountability, which may operate at different levels and in different environments (Roberts, 1991, p. 364). An accountant may need to make use of both hierarchical upward and downward accountability mechanisms to discharge his/her responsibilities and duties of accountability. This, as will be made apparent later, is holistic accountability where both types of accountabilities are employed.

In the next section, the two perspectives of accountability are explored in detail. Following the discussion of these two relational natures of accountability, a discussion on the individual – ‘non-relational’ – perspective of accountability is carried out.

## **3.2 Exploring the relational perspective of accountability**

The literature on accountability provides various classification or/and types of accountability. A short representative sample of such work includes O'Dwyer & Unerman (2008), Bovens (2007), Dubnick (2005), Ebrahim (2003b), Hall et al (2003), Lindkvist & Llewellyn (2003), Mulgan (2000), Najam (1996), Roberts (1996), Gray et al (1996), Laughlin (1996), Willmott (1996), Sinclair (1995), Arrington & Francis (1993), Schweiker (1993), Schlenker & Weigold (1989). The above accountability literature spans across private, public and NGO sectors, including a more general discussion on accountability. Some of the types of accountabilities listed above overlap one another, while some others apply to a specific context. According to Sinclair (1995, p. 221), the study of accountability depends on the “ideologies, motifs and language of our times”. This suggests that there are many ways to study accountability and to examine all of them lies beyond the scope of the present study. The present thesis chooses to study accountability by focusing on the concept of holistic accountability and its components, i.e. hierarchical upward and downward accountabilities (O'Dwyer and Unerman, 2008). In doing so, some of the previously mentioned literatures are reviewed to understand the holistic accountability concept and some others are excluded. The term holistic accountability is arguably a recent term. In organisational studies, such as the literature on sustainability reporting and nongovernmental organisations, holistic accountability means accountability to both powerful stakeholders (e.g. shareholders, donors, government); and to those less powerful (e.g. beneficiaries and public) (Agyemang et al., 2009, O'Dwyer and Unerman, 2008). These are known as hierarchical upward and downward accountability respectively (Edwards and Hulme, 1996, O'Dwyer and Unerman, 2010).

### **3.2.1 Hierarchical upward accountability**

Hierarchical upward accountability is always associated with accountability to those with power (Agyemang et al., 2009, Edwards and Hulme, 1996, O'Dwyer and Unerman, 2008, 2010). A simple illustration of upward accountability is the accountability to a

shareholder, whose power is derived from financial resources. Agyemang et al. (2009, p. 10) states that,

“upward accountability to donors is regarded as a form of hierarchical accountability characterised by fairly rigid accounting and accountability procedures”

In addition, O’Dwyer & Unerman (2008, p. 804) note that hierarchical accountability has the tendency to “prioritise accountability to a powerful patron (upward accountability)... who has the power to progress or retard” an organisation from achieving its objective. In addition to the economic resources noted above, power may also appear in legal and bureaucratic forms. This implies that accountability, as a concept, is fraught with the language of power in that “asymmetries in resources” influence “who is able to hold whom accountable” (Ebrahim, 2005, p. 60). This suggests that those who have access to economic resources, possess legal clout and are placed in a higher hierarchy may exert power and, hence, demand accountability. This, as discussed in detail later, suggests that hierarchical upward accountability is characterised by economic, legal and bureaucratic power. Willmott (1996, p. 33) notes that “normal accountability procedures are symptomatic of the structure of power relations”. This gives the impression that the term accountability always seems to conjure and be associated with the image of ‘hierarchicalness’, in that accountability always refers to accountability to a superior – economically, legally or bureaucratically. Peruzzotti (2006) states that, “accountability... is always ‘upwards’”.

In relation to the three elements of power above, Laughlin (2008) - drawing from Stewart’s (1984) “ladders of accountability”, argues that the lowest ladder of hierarchical accountability is satisfying the legal requirement. Moving up the ladder, hierarchical accountability tends to enact bureaucratic procedures – in addition to existing legal requirements – to satisfy accountability. In the next step, a goal/target is prescribed to measure whether accountability has been achieved. The above three-steps of the ladder are motivated by legal, bureaucratic and economic requirements respectively, where, on the highest step, an accountant is required to satisfy all three requirements. Therefore, in the present study, hierarchical upward accountability is a

collective term referring to that accountability which privileges economic/financial considerations and legal and bureaucratic procedures<sup>14</sup>.

### **3.2.1a Legal/bureaucratic considerations in hierarchical accountability**

The legal/bureaucratic considerations in hierarchical upward accountability ensure that the work process is undertaken according to established laws, rules and supervision (Erkkila, 2007). A formal procedure is used to control the input and the process (Sinclair, 1995, p. 222). Dubnick (2003, p. 407) argues that,

“...accountability becomes associated with certain institutional forms of oversight and ethical behaviour becomes tangled in discussions of codes and legalisms”.

This indicates that the meaning of accountability engenders a notion of bureaucratic and legal supervision. The purpose of the supervision is arguably to assist the accountant in achieving the organisational objectives (Roberts, 2002, p. 659). Hierarchical accountability entails “a process of supervision and control... that can help agents (and principals) to better accomplish their goals” (Ebrahim, 2009, p. 890). This suggests that the objective of hierarchical accountability is to monitor the behaviour of the accountant so that the goals are achieved. It encourages the accountant to stay true to the objectives. This form of accountability “enables routine error correction and quality control” (Ebrahim, 2005, p. 76). Hierarchical accountability thus reflects an,

“...objective, external (i.e., external to the individual) systems that organizations utilize for the purpose of monitoring and assuring compliance from employees” (Hall et al., 2007, p. 407).

In the private sector, the legal considerations of hierarchical accountability are reflected in the contractual relationship between the accountant/manager and the accountee/principal (Gray, 1983, p. 5, Gray et al., 1996, p. 38). The contract allows the accountant “to control resources... in return for the expected cash flows...” (Gray, 1983, p. 10). Under normal circumstances, the accountee/principal does not have to spell out

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<sup>14</sup> In public sector literature, accountability for economic/financial consideration and accountability to legal/bureaucratic procedures are normally referred to as performance-based and procedural-based accountability respectively.

what the accountor should or/and should not do, as the responsibility of the accountor to use the resources and the limits of his/her actions have already been enshrined in existing company law. Therefore, Gray (1983, p. 10) notes that,

“the contract places certain responsibilities on the directors and they are held to account for the extent to which these responsibilities are met. That is, they are accountable to the shareholder and discharge this accountability through the legally required annual accounts”.

Therefore, from a legal perspective, accountability is discharged when the resources are used in accordance with the contract.

The need to satisfy bureaucratic procedures and to follow legal requirements – or legal/probity accountability and process accountability, according to Laughlin (2008) – characterises the hierarchical form of accountability. These two steps of the “ladder of accountability” (Laughlin, 2008, Stewart, 1984) are followed by a third step, i.e. performance accountability. This is discussed next.

### **3.2.1b Economic considerations in hierarchical accountability**

Hierarchical upward accountability with economic considerations emphasises financial and quantitative measures (Laughlin, 1996, p. 228). Accountability is discharged when and if the economic consideration – measured by the achievement of financial and quantitative targets – is fulfilled. According to Najam (1996, p. 342), this type of accountability is concerned with “spending designated moneys for designated purposes”. O’Dwyer & Unerman (2008, p. 802) notes that,

“...hierarchical accountability is seen as embracing narrow, short-term, accountability to powerful NGO patrons, favouring the use of quantitative measures designed to assess specific aspects of NGO [accountor] ‘performance’ ...”

This suggests that hierarchical accountability employs financial and quantitative indicators as the means to measure the performance of the accountor. Laughlin (2008, p. 250) calls this performance accountability, i.e. “making transparent, expected and actual

performance related to entity objective, notably in term of outcome forthcoming”. He notes that this type of accountability is,

“intended to declare, in precise terms, the ends achieved by the ‘agent’ according to the ethos and specific goals set by the ‘principal’... the behaviour of the ‘agent’ is largely open to being predetermined by the principals’ precise goal expectations; which can be specified in meaningful terms” (Laughlin, 2008, p. 250)

It is considered to be more precise and rigid than legal/bureaucratic accountability. Instead of merely ensuring that input and process follow the prescribed procedures and requirements, the accountant is now responsible to ensure that the output meets the target (Laughlin, 1996, p. 239). This indicates that the way in which accountability is discharged may come in the form of,

“highly detailed quarterly and annual reports on “physical” achievement resulting from funded projects...as well as accounts of expenditure based on pre-specified line items” (Ebrahim, 2003a, p. 816).

Therefore, hierarchical accountability with economic emphasis tends to employ financial measures and other quantitative indicators to verify (read ‘to measure’) whether accountability has been satisfactorily discharged (Agyemang et al., 2009, Bendell and Cox, 2006, Dixon et al., 2006).

Both considerations of hierarchical accountability, i.e. economic and legal/bureaucratic, seem to share a common characteristic in that they serve to monitor the accountant. Discharging the responsibilities and duties of accountability tends to mean complying with the stipulated requirements (Erkkila, 2007, p. 8), which are monitored by the power mechanics – regardless whether it be economic, legal and bureaucratic monitoring. Laughlin (1996, p. 238) notes that,

“The allocation of funds to service units is given, *not* to spend as the units deem appropriate, but to perform certain definable activities which are specified in and through the expectation and accountability demands of principals”

This suggests that performance-based accountability, in fact, curtails the actions of the manager-accountant of a particular unit. In term of control, this appears more rigid than

legal/bureaucratic accountability because the accountant is not only expected to follow the procedures in a particular work process, he/she is also expected to ensure that the output meets a predefined outcome as defined by the principal (Laughlin, 1996, p. 239). Hence, performance accountability is considered discharged when the actual result mirrors the expected result (Laughlin, 2008, p. 250). The manager-accountant is now “being controlled by results instead of rules and regulations” (Erkkila, 2007, p. 19).

This section and the preceding one explain a form of hierarchical upward accountability based on a type of power mechanics. In the next two sections, the effect of hierarchical accountability is examined.

### **3.2.1c The individualising effect of hierarchical upward accountability**

Roberts (1991, 1996) highlights that hierarchical accountability tends to create an individualising effect, which means that one is constantly preoccupied with how one is seen. He suggests that, by being held accountable, one is subject to other people’s expectation. Being accountable means being able to fulfil the expectation of others. Roberts (1991, p. 359) notes that,

“To secure self, one must see oneself and what one does in the term one is judged....Here is the moment, the mental stance, in which accountability can be seen to individualize; an absorption with self, with how one will be seen, which leads constantly to attempts to stand as if outside oneself in order to anticipate the expectation of others”.

The realisation that one is expected to behave according to other people’s expectations leads one to be in a constant mental state of “nervous preoccupation” with how one is seen by others. In an organisational context, this, according to Lindkvist & Llewellyn (2003, p. 255), renders hierarchical accountability “a tightly coupled top-down system”, where the accountant is subject to fulfilling predetermined requirements. They argue that,

“This reflects the notion that individuals who are subject to hierarchical accountabilities will focus their attention upwards on ... [the] standards set by their superiors, and will forget the interdependence between themselves and their co-workers” (Lindkvist and Llewellyn, 2003, p. 263).

According to Roberts (1991), the tendency to forget the interdependence between individuals may be caused by the overriding concern to hierarchicise and technicise the experience of work – the individualising effect of hierarchical accountability. In this case,

“the individual will feel that they are responsible or accountable primarily for contributing to the attainment of system goals” (Lindkvist and Llewellyn, 2003, p. 266).

This elucidates that the concern of individuals in hierarchical accountability is to achieve goals prescribed for him/her by the system or organisation. They note that this form of accountability is “accompanied by feelings of being controlled by or being subject to other people’s will” (Lindkvist and Llewellyn, 2003, p. 267). Accountability, which can hierarchicise and technicise the experience of work, impels individuals to achieve their assigned goals so that the overall organisation’s goals may be attained. This elucidates the nature of hierarchical accountability in dividing the system’s goals into several smaller tasks/targets undertaken by several functional departments (Lindkvist and Llewellyn, 2003, p. 265). In order to achieve the overall system’s goals, every department must achieve its own predetermined task. The completion of smaller tasks by departments contributes towards the achievement of the system’s goals. This characteristic of hierarchical accountability encourages separation in the achievement of organisational goals, where each goal is fragmented into work responsibilities (Lindkvist and Llewellyn, 2003, p. 263). They argue that this hierarchical accountability is typified by an environment where,

“individuals are guided and controlled by way of central systemic media such as rules and plans, but separated from their co-workers into offices” (Lindkvist and Llewellyn, 2003, p. 265).

This is a bureaucratic arrangement where rules divide organisational goals into responsibilities and offices. They add that rules appear in many forms, such as “strategies, central plans displaying action sequences and division of labour” (Lindkvist and Llewellyn, 2003, p. 265). This indicates that hierarchical accountability tends to divide organisational actors into functional departments, where each department is responsible for the achievement of specific parts of the organisational goals. This

suggests that, if every department performs its function – and achieves its departmental goals – the organisational goal can be achieved. Hence, (hierarchical) rules dictate the way things are carried out so that each individual departments’ results are coherent (Lindkvist and Llewellyn, 2003, p. 265). In this case, an individual “is subject to systemic control mechanisms and... separated from the others” with the objective of achieving the predetermined “accountability target” (Lindkvist and Llewellyn, 2003, p. 256).

### **3.2.1d The tendency to neglect downward accountability**

Preoccupation with hierarchical accountability may also affect the accountant’s attention towards the less powerful stakeholder. This is argued by Ebrahim (2003a, p. 816), stating that,

“...the bulk of this reporting emphasizes upwards reporting of financial data, with only limited indication of the quality of NGO work and almost no attention to downward accountability to stakeholders”.

Edwards & Hulme (1995, p. 13) describe that this upward reporting ‘may distort’ accountability because it can further distance the NGO from its beneficiaries; discourage learning, overemphasise probity and regulation. Ebrahim (2005) labels this kind of effort ‘myopic’ because the high level of attention given to upward accountability may cause the neglect of the broader accountability system. Hierarchical accountability “can overshadow or marginalize the mechanisms for holding the NGO accountable to the communities or to their own missions” (Ebrahim, 2005, p. 60, Najam, 1996, p. 344). In addition, the preoccupation with satisfying the predetermined funding criteria may not be in line with the greater public interest. Ebrahim (2005, p. 61) contends that,

“rule-following operational behaviour runs the risk of promoting NGO activities that are so focused on short term outputs and efficiency criteria that they lose sight of long-range goals concerning social development and change”.

Claiming that accountability is discharged merely by following bureaucratic criteria may actually retard the achievement of the organisational goals. In this instance, discharging

the responsibilities and duties of accountability may not lead to the intended social development and change.

To summarise the argument so far, hierarchical upward accountability is discharged by operationalising the power mechanics of law, bureaucracy and economy. Although hierarchical accountability is intended to facilitate the achievement of organisational goals, overemphasising its use may result in creating an anxious environment. This can inadvertently veer the accountor away from the achievement of the organisational goals and engender the neglect of those stakeholders who are devoid of power.

### **3.2.2 Downward accountability**

The concept of downward accountability is not just restricted to its literal meaning, which denotes a directional term. Its understanding extends beyond this, to include the approach, the mechanism and the purpose. These are normally contrasted<sup>15</sup> to those used in hierarchical upward accountability. Thus the term downward accountability implies more than its superficial tag.

In NGO literatures, accountability to less powerful groups is often referred to as downward accountability (Agyemang et al., 2009, Edwards and Hulme, 1996, p. 967, O'Dwyer and Unerman, 2010, p. 451). According to Najam (1996, p. 345), downward accountability is the reason for the NGO's existence,

“the obvious line of responsibility is for the NGO to be accountable to the needs and aspiration of the community it is working with. After all, serving community interest, as defined by the community itself, is the stated primary goal of much NGO activity in development”.

This suggests that downward accountability is discharged by serving the needs and aspirations of the community, as determined by the community itself. Without the community, there may be no reason for the NGO to exist. Thus, downward accountability entails the ability to identify and to respond to the needs of the beneficiaries and community (O'Dwyer and Unerman, 2008).

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<sup>15</sup> Not that the contrast is the precondition for being in the downward accountability 'camp'.

Jordan & Tuijl (2006, p. 13) argue that serving the beneficiaries is the way by which accountability is discharged. Focusing on downward accountability may shift the accountability emphasis from hierarchical accountability, which stresses bureaucratic requirement and monitoring, to “one that encompasses affected populations” (Callamard, 2006, p. 184). She says that the implementation of hierarchical accountability needs to be,

“subverted to... a true accountability... aimed at listening, responding and providing redress to disaster-affected populations”.

Callamard (2006, p. 193) contends that the true sense of accountability can be demonstrated by listening, responding and addressing the needs and aspirations of the beneficiaries. In this case, the way downward accountability is experienced seems to be different from that of hierarchical accountability. The beneficiaries and the public do not generally have the power to impose, enforce and monitor the accountor to undertake certain duties nor can they require formal account – not necessarily limited to financial account – to verify whether the responsibilities and duties of accountability have been discharged. Due to this ‘deficiency’, the experience within which downward accountability is said to be discharged is also different. This is discussed next.

### **3.2.2a The informal approach to accountability**

Roberts (1991, p. 364) argues that the informal setting may be commonly found “at the lower level of organisations”. He noted that,

“the unsurveilled spaces of organizational life – corridors and toilets, chats before and after meetings, lunch breaks and outings – all become the contexts for an alternative form of accountability... (Roberts, 1996, p. 49).

He argues that this informal setting may provide an environment conducive to alternative forms of accountability because the way accountability is operationalised does not depend on power mechanics. One can interact, chat, ask and be asked without any hidden agenda, i.e. it is not a “strategic communicative action” (Unerman and

Bennett, 2004, p. 689). This type of informal encounter in organisations with a less guarded flow of communication draws individuals deeper into relationships with one another (Roberts, 1991, p. 363).

Similarly, Gray et al. (2006, p. 335) argue that, in the NGO context, the relationship between accountor and accountee “may not be – nor needs to be – as formal and as distant as that between a shareholder and company...”. They suggest that, in a setting where relationships are not dictated by power mechanics, and where “matters such as trust, emotion, conscience, social contracts, mutuality etc. all enter into the relationship... [an] informal systems of accounts” may need to be employed to understand how accountability may be discharged. They assert that to regard an accountor as accountable or not accountable based on “on the presence or absence of a predetermined singular measure of some performance or other is almost certainly mistaken” (Gray et al., 2006, p. 335). This suggests that the way downward accountability is discharged and the extent to which it can be regarded as being discharged is different from that of hierarchical accountability.

The yardstick to assess whether an accountor has discharged his/her responsibilities and duties of accountability in a formal hierarchical setting may not be suited to an informal setting. This can be attributed to the different purpose each type of accountability attempts to serve. Hierarchical accountability aspires to monitor the accountor, while downward accountability attempts to understand the accountee (Fry, 1995, O'Dwyer, 2007). Both purposes are intended to achieve organisational goals. However, in the downward accountability concept, the way in which organisational goals are achieved is by engaging the beneficiaries and the public downwardly in a non-threatening and more informal setting (O'Dwyer and Unerman, 2010, p. 452).

### **3.2.2b The mechanism operationalising downward accountability**

One of the most common ways to operationalise downward accountability is through a dialogical approach. Some of the similar terminology used in literature include ‘face-to-face interaction’ (Roberts, 1991), ‘talk among equals’ (Unerman and Bennett, 2004),

and 'conversation' (Fry, 1995). Roberts (1996, p. 57) asserts that the aim of dialogue is "to go beyond any individual's understanding". It is characterised by "a free-flow of meaning between individuals [where] meaning emerges out of the process such that thought is seen to be a participative process" (Roberts, 1996, p. 51). In this approach, the responsibility – or "meaning" – of an accountant is jointly developed rather than hierarchically determined. Fry (1995, p. 185) argues that,

"It is primarily through discussion and dialogue that one becomes clear about role expectation. For many organizations, written job descriptions no longer relate to effective behaviour, that is, the real work desired is too complex or dynamic to put on paper, yet these records are required as evidence of accountable structure and strategy".

The above illustrates that the dialogue process informs the accountant about his/her real scope of responsibility. While a written job description, manifested as a hierarchical responsibility may still be required, merely discharging this responsibility may not actually meet the needs and aspirations of the beneficiaries and the public. Hence, the dialogical approach should be emphasised as it provides an open, nonthreatening and supportive forum to achieve a mutual understanding where the likelihood of achieving the organisational objectives is greater (Fry, 1995, p. 193). Unerman & Bennett (2004) argue that, for a dialogue to reach a mutual understanding status, it requires,

"that all participants in the discourse must speak (or write) comprehensibly and honestly rather than using selective and biased speech acts in support of strategic communicative action" (Unerman and Bennett, 2004, p. 689)

Where the strategic communicative action is suspended, dialogue encourages the accountant to recognise other parties as equals, hence treating the accountees, and especially the beneficiaries, as more than just the receivers of benefits (Roberts, 2002, p. 659). This suggests that the dialogical approach has the ability to increase one's understanding and awareness of his/her responsibilities and duties of accountability.

In addition to achieving a mutual understanding where the meaning of responsibility is jointly developed, dialogue may also serve as sensitising device. Fry (1995, p. 185) notes that,

“one’s understanding of how his or her acts impact on others is heightened by direct interaction and collective reflection with those parties”.

This heightened understanding of the impact of his/her work on others sensitises the accountor towards the need of the beneficiaries and the public. This may, in turn, be used as the means to identify and respond to the needs and aspirations of the beneficiaries. The responsiveness of an accountor towards the needs of the public and the beneficiaries and his/her impact on them could be derived from his/her direct interaction with them (O’Dwyer and Unerman, 2008, p. 805).

This implies that the dialogical approach is suitable to operationalise the downward accountability towards the beneficiaries/public. This approach serves to clarify one’s responsibilities and duties of accountability as the meaning/scope is jointly contributed. It also sensitises the accountor towards the actual needs of the beneficiaries/public.

### **3.2.2c Learning/understanding as the purpose**

The purpose of dialogue is to encourage learning (Ebrahim, 2005, O’Dwyer and Unerman, 2008). O’Dwyer & Unerman (2008, p. 821) notes that

“if accountability mechanisms are merely used as control and justification instruments, rather than as tools for learning or for disseminating findings, then mission drift will become more likely as NGOs become more distant from their beneficiaries”.

This indicates that the purpose of accountability should be more encompassing, to include learning in addition to monitoring. In the downward accountability relationship, the notion of learning encourages one to be aware of and identify his/her responsibilities and duties of accountability. In other words, one can only recognise one’s responsibilities and duties of accountability by learning them, especially from the parties he/she should be assisting, i.e. the beneficiaries and the public.

Learning enables the accountor to gain a deeper understanding of the aspirations and concerns of the beneficiaries (O’Dwyer and Unerman, 2008, p. 820). As downward accountability is deemed to suit the dialogical approach, learning appears to be more

effective in an informal and interactive face-to-face dialogue. Robert (1991, p. 363) states that learning is possible in this context because it “sharpens one’s understanding” of the issues at hand. The interactive and face-to-face nature of the dialogue enables the accountant to learn from the beneficiaries with regard to their needs and aspirations. In this context, downward accountability entails “...improving transparency, critical learning, reflection, and embracing failure” (O’Dwyer and Unerman, 2008, p. 820). Roberts (1991, p. 362) further adds that learning will always take place in the dialogue approach even when the accountant and the beneficiaries/public may not agree on an issue. He notes that “rarely perhaps does such talk explicitly aim at achieving consensus, but undoubtedly it is the basis of mutual understanding, and consensus, albeit fluid and transitory, may be its unintended consequence” (Roberts, 1991, p. 362).

This section presents the relational perspectives of accountability, i.e. hierarchical upward and downward accountability. These concepts are collectively referred to as holistic accountability by O’Dwyer & Unerman (2008). Holistic accountability, which recognises the views of all stakeholders, places significant emphasis on downward accountability. This implies that an accountant may have to place greater emphasis on discharging his/her responsibilities and duties of accountability to the beneficiaries/public, in addition to the powerful stakeholders. This concept is discussed in detail in Chapter 4.

Besides considering accountability from the relational perspective, accountability can also be discussed from the individual perspective. This is discussed next.

### **3.3 Understanding the individual perspective of accountability**

The literature studying accountability from the individual perspective may be classified into two general categories, i.e. passive and active. This can be seen in the following Table 3.1,

Study	Passive	Active
Lindkvist & Llewellyn (2003)	Individual R/A <sup>16</sup> for result	Individual R/A for values
Hall et al. (2003)	Imposed accountability	Felt accountability
Roberts (1991)	Individualising form of accountability	- <i>no corresponding concept</i> -
Bovens (1998)	Passive accountability	Active accountability
Joas (1998)	'me' part of individual	'I' part of individual
Ebrahim (2003a)	Holding responsibility	Taking responsibility

**Table 3.1: Different types of individual perspectives of accountability**

The passive perspective sees the individual as being held responsible, while the second perspective sees the individual as taking responsibility. The discussion starts by highlighting the passive nature of the individual perspective of accountability, referred to as an imposed form of accountability, before defining its active nature – the felt accountability.

### 3.3.1 The passive form of accountability

The passive form of accountability sees an individual being subjected to the expectations of others for him/her to meet. This imposed accountability may be gleaned from a study by Roberts (1991). He notes that,

“individuals are held (or hold themselves) in a constant state of preoccupation with how the self and its activities will be seen and judged by others” (Roberts, 1996, p. 46).

In this instance, an individual is concerned about how he/she is being seen by others. An individual sees himself/herself through other people’s eyes, hence he/she is anxious to fulfil other people’s expectations and gain their recognition. The closer one performs to expectation, the better one feels and the higher recognition one receives. Hence, one is recognised because one approximates an “idealised image of what is required” (Roberts, 1991, p. 358) This anxiety and motivation to achieve this idealised image draws an individual into a permanent state of preoccupation with how one is seen, because the way in which one is seen depends heavily on “fulfilling performance requirements established and monitored in routine accountability” (Roberts, 1996, p. 46). One is motivated by preoccupation towards achieving predetermined performance outcomes as

<sup>16</sup> R/A stands for responsibility/accountability. Their study uses this connotation throughout, as they do not differentiate between the two.

the achievement of the outcome gives the impression that one has been successful (Roberts, 1991, p. 358). He adds that this imposed form of accountability is,

“a sort of anxious self-absorption that is created and maintained around hierarchical accountability” (Roberts, 1991, p. 360)

This indicates that imposed accountability is suitable in a hierarchical environment because it views individuals as “automatons” determined by the hierarchical system with its associated accountability targets, rewards and punishments (Lindkvist and Llewellyn, 2003, p. 256) The nervous preoccupation with how one is seen, i.e. the imposed accountability, is the “me” part of individuals (Roberts, 1996, p. 43). This emphasises an individual – me, in the third person – as the object of the others’ perception. Drawing from Mead (1934) on the notion of “me” and “I”, Roberts (1996, p. 44) argues that the individual is “discovered only in the process of being called to account by others”. He assumes that the individual is mindless and ‘felt less’; he/she acts in accordance with detailed instructions and highly formalized systems of hierarchical accountability (Lindkvist and Llewellyn, 2003, p. 256). Therefore, this perspective of individual accountability is arguably suited to a hierarchical setting. This passive form of individual accountability is equated with hierarchical accountability (Lindkvist and Llewellyn, 2003, p. 263). However, there is an “I” part of the individual which may present a different perspective of the individual form of accountability. This is discussed next.

### **3.3.2 The active form of the individual perspective of accountability**

Ebrahim (2003b, p. 194) notes that an action is not only driven by an imposition, it can also be proactively taken – the notion of “taking responsibility”. Hall et al (2003, p. 32) refers this as felt accountability. Felt accountability is considered as a form of accountability activated by oneself without the need for the presence of others. This is normally motivated by personal conscience. According to Ebrahim (2003a, p. 814) accepting and taking responsibility is an internal dimension of accountability. Several similar types of accountability are presented in the following table.

Current study	Felt accountability
Unerman & O'Dwyer (2006)	Identity accountability
Lindkvist & Llewellyn (2003)	Individual R/A for values
Hall et al. (2003)	Felt accountability
Ebrahim (2003a)	Accountability to themselves
Mulgan (2000)	Internal accountability
Najam (1996)	Accountability to themselves
Sinclair (1995)	Personal accountability
Schlenker & Weigold (1989)	Self accountability
Joas (1976)	'I' part of individual

**Table 3.2: Classification of individual accountabilities**

The majority of the studies listed above discusses the accountability in an individual context except for Ebrahim (2003a) and Najam (1996), who examine it in an organisational context. Meanwhile, the identity accountability of Unerman & O'Dwyer (2006) applies to both the individual and the organisational context. In the organisational context, felt accountability denotes accountability to missions (Lawry, 1995, Najam, 1996).

Hall et al. (2003, p. 33) define felt accountability as,

“an implicit and explicit expectation that one’s decisions or actions will be subject to evaluation by some salience audience (s) with the belief that there exists the potential for one to receive either rewards or sanctions based on this expectation” (Hall et al., 2003, p. 33)

At a first glance, the definition above seems to share similar qualities with the passive form of individual perspective of accountability (Roberts, 1991). The mention of expectation, evaluation, rewards and sanction seems to be associated with the preoccupation with how one is seen and evaluated and the need to meet expectations, which gives rise to rewards and punishment (Roberts, 1996, pp. 45-7). However, the difference between this felt accountability and an imposed accountability is in the subjective perception of accountability by the individual.

“One is the common notion of accountability as an objective set of reporting rules or protocols that are *imposed* on some individual or entity. The second is that, because individuals respond to their subjective perceptions rather than “objective” realities, it is this individualized perception of accountability, or *felt accountability* that, in the end, drive decisions and actions” (Hall et al., 2003, p. 32)

The above illustrates that the motivation to discharge one's responsibilities and duties of accountability may be drawn from an objective set of reporting rules – a form of imposed accountability; or driven by subjective perception – a felt accountability. This suggests that the discharge of responsibilities and duties of accountability in the imposed form depends on the presence of rules. It is motivated by the need to meet a set of rules. However, felt accountability is motivated by an individual perception of accountability. In the above definition of felt accountability, the words 'implicit expectation', 'salience audience', 'beliefs' and 'potential' give the impression of felt accountability and differentiate it from imposed accountability. The literature on active forms of individual accountability has highlighted these characteristics of felt accountability. For example, the expectations may be psychologically established (Sinclair, 1995); the salient audience may come in the form of higher principals (Laughlin, 1996); the beliefs may be derived from personal, religious or ethical sources (Kilby, 2006); and the potential rewards and punishment may be intangible (e.g., personal satisfaction and shabby ignominy) yet powerful (Schlenker and Weigold, 1989, Sinclair, 1995).

In this sense, individuals with a strong felt accountability are more "idiosyncratic" – they "won't do what's required of them, if they think it's required for the wrong reasons" (Sinclair, 1995, p. 231). This is similarly observed by Schlenker & Weigold (1989, p. 36),

"People who feel accountable to themselves, as compared to those who do not, may be less influenced by the prospect and presence of being evaluated by other people"

This suggests that an individual may be driven more by felt accountability than by the imposed form of accountability (Hall et al., 2003, p. 32). Individuals who are driven by felt accountability act "in a manner that accepts responsibility for affecting the lives of others" (Sinclair, 1995, p. 230). This implies that individuals with felt accountability appear to define their scope of responsibility according to what they feel is right – their "calculus of accountability" drawn from their moral values (Sinclair, 1995, p. 232).

### **3.3.3 The effect of felt accountability**

Individuals who are driven by felt accountability possess distinguishing qualities, such as an initiative taking attitude and the tendency to create their own scope of responsibility.

Lindkvist & Llewellyn (2003, pp. 256-7) argues that an individual with felt accountability has the tendency to have initiative and be creative. Schelenker & Weigold (1989, p. 36) notes that an individual with strong felt accountability conforms less to the expectation of others. This idiosyncratic nature of felt accountability encourages “initiative taking, creativity and the generation of novelty” (Lindkvist and Llewellyn, 2003, p. 256). This is the active subject of the individual – the “I” - the individual in the first person (Joas, 1998, p. 12). Rather than “being imprisoned by the hierarchy or the system” (Lindkvist and Llewellyn, 2003, p. 257), one has the autonomy to be creative – to engage in imagination. This imagination allows an individual to liberate himself/herself from the external impositions of others or/and the self created anxiety which is internally generated, i.e. the imposed accountability (Joas, 1998, p. 13). Therefore, an individual possessing these qualities relies on his own “capacity and inclination to think and act both wisely and in the interest of others” (Lindkvist and Llewellyn, 2003, p. 256).

Due to this initiative taking attitude and creativity, an individual possessing felt accountability normally “demarcates the extent of his/her own responsibility” (Lindkvist and Llewellyn, 2003, p. 269). Therefore, felt accountability provides both room for creativity but, at the same time, a wider scope of accountability. They argue that,

“the individual is trusted and given considerable discretion within set limits” (Lindkvist and Llewellyn, 2003, p. 267)

In deciding and acting in the interest of others (Sinclair, 1995, p. 230), one engages within oneself regarding what the needs of others are and how to best satisfy those needs. This requires an individual that can delineate his/her own scope of

responsibilities, based on what he/she feels to be right. Lindkvist & Llewellyn (2003, p. 256) argue that,

“Instead of being subordinated to systems of accountability, the individual here must engage in an internal dialogue in which, given their own judgements of duties and their capabilities, they question themselves as to the proper scope and content of their responsibilities”

This elucidates that felt accountability requires the wider autonomy that makes initiative taking possible. Therefore, felt accountability is not only associated with the urge to stay true to values as broad guiding principles, it also encourages an individual to be more creative in his/her actions rather than restricting them within the confine of achieving an imposed accountability.

However, the qualities associated with felt accountability must be triggered by some driving force. Much literature argues that this type of accountability is driven by values and/or any nebulous notion of motivation. This is discussed next.

### **3.4 The influence of values**

Schweiker (1993, p. 239) suggests that accountability may be drawn from religious and cultural traditions.

“we must draw again from the wells of moral wisdom found in our religion and cultural traditions” (Schweiker, 1993, p. 239).

Values may be experienced by individuals or/and organisation. For an individual, values may be experienced directly and personally (Hall et al., 2007) while, for an organisation, they may be reflected in the mission statement (Lawry, 1995, p. 174).

#### **3.4.1 The impact of values on individual: the felt accountability**

Sinclair (1995, p. 231) contends that felt accountability is the “the product of an upbringing or a personal voyage of discovery”. Similarly, Lindkvist & Llewellyn (2003, p. 269) argues that it may be drawn from an individual value system looking inward to

one's own conscience. These values may, in turn, be derived from "religious beliefs, historical traditions, prevailing social norms, personal experience and similar basic sources of human attitudes" (Lissner, 1977, p. 74). This characteristic of felt accountability is illustrated by Sinclair (1995, p. 230), stating that,

"It rests on the belief that ultimate accountability is driven by adherence to internalised moral ethical values. Because it is enforced by psychological, rather than external control, personal accountability is regarded as particularly powerful and binding"

The above indicates that felt accountability is the ultimate accountability motivating an individual in his/her actions and decisions (Hall et al., 2003, p. 32). An individual may decide to follow his/her own values with little or no regard to what other may think of him/her. For this individual, imposed accountability is "irrelevant" (Schlenker and Weigold, 1989, p. 37) as he/she is guided by "a bigger scheme of things" (Sinclair, 1995, p. 231). Following the above argument, Schelenker & Weigold (1989, p. 36) argue that felt accountability is motivated by "internalised private principles". Similarly, Lindkvist & Llewellyn (2003, p. 269) elucidate that the feeling of accountability may be sourced from his/her "entire life/world background". Felt accountability, which may be drawn from "personal religious and moral values" (Hall et al., 2007, p. 412), forms an important underpinning motivation towards accomplishing the organisational mission.

This suggests that, despite their nebulous characteristic, values create a certain aura (Laughlin, 1996, p. 228) which encourages and induces an individual to carry out his responsibilities and duties of accountability as he/she deems appropriate. Therefore, an accountability underpinned by values "can haunt like a ghost or overpower like a higher being" (Sinclair, 1995, p. 231).

### **3.4.2 Values in organisation: the basis for the mission statement**

For an organisation that thrives on and emphasises values, the recognition of those values may be reflected in its mission statement. This can perhaps be seen in the values-based organisations, such as NGOs. For this type of organisation, the mission statement should exude the notion of values. Lawry (1995, p. 174) notes that,

“the mission statement is the verbal link between the presumably deeply held principles and the conduct of those representing the nonprofit”

This suggests that the deeply held principles, i.e. the values, are translated into actions by the formulation of the mission statement. Similarly, Kilby (2006) contends that the work of an NGO should be underpinned by values. He asserts that,

“the driving force of public benefit NGOs is their values, which generally in the broadest term about a desire for a better world” (Kilby, 2006, p. 952)

Although values involve a certain degree of abstraction, they can still fundamentally influence the direction of an NGO (Lissner, 1977, p. 74). Ebrahim (2003b, p. 199) similarly argues that it is “missions (that) add an ethical and values-based dimension to accountability”.

The notion that the ultimate accountability is motivated by adherence to values illustrates the importance of values in NGOs’ work with their mission for a “better world” (Edwards and Sen, 2000). Kilby (2006, p. 952) explains that, in the context of NGOs, it is the values-base that provides the impetus for an NGO to work, rather than “profits and social/political” reasons. The values suggested by Kilby (2006) are values based on a world view – *Weltanschauung* – where they are “more permanent... based on a certain philosophy or way of seeing the world”. Lissner (1977, p. 74) seems to address this concern by suggesting that permanent values may,

“emanate from religious beliefs, historical traditions, prevailing social norms, personal experiences, and similar basic sources of human attitude...”.

This implies that these sources may be drawn from to form the values that motivate an individual or/and organisation to be accountable.

### **3.4.3 Values in holistic accountability**

Although the concept of holistic accountability by O’Dwyer & Unerman (2008) does not explicitly discuss values, they consistently argue the need for an organisation to achieve its mission. They note that,

“These [holistic] forms of accountability are motivated more by a sense of obligation to mission attainment, rather than the sense of anxiety regarding the power of external others to deny this possible mission accomplishment – which tends to characterise hierarchical form of accountability” (O’Dwyer and Unerman, 2008, p. 804)

This indicates that it is the mission that should motivate the organisation in its action and decision. The energy should be directed towards achieving the mission, rather than agonising over the requirement set by the powerful others.

“[Holistic accountability] includes accountability for the achievement of an NGO’s mission” (O’Dwyer and Unerman, 2008, p. 802)

The notion of values seems to be implicitly embedded in the concept of holistic accountability through the privileged status given to mission achievement.

Values may also be reflected by the emphasis on downward accountability – a key component of holistic accountability. Holistic accountability advocates a greater emphasis on the “downward accountability to beneficiaries” (O’Dwyer and Unerman, 2008, p. 804). This is captured by Kilby (2006), stating that,

“it is the broad values-base, the *Weltanschauung*, of an NGO that can determine the approach they take to downward accountability” (Kilby, 2006, p. 952 italicised in original)

The above implies that it is the values-base that drives the downward accountability to the beneficiaries. As the needs and aspirations of the beneficiaries are a typical mission of an NGO, the values are translated into actions through the attainment of mission (O’Dwyer and Unerman, 2008, p. 804). In this context, values are translated into downward accountability by the mission, because the mission acts as a bridge between values and action (Lawry, 1995, p. 174). Values as an abstract and transcendental form of mission are experienced through the downward accountability to the beneficiaries. This suggests that the way in which the mission is achieved is by recognising and responding to the needs and aspirations of the beneficiaries. In other words, the values underpinning the motivation should place greater concern on the beneficiaries. Stated

differently, downward accountability to beneficiaries is drawn from accountability to the mission, which, in turn, is drawn from values.

### **3.5 Islam as a source of values**

With regards to the source of values, Laughlin (1996, p. 233) indicates that values may be drawn from higher principals such as God and religious belief. This is shared by other scholars (Lissner, 1977, p. 74, Schweiker, 1993, Willmott, 1996, p. 35). Sinclair (1995, p. 231) contends that this type of accountability is “powerful” as it is “enforced by psychological, rather than external, controls...” (Sinclair, 1995, p. 230). This also indicates that accountability is internal, in that it is internally felt rather than externally imposed (Sinclair, 1995, p. 233). Willmott (1996, p. 35) shares similar views, stating that accountability motivated by values may be attributed to forces such as “fate, witchcraft or God”. This suggests that values which are drawn from a “religious or ethical base” (Kilby, 2006, p. 952) provide sufficient motivation for an individual or/and organisation to undertake its responsibilities and duties of accountability (Lindkvist and Llewellyn, 2003, p. 269, Lissner, 1977, p. 74). In the present study, Islamic values are argued to influence operationalisation of felt accountability.

Before discussing the concept of accountability from an Islamic perspective, several relevant concepts in Islam are highlighted. These concepts may offer some insight into how values can drive the actions and decisions of an individual (Kilby, 2006, p. 952), which is one’s felt accountability (Hall et al., 2003). As will be shown in Chapter 4 on the theoretical framework discussion, felt accountability drawn from values can be a strong motivating factor to operationalise hierarchical upward and downward accountability. This may assist us in making sense of why and how a waqf officer discharged his/her responsibilities and duties of accountability the way he/she did. The understanding of these concepts paves the way for the discussion on the concept of accountability in Islam.

### 3.5.1 The concept of unity of God (*tawheed*)

The most important concept in Islam is the concept of unity of God. Ansari (2001, p. 157) notes that the Qur'an lays "the greatest emphasis" on the concept of unity as "an all pervading principle which governs all the fundamental domains of human faith and action". Muslims believe that everything in this universe is created by one God – Allah. Therefore, human beings owe their life, actions and everything to God. Maali et. al (2006, p. 271) asserts that,

“(a)ccording to this concept, the Creator is one, and everything originates from this one source. All created things are thus elements of a single set and the whole world is one unit with a single goal, which is God’s will. The concept of the unity of God implies total submission to God’s will and following the religious requirements in all aspects of life. Each Muslim is thus responsible to God for everything that he or she does”

They argue that the concept of unity entails the acknowledgement of God’s authority and that this acknowledgement comes in the form of following religious requirements in all aspects of life. This seems to suggest that human beings do not have the freedom to choose. However, Ansari (2001) note that a total submission to God does not imply that human beings do not have any freedom. He notes that,

“According to the Holy Qur’an, man is neither the abject slave of inexorable fate, as the ancient oriental philosophy would have it, nor completely self-determined – the sole maker of his destiny ...The Holy Qur’an steers clear of both the abovementioned standpoints and gives us a view whereby it harmonises the concepts of freedom and determinism” (Ansari, 2001, p. 164)

Human beings are responsible for their own actions because they are accorded sufficient freedom to act/decide. Their action/decision are undertaken because they choose to, not because they are compelled. Ansari (2001, p. 165) notes that the concept of unity,

“...teaches that, when God created man, He endowed him with personality as well as freedom – a freedom which, though not absolute, is nevertheless, adequate to human nature. Then it teaches that God has not abandoned man to himself. Man has been made the vicegerent to function in harmony with God, who is the real architect of man’s destiny. As such, God is man’s constant ‘companion’ and God and man both participates in the making of man’s destiny” (Ansari, 2001, pp. 164-65).

In the above, Ansari (2001) argues that human beings are vicegerents in this world, and this entails responsibility. The concept of unity creates human beings that understand their role as vicegerents of this world. Hamid et. al (1993, p. 135) notes that “adherents to Islam have to be obedient to God and to appreciate the purpose of their existence in this world. The human race, according to Islam, owes its existence to God. Thus... man has to relate his conduct to the purpose of his existence as envisaged by God”. The purpose of human existence in this world is to serve God, as stated in the *Qur’an* (verse 51:56),

“I’ve not created men... except that they may serve me”

The notion of serving Allah is spelt out in the *Qur’an* in (verse 35:39), which states that “it is He that has appointed you as trustee in the earth”. According to Ahmad (1999b, p. 31), the concept of unity defines the true position of man in the universe. He notes that,

“...God is the Creator, the Sovereign; and man is His vicegerent on the earth. This exalts man to the noble and dignified position of being God’s deputy on earth and endows his life with a lofty purpose; to fulfil the Will of God on earth”

This implies that the service of God is undertaken by being the vicegerent, which entails using any resources available for good use (Abu-Tapanjeh, 2008, pp. 6-7). This is discussed next.

### **3.5.2 The concept of trusteeship (*amanah*)**

The concept of unity highlights that all resources belong to God and human beings are to manage these resources as trustees (Maali et al., 2006, p. 271). Begader et al. (2005 in Kamla et al., 2006, p. 251) state that,

“man has been granted stewardship to manage earth in accordance with the purpose intended by its Creator; to utilise it for his own benefit and the benefit of other created beings, for the fulfilment of his interest and theirs”.

This gives human beings the power and right to use/manage earth and its resources within specified limits. However, this power and right is accompanied by responsibility (Cone, 2003, pp. 55-6, Kaler, 2002, p. 332, Muller-Smith, 1998, p. 54)<sup>17</sup>. According to Ahmad (1999a, p. 25), “the entire creation is potentially under human dominion”. Human beings must use this power and these resources responsibly because they are going to be accountable to Allah. Smith & Haddad (2002, p. 12) note that,

“As we were created responsible, so shall we be held accountable...”

This implies that by being entrusted with the resources, human beings are accountable for the use of these resources.

This concept of trusteeship – along with concept of unity – also entails taking care of others. Human beings are entrusted to deploy the resources entrusted to them for the benefit of others (Maali et al., 2006, p. 273). Kamla et al. (2006, p. 253) note that “the Muslim is not to be free from care for others”. The Muslim, as part of a community, is obliged to look after his/her fellow human beings, not restricted to Muslims. Ansari (2001, p. 347) asserts that “it is a duty of a Muslim to spend all that he can, save from his basic needs, for the welfare of others” because – and related to the notion of trustee – “a Muslim is only a trustee of the wealth, and not its owner in the sense of having the right to do whatever he likes”. In accountability language, Wilson (2008, p. 180) explains the association between the responsibility to others and the responsibility to God,

“(r)esponsibility to Allah comes first, not unrestrained freedom - the stress being on social obligations rather than individual rights. Private property is recognised, as although all assets ultimately belong to the Almighty, humans have responsibility for how assets are utilised – the Muslim concept of *khalifah* [vicegerence], accountability to Allah for how resources are managed...”

The way in which resources are managed to benefit the public as a whole indicates accountability to God. In essence, accountability to God is operationalised through

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<sup>17</sup> On a lighter note, this reminds me of a popular catch-phrase in Spiderman “with great power, comes great responsibility”.

accountability to other people (Maali et al., 2006, p. 272). Maali et al. (2006, pp. 272-273) state that,

“Islam respects private ownership, but ownership is not absolute. God’s commandments and the benefits of society should be given priority when dealing with properties. The owner is responsible for using the available resources according to the will of God and to the benefit of society”.

This suggests that the concept of trustee places great emphasis on the fulfilment of societal interest. Despite acknowledging the importance of the individual human being as trustee, he/she also has a role in achieving the social good (Ahmad, 1999b, p. 39). The concept of trustee is relevant in this study in that the waqf officer who realises his role as trustee tends to carry out his/her responsibilities as a waqf officer regardless whether the responsibilities and duties of accountability are formally required or internally felt. This role as a trustee, as will be shown later, may provide the underpinning motivation for felt accountability (Hall et al., 2003).

### **3.5.3 The absence of segregation between the sacred and the secular**

Islamic scholars argue that Islam is a ‘way of life’ (Ansari, 1980, Hitti, 1970), not restricted to rites. It is stated in the Qur’an (verse 2:201),

“Our lord... Give us the good in this world and the good in the Hereafter”

The verse highlights that a Muslim must pray for virtue both in this world and in the Hereafter. Islamic teaching is concerned with how human beings lead their life overall, not limited to ‘sacred’ matters only (Abdul-Rahman and Goddard, 1998, Ansari, 1980, Ansari, 2001, Kamla et al., 2006, Lewis, 2001, Lewis, 2006, Tinker, 2004). Ahmad notes that,

“Islam does not admit any separation between material and moral, mundane and spiritual life and enjoins man to devote all his energies to the reconstruction of life on healthy moral foundation” (Ahmad, 1999b, p. 36).

It advocates its followers to embrace this worldly life as it is their actions in this world that decide their fate in the Hereafter. Smith & Haddad (2002, p. 7) note that,

“World is embraced for the reward of the Hereafter is for those who do not neglect their duties in the world”.

The above implies that any mundane action may assume a sacred significance where rewards are given for discharging responsibility and punishment is meted out for neglecting it. This suggests that, to gain religious rewards which will be favourably accounted for on the day of judgement, one does not only have to rely on performing ritual responsibilities such as praying, fasting, pilgrimage and other ascetic rites. One can still receive rewards by undertaking normal actions. The Qur’an, verse 7:32, states that,

“Say to them; By whose order have you denied yourself those amenities which God has created for his people and those good things to eat and use (verses 7:32).

This suggests that God orders human beings to enjoy their life by making use of whatever resources at their disposal. The verse also mentions the act of eating, which is a mundane action. Performing this simple action may qualify for a religious reward which is accounted for on the Day of judgement. Ahmad (1999b, p. 36) asserts that Islam teaches human beings that,

“...moral and material powers must be welded together and spiritual salvation can be achieved by using material resources for the good of man in the service of just ends, and not by living a life of asceticism or by running from the challenges of life”

The above elucidates the need for one to emphasise both the nebulous nature of moral actions and the more tangible material actions. The concept of unity between the sacred and the secular appears to be relevant in this study in the context of discharging felt accountability. Despite the possibility of idiosyncratic actions (Sinclair, 1995) by officers with a strong sense of felt accountability, this concept does not demand that they shirk their stated formal responsibilities and duties of accountability. The emphasis on Islamic values does not give a waqf officer the licence to act contrary to his/her formal

responsibility. This understanding is embedded in the concept of the unity of the moral and the material. Ahmad (1999b, p. 36) argues that,

“[Islam] does not ask human beings to avoid things material. It holds that spiritual elevation is to be achieved by living piously in the rough and tumble of life and not by renouncing the world”

### **3.5.4 The Islamic belief in the day of judgement as the final accountability**

“Faith in the day of resurrection for the Muslim is his specific affirmation of God’s omnipotence, the recognition of human accountability as a commitment to the divine unicity” (Smith and Haddad, 2002, p. 2)

Belief in the day of judgement is one of Islam’s six pillars of faith. The others being; belief in the unity of God, all His angels, all His scriptures, all His messengers, and fate - good or bad. Belief in the day of judgment implies that God’s authority is not only ultimate “but also the sole authority over the beginning, duration and final dispensation of all things” (Smith and Haddad, 2002, p. 2). In Islam, this world is considered as a preparation for the next world. This world is a place for human beings to create an account with God (Ahmad, 1999b). Once this world ends, “a new world will be resurrected. It will be in this life-after-death that man will be rewarded or punished for his deeds and misdeeds” (Ahmad, 1999b, p. 32). According to Smith & Haddad (2002, p. 8),

“we only have one life on earth and that our assessment will be of the ways in which we have chosen to live in terms of God specifications”

In the day of judgement, human beings will account for their actions in this world. This is illustrated vividly in the Qur’an which states that,

“and every human’s deeds have We fastened around his neck, and on the day of resurrection We shall bring forth for him a record which he will find wide open. (and he will be told) ‘Read your record. Today, there need be none but yourself to make out an account against you’ (al-Qur’an, 17:13-14).

The above verses from the Qur’an highlight that human beings will have to read an account of their actions – good and bad – which they undertook in this world. The

understanding of this concept can have a significant impact on the way an individual carries out his/her daily life because he/she is accountable for his/her actions/inactions in later life. Ansari (2001, p. 328) notes the day of judgement being the “final accountability” for human beings stating that “man... [is] subject to Resurrection and Final Accountability for his moral actions in this world... wherein virtue should be adequately rewarded and vice adequately punished” (see also 2001, pp. 131, 359). The belief and the realisation that human beings are accountable in the Hereafter and that there will be rewards and punishment on that day, renders accountability to God the focal accountability in Islam. Haniffa & Hudaib (2010, p. 6) notes that the,

“primary accountability in Islam is to God as all of one’s action (good and bad deeds) in life will be accounted for on the Day of Judgement”

The concept of belief in the day of judgement is relevant in this thesis because it directly affects the way waqf officers perceive their responsibilities and duties of accountability. In one sense, the belief in the Hereafter which includes the realisation that every action and inaction will be rewarded and punished is similar to Roberts’ (1991) individualising form of accountability in that the accountability is enacted because an accountant’s fear, fealty and loyalty (Sinclair, 1995, p. 233). But in another sense, it is different because the effect of fear, fealty and loyalty is not immediately and tangibly rewarded or/and punished. Therefore, if one does not have this belief, he may opt to ignore this – hence may not feel any immediate benefit/harm by not discharging his/her responsibilities and duties of accountability. However for those who believes in this concept, this may haunt him like a ghost (Sinclair, 1995, p. 231), thus provides him/her with a formidable motivation to undertake his/her responsibilities and duties of accountability seriously.

### **3.5.5 The Islamic concept of responsibility and accountability**

The notion of accountability is not alien to Islam. Murtuza (2002, p. 2) noted that the fact that “human beings are accountable to their Creator is an article central to Islamic beliefs”. Meanwhile, Khir (1992, in Ibrahim, 2000, p. 254) asserts that “the concept of accountability is so ingrained in the Muslim community... this is due to the fact that

Muslims hold dearly to the concept of man as a trustee and not as holder of absolute power”.

Based on the understanding of previous concepts, Islam develops its own concept of accountability, called *takleef* (Abdul-Rahman, 1999, p. 159, Abdul-Rahman and Goddard, 2007, p. 153, Ibrahim, 2000, p. 266). According to Ibrahim (2000, p. 266), this is the personal accountability according to one’s capacity, where one is responsible only for what one has the capacity/ability to do. This means that everyone is accountable for his/her own actions or inactions on the Day of judgement. Abdul-Rahman (1999, p. 76) notes,

“one must accept all the duties and liabilities as well as the benefit connected with ownership and responsibility entrusted to them... If human being uses his/her will and ability for any purpose other than those for which they are created for, he/she will have failed in his/her responsibility, violated the honour of his/her duties and missed the purpose of his/her existence”

The above quotation explains the concept of personal accountability in Islam. Every individual – including waqf officers – is responsible and accountable for what he/she is entrusted for. The concept of accountability in Islam is perceived in terms of human consciousness towards the existence of one God and his/her role and responsibility as the vicegerent in this world in which he/she will have to account for in the Hereafter. Lewis (2001, p. 113) similarly notes that,

“All resources made available to individuals are made so in the form of a trust. Individuals are trustees for what they have been given by God in the form of goods, property and less tangible ‘assets’. The extent to which individuals must use what is being entrusted to them is specified in the *shari’a*, and the success of individuals in the Hereafter depends upon their performance in this world. In this sense, every Muslim has an ‘account’ with Allah, in which is ‘recorded’ all good and all bad actions, an account which will continue until death, for Allah shows all people their accounts on their judgement day”

Lewis’ (2001) comment encapsulates the understanding of the concepts discussed in the preceding sections in terms of accountability. The individual is a trustee (and deputy to God) for the assets/resources of this world. His/her responsibility for using; and deciding on the use of; the assets – in good and bad ways – will be recorded (Lewis, 2005, p. 16).

This record will be accounted for on the Day of judgement when he/she stands for final accountability.

However the importance of personal accountability does not mean that Islam is a personal religion. It greatly emphasises communal relationship (Lewis, 2005, p. 14, Shaikh, 1988, p. 121). Tinker (2004, p. 452) notes that Islam teaches human beings how to conduct their life in an institutional and social context. He notes that,

“Islam is simultaneously a religion, and a social constitution, because it instructs Muslims in both how to worship and how they should conduct themselves with others (individuals, group, family, nation)” (Tinker, 2004, p. 453)

The emphasis on maintaining a good social life is the responsibility of all human beings. The Prophet Muhammad (pbuh) said,

“Live together, do not turn against each other, make things easy for others and do not put obstacles in each other’s way” (in Ahmad, 1999b, p. 39)

This suggests that the concept of *takleef* entails an understanding that an individual has the responsibilities and duties of accountability in a social context and that he/she will be questioned in the Hereafter with regard to his/her responsibility towards others (Ahmad, 1999b). This is illustrated in the concept of *zakah* (alms-giving) through a verse from the Qur’an (verse 51:19), “and in their properties, there was the right of the beggar (who asks) and the destitute (who does not ask)”. This implies that human beings are responsible and accountable for the needs of others, in accordance with their capacity. Maali et.al (2006, p. 272) notes that

“(t)he relationships of Muslims with each other and with the *Umma* (Islamic society) in general are emphasised in the *Qur’an* and *Sunnah*. Submission to the will of God thus includes recognizing the rights of others, and dealing with society justly. Thus, accountability to God includes accountability to society”.

The above explicitly states that “accountability to God includes accountability to society”. This implies that an individual who is motivated by Islamic values considers that fulfilling accountability to society is fulfilling accountability to God. In this thesis, where the concept of holistic accountability is suggested to inform and improve the way

waqf properties are managed, framing ‘accountability to society’ as downward accountability to the beneficiaries/public implies that the motivation to undertake responsibilities and duties of accountability can be derived from Islamic values (Ansari, 2001, p. 192, Kamla et al., 2006, pp. 252-253, Lewis, 2001, p. 113).

### **3.6 Conclusions**

This chapter reviews the accountability literature which forms the theoretical underpinning of the thesis. It examines accountability both from a relational and individual perspective. Relationally, accountability defines the relationship between the accountant and the accountee both upwardly and downwardly. While discharging upward responsibilities and duties of accountability may be legally, bureaucratically and economically motivated, discharging downward responsibilities and duties of accountability may be underpinned by an individualised sense of accountability. At the same time, accountability from an individual perspective demonstrates the ‘split’ identity of individuals – one who is nervously preoccupied with how he/she is seen by others in discharging his/her responsibilities and duties of accountability; and one who takes initiative and defines his/her own scope of responsibilities and duties of accountability. The latter notion appears to characterise felt accountability, where an individual is seen as creative, engages in imagining, and is more idiosyncratic. This kind of individual may be influenced by values, and this chapter highlights the role of Islamic values in influencing felt accountability. Several concepts underlining Islamic values are highlighted to suggest their influence on felt accountability. Islamic values penetrate the personal conscience of waqf officers to operationalise both hierarchical upward and downward accountabilities. Values influence individuals to have a “feeling of accountability” (Sinclair, 1995, p. 233).

This chapter suggests that holistic accountability – both hierarchical upward and downward – may be enacted and experienced through felt accountability. An individual influenced by Islamic values may operationalise his/her felt accountability to achieve holistic accountability. The influence of Islamic values on felt accountability may be more apparent in the downward accountability where the power mechanics of law, bureaucracy and economy – are lacking. In the next chapter, the discussion of holistic

accountability is expanded by presenting it as a theoretical framework informing the present study.

## CHAPTER 4 : THE THEORETICAL FRAMEWORK OF HOLISTIC ACCOUNTABILITY

### 4.0 Introduction

This chapter explains the theoretical framework of the present study. The framework is developed in four sections. The first section highlights a brief discussion on what constitutes a theoretical framework and continues with the application of accountability as the framework. In the second section, a discussion of holistic accountability by O'Dwyer & Unerman (2008) is presented. This includes further literature by the same authors, either individually or/and with others. Section three continues by developing a holistic accountability conceptual framework, which is later used to formulate the research aims and objectives. Section four concludes.

### 4.1 What constitutes a theoretical framework

Llewellyn (2003, p. 667) states that a theoretical framework,

“encompasses both the theorizing of researchers and that of the organizational actors they study”.

This suggests that a theoretical framework explains both how a researcher tries to sensibly frame his/her study; and explicates how and why an actor/manager acts the way he/she did. In this thesis, the conceptual framework is as much a conceptual tool for the researcher – through the development of graphs, figures, charts, categorisations – in making sense of his findings; as it is to understand the phenomenon of accountability in the waqf organisation. Llewellyn (2003) outlines 5 levels of theorisation; from the simple metaphor to the grander theorising structures. They are reproduced below.

Level	Theory	Examples
One	Metaphor	Free rider, invisible hand
Two	Dualism	Public-private, practical-theoretical
Three	Concepts	Accountability, power
Four	Context theory	Contingency, legitimacy
Five	Grand theory	Marxism, Darwinism

**Table 4.1: Levels of theorisation**  
(adapted from Llewellyn, 2003)

In this thesis, the discussion on theorising/theorisation mostly focuses on level 3, i.e. concept theorisation, with some discussion on level 5, grand theory. Concept theory acts as a tool to both explain and guide how to act and work. Concept theory thus acts as an *ex ante* – guiding how the practice is done, as well as *ex post* – explaining why the practice is as such. Llewellyn (2003, p. 672) states that “concepts are essential to practice and, second, that concepts constitute theories of practice”.

Meanwhile, grand theory explains the “patterned relationship”. Layder (2006, p. 8) notes that grand theory requires little or no empirical input. At this level, the theory determines “the nature of all the individual and localised actions taking place on the ground”. In essence, grand theorising tries to explain everything in terms of a comprehensive framework of concepts. It offers an “understanding of (and explanation for) enduring structural aspects of experience... through expressing hope that the world can be changed for the better”. This suggests that grand theory can be used to explain the concept theory. Llewellyn (2003, example in p. 672-4) repeatedly refers to “accountability” as a concept theory which is placed in level 3. She notes that,

“the concept of “accountable”, for example, can describe both a feeling of responsibility to and for others and a structural aspect of organisations ...” (Llewellyn, 2003, p. 674).

In the above quotation, she argues that feeling responsible is the lower/micro level of accountability theorising while the structural aspect of organisation is the higher/macro level of accountability theorising. She notes that concepts can be used to link a lower level theorisation to a higher one. According to Layder (1994, p. 28 in Llewellyn, 2003, p. 673), practice is,

“...the primary point of connection between people and social structures. Practices are situated mainly at the meso (or organizational) level of analysis and “bridge the gap” between the micro and the macro level”.

In other words, it is the practice in the organisation by – in this instance - the accountant that translates the macro view of accountability theorising into the micro view. In essence, concepts theorise “through explicating practice” by “linking the subjective and objective realms of experience” (Llewellyn, 2003, p. 674).

In the present study, the holistic accountability – a micro view theory – is linked to Islamic values – the macro view – by operationalising felt accountability of the waqf officer. The holistic accountability may theoretically be underpinned by felt accountability drawn from Islamic values.

#### 4.1.1 Linking micro and macro views of accountability theorisation

Values have been described by scholars using various terms such as “a view from on high” (Layder, 2006), “a higher principal” (Laughlin, 1996) and *Weltanschauung* (Kilby, 2006). Kilby (2006, p. 952) noted that a “broad framework” may provide an anchor to guide the operationalisation of accountability at the organisational level. This appears to be the macro view of operationalising holistic accountability. He asserts that these values may be drawn from religious beliefs (Kilby, 2006, p. 952). This macro view of accountability informs a micro view of holistic accountability as viewed below.

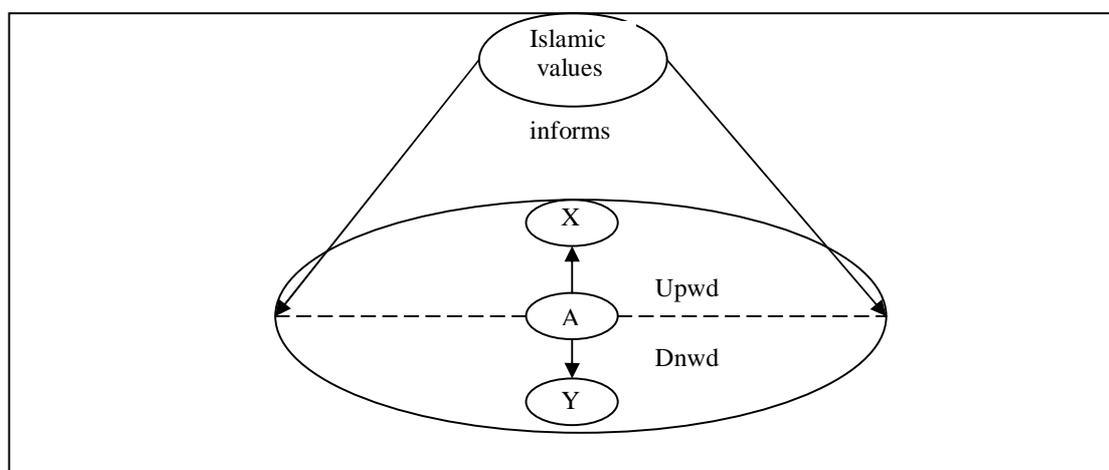


Figure 4.1: Holistic accountability is broadly guided by Islamic values

In the figure above, A denotes officer/manager as accountant while X and Y are both accountee representing powerful stakeholder (e.g., WMC, government) and beneficiaries respectively.

Llewellyn (2003) laments a lack of research investigating the influence of values which underpins individual actions. She notes that,

“In this research tradition, the actions of organization members are explained by reference to the external social “forces” that they are exposed to. Individual motivation, intentions and reasons for action are either not explored or not thought to be important” (Llewellyn, 2003, p. 677)

This indicates the importance of investigating the underpinning motivation that drives the actions of the waqf officer. The waqf officer may not just be accountable to “external social forces” characterised by a hierarchical structure. He/she may be motivated by internal “motivation, intentions and reasons”, which are, in this thesis, drawn from Islamic values.

The thesis focuses on the waqf officers/managers and how their perception of their responsibilities and duties of accountability may inform and improve the way waqf properties are managed. Ebrahim (2003b) notes that,

“accountability is a relational concept... the key challenges of accountability thus concern the management of day-to-day organizational relationships...” (Ebrahim, 2003b, p. 207).

The focus on waqf as a specific site of accountability research offers a great potential in understanding how holistic accountability theorises practice and/or how holistic accountability is theorised by practice. As noted by O’Dwyer & Unerman (2008, p. 819),

“the complex nature of accountability necessitates its examination in context in order to illuminate the multi-faceted ways it is experienced and enacted in specific organisational settings”.

Thus, waqf presents a specific organisational setting applicable to the study of accountability.

#### **4.2 Holistic accountability in O'Dwyer & Unerman (2008)**

The concept of holistic accountability is a concept describing a wider scope of accountability than conventional hierarchical accountability. At a first glance, one may assume that the concept of holistic and hierarchical experiences a 'dualism' relationship (Llewellyn, 2003), i.e. an either/or relationship as that of upward and downward accountability. Hierarchical accountability is not an antithesis to holistic accountability. From a reading of literature (Agyemang et al., 2009, O'Dwyer, 2007, O'Dwyer and Unerman, 2008, O'Dwyer and Unerman, 2010, Unerman, 2007, Unerman and Bennett, 2004, Unerman and O'Dwyer, 2006), hierarchical accountability forms part of holistic accountability. According to O'Dwyer & Unerman (2008, p. 804), holistic accountability,

“...expands the concept of ‘performance’ articulated within hierarchical accountability to embrace quantitative and qualitative mechanisms concerned with satisfying the long term achievement of organisational mission and the impact of this achievement in bringing about structural change”.

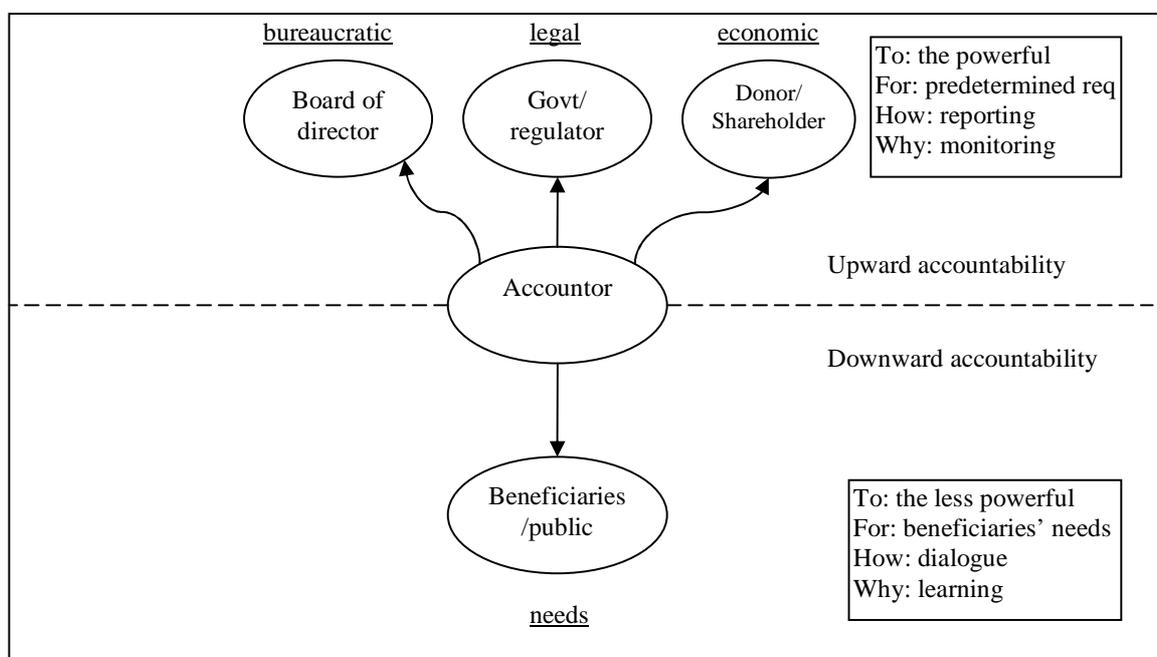
This implies that holistic accountability extends the approach implicit in hierarchical accountability. In addition to focusing on the monitoring by the powerful stakeholder, it includes the potential of learning from local knowledge (Agyemang et al., 2009). Thus it appears that holistic accountability is characterised by two main elements, i.e. upward accountability to the powerful stakeholder and downward accountability to the local beneficiaries and the public. However, in holistic accountability, “significant emphasis [is] placed on downward accountability to beneficiaries” (O'Dwyer and Unerman, 2008, p. 804). This suggests that while upward accountability may be enacted because of legal, bureaucratic and economic reasons (such as a requirement for a director to provide a financial account to the shareholder), the responsibility and duties of downward accountability may be operated due to moral reasons (Agyemang et al., 2009, p. 11). Therefore, holistic accountability does not only privilege the legally, bureaucratically and economically powerful stakeholder, but also those devoid of such powers. Unerman

& Bennett (2004, p. 690) asserts that the view of the beneficiaries and the public should not be overlooked simply because they are less powerful. Instead, it is for this reason – that they are weak – that downward accountability to them should be privileged. Any effort that may help strengthen downward accountability to the beneficiaries and divert excessive attention from a locus of power towards the weaker stakeholder should be lauded (Unerman, 2007, p. 97).

This thesis examines whether waqf officers need to focus more effort into undertaking downward accountability while recognising the importance of hierarchical upward accountability. O’Dwyer & Unerman (2008, pp. 804-5) noted that,

“issues encompassing how responsive and aware NGOs are of the actual needs of those whom they seek to assist, as well as the extent of their openness to involving beneficiaries and/or partners in assessing the nature and impact of their work, are prioritised”

They suggest that the concept of holistic accountability should prioritise the responsiveness, awareness and openness of the accountor towards the needs of the beneficiaries and/or the partners. Therefore, the micro view of holistic accountability may be represented as follows.



**Figure 4.2: The micro view of holistic accountability**

The above figure underlines an understanding of the micro view of the holistic accountability concept in general. This is the skeletal theoretical framework of holistic accountability used in this thesis. In the above Figure 4.2, holistic accountability comprises two key elements of accountability, i.e. hierarchical upward accountability and downward accountability. Each of them has its own language. This is characterised and presented in the two small boxes in each half. The accountant is responsible to both accountabilities. In the upward accountability, the accountant is accountable to the powerful stakeholders. This is represented by – but not limited to – three groups; board of directors, government/regulators and donors/shareholders. These ‘powerful’ groups represent a form of power. The board of directors assumes bureaucratic power. It has the ability to impose bureaucratic accountability in the form of supervision and development of standard procedures. Government/regulators represent legal power. They have the ability to enact and enforce legal requirements, demanding that the accountant fulfil them. The above two appear to characterise the legal and quasi-legal forms of accountability mentioned in Gray et al. (1996). Lastly, the donors/shareholders assume economic power. This group has the ability to develop a target – normally a quantitative target – and requires the accountant to achieve this predetermined target, hence the notion of performance (Laughlin, 1996). In reality, these powerful groups may assume more than one type of power; for example, government/regulators may have all three types of power, i.e. bureaucratic, legal and economic. The above discussion addresses both the “accountability to whom” and “accountability for what”. The accountant is accountable *to* this group *for* meeting the standard procedure (bureaucratic accountability), fulfilling the legal requirement (legal accountability) and achieving the target (performance accountability). All three are similarly referred to as process accountability, accountability for probity and legality and performance accountability respectively in Laughlin (2008). The mechanism in which the accountability is enforced and the reason for using such a mechanism seems to be similar for all these powerful groups. Formal mechanisms are normally used, such as reports (for example annual reports), and the purpose of employing this formal mechanism is to monitor the accountant. The small box in the upper half of Figure 4.2 represents this discussion.

Figure 4.2 also highlights the fact that the accountant is accountable downwardly to the beneficiaries and the public, although this is the less powerful group. As illustrated in the small box in the lower half of Figure 4.2, the accountant is accountable for meeting the beneficiaries' needs. Participatory approaches are normally employed to experience downward accountability (Agyemang et al., 2009, O'Dwyer, 2007). Studies show that there are various mechanisms operationalising downward accountability (O'Dwyer and Unerman, 2008, 2010), and dialogue seems to be one of the common participatory mechanisms (Unerman, 2007, Unerman and O'Dwyer, 2006). At the core of the participatory mechanism is the recognition that the accountant must learn and understand the needs and aspirations of the beneficiaries and the public (Ebrahim, 2005). This learning and understanding may be achieved by being responsive, aware, and open towards their needs and aspirations. The dialogue and learning/understanding addresses "the how" and "the why" downward accountability is operationalised.

Holistic accountability advocates a "reorientation" of the current hierarchical accountability in order to avoid "mission drift", which may render accountors "more distant from their beneficiaries" (O'Dwyer and Unerman, 2008, p. 821). The susceptibility of being "subsumed by dominant, externally focused" hierarchical forms of accountability (O'Dwyer and Unerman, 2008, p. 822) implies that any 'emancipatory' effort towards redressing the unbalanced accountability relationship by moving away from – but not abandoning – upward accountability should be a welcoming measure (Unerman, 2007, p. 97, Unerman and Bennett, 2004, pp. 703-4).

To summarise the discussion so far, Islamic values have the potential to play an important role in achieving holistic accountability. This is the macro view of holistic accountability. The micro view of the accountability emphasises accountability to the broader spectrum of stakeholders focusing on how accountability is practiced on the ground (Llewellyn, 2003). Based on this theoretical construct, the empirical data seeks to understand the accountability relationships faced by the waqf officer/manager and how these may be used to improve the management of waqf properties.

### **4.3 Research aim and objectives**

Based on the discussion on the theoretical framework of holistic accountability, the aim of the thesis is to discover the way in which accountability may inform and improve the management of waqf properties. To achieve the above research aim, the activities of waqf officers will be examined in terms of the following three research objectives,

- (i) To examine the ways in which accountability is experienced and enacted in waqf settings in Malaysia.
- (ii) To assess the extent of holistic accountability within waqf settings.
- (iii) To analyse the factors that facilitate or impede holistic accountability in waqf settings.

The first objective aims at identifying the responsibilities of waqf officers; both the formal ones, stated in their job description, and the informal, unwritten ones. These may be construed, respectively, as imposed and felt accountabilities (Hall et al., 2003) as the motivation can be drawn from an imposition of an objective rule-following mechanism or/and from the feeling of a subjective “privately anchored experience” (Gray et al., 1996). The second objective addresses the question of the relationship between the waqf officers and their stakeholders, which explores the extent of holistic accountability. It discusses the nature of their relationship with these stakeholders. For example, it explores whether the relationship is underpinned by legal, bureaucratic and economic reasons or whether the relationship is internally motivated within the self. The analysis of these formal and informal motives – by no means is this a clear cut dichotomy – offers a greater understanding of the operationalisation of imposed and felt accountabilities (Kilby, 2006, Lindkvist and Llewellyn, 2003, Sinclair, 1995). The third objective follows the second by examining those factors facilitating or/and impeding the achievement of holistic accountability. This gives an insight into how waqf officers perceive their responsibilities and duties of accountability and how and why such factors seem to facilitate or hinder the way waqf properties are managed.

#### **4.4 Conclusions**

This chapter argues for the use of holistic accountability both as the theoretical framework explaining the research, i.e. the way waqf properties are managed as well as the means to structure the thesis. As waqf is a practice encouraged in Islam and has a long tradition in Islamic history, values – more specifically Islamic values – may influence the concept of holistic accountability in waqf settings. This macro view of holistic accountability informs the micro view where waqf officers act as accountors enacting and experiencing hierarchical upward and downward accountability. It is theoretically expected that the way waqf officers discharge their responsibilities and duties of accountability may influence the way waqf properties are managed. The presence/absence of a hierarchical structure, which influences hierarchical accountability, and the individualised perception of accountability may facilitate or impede the waqf officer. The thesis uses the language and concepts introduced in this chapter to analyse the experience of accountability and assess the extent of its operationalisation in waqf setting. It explores reasons that may progress or/and hinder the operationalisation of holistic accountability. In the next chapter, the thesis discusses the way it approaches the study, i.e. the research methodology.

## CHAPTER 5 : RESEARCH METHODOLOGY

### 5.0 Introduction

“Instead of assuming that accountability is being pressed into walks of life, the critical point is to see *differences* in accountabilities that are emerging” (Munro and Mouritsen, 1996, p. xi, italics in original).

This thesis explores the *different* views of accountability in a specific setting. The present study uses waqf as the research setting. It examines the concept of holistic accountability in this specific setting to see how accountability works (O'Dwyer and Unerman, 2008, Roberts, 1991, Roberts, 2001, Roberts and Scapens, 1985). In this thesis, waqf presents the specific organisational setting to study accountability. Specifically, it focuses on the way the management of waqf properties may be informed and improved through its accountability relationships. This contributes towards additional understanding on how accountability works in a specific context – the waqf setting – where Islamic values may be dominant.

This chapter discusses the methodology used to investigate the research questions introduced in the previous chapter. This includes a discussion on the methodological position adopted, the research method, the research design and the data collection. The study uses the qualitative interpretive methodology adopting a middle range approach which respects both prior theory and empirical richness (Laughlin, 1995, 2004). Laughlin (1995, p. 65) advocates that, for any new researcher, the methodological position ought to be decided prior to embarking into an empirical investigation because

“all empirical research will be partial, despite any truth claims to the contrary, and thus it would be better to be clear about the biases and exclusions before launching into the empirical detail”.

Therefore, the thesis makes a clear choice about the nature of the empirics, i.e. a qualitative approach, and the theoretical lens employed, i.e. the holistic accountability; in addressing the research agenda. It also clearly chooses Islamic values as the potential

values filtering felt accountability, mainly because waqf is considered an “Islamic matter” (but see Kuran, 2001).

The next section starts with a discussion on the methodological stance – qualitative and quantitative – including a discussion on the middle range approach. As the study employs qualitative interpretive research, section two discusses the common research methods applied to this methodology. Section three explains the process of data collection, including the research viewpoint. Section four concludes the chapter.

## **5.1 Research methodology**

The choice of methodology depends on the ontology and epistemology of the researcher. Burrell & Morgan (1979, p. x) note that, whether researchers are aware of it or not,

“they bring to their subject of study a frame of reference which reflects a whole series of assumptions about the nature of the social world and the way in which it might be investigated”

The ontology is concerned with the nature of the world – whether reality is external to the individual, i.e. objective in nature, or it is subjectively created (Chua, 1986). Meanwhile, the epistemological question is concerned with the nature of knowledge, i.e. how one understands the world and communicates that understanding to others (Burrell and Morgan, 1979, p. 1). The ontological assumption “governs the epistemological and methodological assumptions” (Chua, 1986, p. 604) and in turn “feeds into the ways in which research questions are formulated and research is carried out” (Bryman, 2008, p. 21). Therefore the choice of methodology – and, to a certain extent, method – in investigating social phenomena depends on ontological and epistemological assumptions. In all three (ontology, epistemology and methodology), scholars have argued that there exist two extremes, which can be illustrated as follows,

	'Quantitative'	'Qualitative'
Ontology	Objectivism - reality exists independently from human beings - generalisable world	Constructivism - reality is subjectively created by human beings - context-bound, hence ungeneralisable
Epistemology	Positivism - searching for regularity - strong prior theory	Interpretivism - social world is relativistic - no prior theory
Methodology	Quantitative - based upon systematic technique and protocol - observer is independent and irrelevant to a research	Qualitative - based on direct participation with the subject of research - observer is a vital part of research
Method	Structured quantitative method	Unstructured qualitative method

**Table 5.1: Characteristics of positivism and interpretivism**

(Adapted from Bryman (2008), Burrell & Morgan (1979), Chua (1986) Laughlin (1995, 2004)

In explaining the positivist approach, Laughlin (2004, p. 272) illustrates an example based on the theory of gravity. He notes that the theory of gravity is considered to be a 'complete' theory. Therefore, any new empirical details only serve to confirm or invalidate the theory (Chua, 1986, p. 607). The research of accountability, as in the present study, is a social science study involving the relationship between and among human beings and structure (Llewellyn, 2003, p. 680). Hence it is not a precise science, unlike the theory of gravity. In an empirical investigation, data is, at best, partial (Laughlin, 1995, p. 65). In social science, achieving a 'complete' picture – so that a complete objective generalisation may be made – is almost impossible, nor it is desirable. This is because the criteria for complete truth is never complete (Chua, 1986, p. 604, Laughlin, 1995, p. 82). It may not be desirable as an objective generalisation tends to disregard the details of the study, which is different from one context to another. Qualitative research is context-specific, which renders complete generalisation almost impossible (Ahrens and Chapman, 2006, Laughlin, 2004).

Thus in explaining the social world, positivism suffers from an "inevitably tight theoretical definition of its "way of seeing" (Laughlin, 1995, p. 83), i.e. the methodology. The methodology adopted is limited to the prior theory employed (Ahrens and Chapman, 2006, Laughlin, 1995, Van Maanen, 1998). Therefore, it sees what needs to be seen (Laughlin, 1995, p. 67). This "what needs to be seen", restricts the ability to learn more from empirical investigation (Laughlin, 1995, p. 83). In this situation, the

researcher already has a definitive set of expectations and searches for those expectations to occur. Thus, any event considered unnecessary to be seen might be regarded simply as noise and consequently ignored. This noise, which could be “naturally occurring data” (Marshall and Rossman, 2006, p. 70), could possibly be very important since “as with most recipes of social practices, exceptions are the rule” (Van Maanen, 1998, p. x).

### **5.1.1 Beliefs that underpin my research**

The aim of the study is to explain the way in which accountability may inform and improve the way waqf properties are managed; this is examined from the perspective of waqf officers/managers. Despite this acknowledgement, I started the research armed with my own beliefs; for example, the influence of Islamic values on the way waqf officers carry out their responsibilities. This seems inevitable for two reasons. Firstly, as argued by Ahrens & Chapman (2006, p. 820), the empirical world is partly constructed by the researcher’s interest. Therefore, my Islamic belief may shape the findings. Secondly, the practice of waqf itself is encouraged in the Qur’an, the holy book of Islam (Verses 73:20). The concept is strongly linked to the Islamic precept (Sait and Lim, 2006, p. 148). These two factors, regarding the influence of Islamic values, may shape the findings. Therefore, in undertaking this research, I am aware that Islamic values may play some role in the way waqf properties are managed although I am not sure about the mechanics and the extent of their influence.

Islamic values emphasise the needs of others. Scholars describe Islam as a communal religion (Hoexter, 2002, p. 121, Lewis, 2010, p. 47, Shaikh, 1988, p. 121, Tinker, 2004, p. 453). Helping others is “the obligation of Muslims towards their brothers and sisters” (Lewis, 2010, p. 47). This is extended to waqf as the objective of creating waqf is to benefit the beneficiaries and the public (Sait and Lim, 2006, p. 148). Therefore, my expectation is that waqf properties should be managed and developed with greater attention to Islamic values, especially the awareness of “final accountability” (Ansari, 2001, p. 328). I expect this awareness to be internalised by waqf officers and reflected in the way they carry out their responsibilities and duties of accountability.

In addition, I also believe that the effort for the development of waqf properties should not be clouded by economic considerations at the expense of satisfying the objectives of waqf. The growing call to develop waqf properties into viable business ventures with a “corporate style management”, as noted by the leading newspapers of Malaysia (Berita Harian, 2008, Malaysian National News Agency, 2006, Malaysian National News Agency, 2007, Malaysian National News Agency, 2009) appears to expose waqf to the danger of prioritising economic considerations. There seems to be a tendency to equate the notion of development with securing economic returns. To claim that waqf officers have successfully carried out their responsibilities and duties of accountability because their waqf projects provide a positive cash flow – or meet other financial criteria – is an assertion characterising hierarchical accountability (Edwards and Hulme, 2002, p. 10). By ‘grounding’ the notion of development with the objectives of waqf (of assisting the beneficiaries and the public) – instead of with a fixation with economic returns, the tendency to privilege economic considerations could be minimised.

The need to be upfront about the potential for the researcher’s bias is supported by Laughlin (1995, 2004) in a study employing the “middle-range” approach. This is discussed in detail in Section 5.1.4.

### **5.1.2 Human perception as an empirical site**

The focus of the thesis is to explain the way accountability is experienced and enacted – “being produced and reproduced in practice” (Llewellyn, 2003, p. 680) – in waqf settings. This may require inputs from organisational participants who are involved in the management of waqf properties (Llewellyn, 2003, p. 673). Ebrahim (2003b, p. 207) notes that,

“Accountability is a relational concept, since the demands for accountability and the mechanisms used to achieve it are constructed by those very relationships. The key challenges of accountability thus concern the management of day-to-day organizational relationships...”

He argues that an accountability relationship is established within the day-to-day management of waqf properties. This suggests that the way accountability is perceived may depend on the perception of the organisational participants, i.e. the waqf officers. Therefore, the emphasis on waqf officers provides an insight into how accountability is perceived by them as they undertake their day-to-day operation. Cooperider (1990 in Fry, 1995, p. 182) notes the importance of making the manager the subject of the inquiry, stating that,

“managers exist to do more than solve or fix problems. They serve to create conditions where members can link their aspiration to the collective interests of the organization and engage in meaningful, intrinsically satisfying and generative work to accomplish an end no one of them could have done alone”

This implies that managers/officers can stimulate an environment where an organisational objective can be accomplished. This suggests that the waqf managers/officers’ views are important if we are to understand how accountability works. Fry (1995) argues that they are important because they,

“are architects of continual ‘meaning making’ or social construction about how, why, and for whom organized acts occur” (Fry, 1995, p. 182)

The nature of the work undertaken by them may be “intrinsically satisfying” in that they are very passionate about their responsibilities. They must be motivated enough to ensure that “an end” is accomplished, because it is their motivation that energises and “links” the effort and aspiration of the people. Fry (1995) explicitly states that the study of organisational participants is important, as they are the ones who socially construct the world around them. This suggests that a qualitative study seems appropriate to study the waqf officer’s perception of accountability because, by understanding the perception of managers/officers, as actors who “continually construct meaning”, we can gain greater insight into how waqf properties may be improved.

O’Dwyer & Unerman (2008, p. 822) have also used the managers’ perception to study the accountability process. This suggests that accountability may gain invaluable insights from the perception of its organisational participants. In this thesis, the views of

waqf officers are explored in order to understand how the management of waqf properties may be informed and improved through the accountability relationship.

### **5.1.3 The qualitative approach**

Chua (1986, p. 615) contends that “social reality is emergent, subjectively created, and objectified through human interaction”. This qualitative approach, taken to the extreme, claims that “reality, distinct from our human perceptions and projections, does not exist” (Laughlin, 1995, p. 81). A social world external to human perception is “nothing more than names, concepts and labels which are used to structure reality” (Burrell and Morgan, 1979, p. 4). Epistemologically, qualitative studies argue that social events continually evolve as human beings may give them different meanings at different times. Therefore, social events which are the result of human interaction “are in a constant state of revision” (Bryman, 2008, p. 19). A research may only present a version – out of many – of a social event, which still contributes towards a better understanding of intersubjective reality (Chua, 1986, p. 614). Bryman (2008, p. 19) notes that the “researcher always presents a specific version of social reality, rather than one that can be regarded as definitive. Knowledge is viewed as indeterminate”.

In the realm of qualitative approach, the role of the researcher is important because “one can only understand the social world by obtaining first hand knowledge” of the study subject (Burrell and Morgan, 1979, p. 6). The qualitative researcher is fully aware of the importance of subjectivity constructed in a social world – which is partly constructed by the researcher himself/herself. Rather than excluding the researcher from the empirical data, the researcher’s presence is part of an empirical world, which “is shaped by the theoretical interest of the researcher” (Ahrens and Chapman, 2006, p. 820). The role of the researcher in qualitative research is important because a qualitative study values the researcher as much as the empirical data. Harding (1978, p. 204) argues that the value based judgements of the researcher have become “the remaining uncharted variables, influencing the nature of the result of inquiry”. She further reiterates that the argument for researchers to suspend their values when conducting a research is misplaced because such value suspension would miss out one of the most important variables, i.e. the

researcher. Such practice, she argues "...is not only ineffectual but also incoherent" (Harding, 1978, p. 204). Ignoring the effect that the researcher has on any study might not necessarily contribute to a stronger reliability of results. In fact, it might possibly decrease the reliability as the researcher "shape(s) the description of social nature" (Harding, 1978, p. 204). However, it must also be noted the observer should not enjoy total freedom in his/her "way of seeing" because total freedom may result in a highly contextual result (Laughlin, 2004), which lacks any chance of applicability (and learning opportunity) to other social events. Thus, its uniqueness is also its weakness.

The above paragraph highlights an extreme instance of qualitative approach where the role of the researcher is 'complete', i.e. the understanding of a social event is entirely based on the researcher's subjective interpretation (Laughlin, 2004, p. 273). According to this approach, the researcher does not require a prior theory as this theory may limit his/her understanding. Therefore, the understanding and the analysis derived from the study induces a theory – rather than a theory guiding the understanding and analysis. Bryman (2008, p. 22) notes that "it is common to describe qualitative research as concerned with the generation rather than the testing of theories".

Meanwhile, the approach taken by the positivist in examining empirical data without the 'interference' of the researcher – hoping to achieve objectivity in the inquiry – may not be appropriate for social studies such as the current one because empirical data is not merely used to confirm or disprove a prior theory (Laughlin, 2004). On the other hand, a highly contextual result may prevent any opportunity to learn from the undertaking of research. Laughlin (2004, p. 270) puts this rather succinctly,

“(o)ntologically what is being said is that all social behaviour will never be able to be defined in generalisable patterns that can be encapsulated in definable theoretical terms...but nor can behaviour be totally random and atomised”.

This brings us to consider a middle path between the two, i.e. the middle range thinking (Laughlin, 1995, 2004).

#### 5.1.4 The “middle-range” thinking

“Middle-range” thinking (MRT) is introduced by Laughlin (1995, 2004). His MRT is different from that proposed by Rob Merton (1967). While Merton (1967) suggests MRT as a transitory place towards a grander general theory, Laughlin (1995, p. 79, 2004, p. 270) views MRT as a genuine place to be. MRT, according to him, is a research approach that,

“... recognizes a material reality distinct from our interpretations while at the same time does not dismiss the inevitable perceptive bias in models of understanding. It also recognizes that generalizations about reality are possible, even though not guaranteed to exist, yet maintains that these will always be “skeletal” requiring empirical detail to make them meaningful” (Laughlin, 1995, p. 81).

MRT uses a skeletal theory to guide an empirical study. A skeletal theory is essentially a basic yet strong theory designed to guide towards the understanding of a social event – a research topic. In undertaking a research, a researcher may have already had a background understanding of the topic or he/she may have unconsciously decided the ‘lens’ he/she would like to use (Laughlin, 2004, p. 268, footnote 5). Therefore, he/she may have a skeletal understanding to guide his/her empirical investigation, although he/she may not aware of it (Burrell and Morgan, 1979, p. x). In this case, Laughlin (1995, p. 77) suggests that the researchers be upfront on this and “argue the merits of their chosen perspective, to defend their position and be equally prepared to be contradicted”. Recognising that he/she may be guided by a particular prior position – a skeletal theory – a researcher undertakes his/her empirical investigation to flesh out the skeleton so that it may give a ‘complete’ understanding of a research topic. In MRT, the process of fleshing out the skeleton theory is the “key purpose of the empirical engagement” (Laughlin, 2004, p. 273). Under MRT, the empirical investigation requires an interpretation in a way that is not entirely structured by the prior theory. In other words, for MRT, the empirical finding is not explained according to a strict theoretical lens (as in positivism) neither it is interpreted with total freedom without any reference to some framework (as in interpretivism).

#### **5.1.4a The benefits of MRT**

MRT attempts to incorporate the best properties available in positivism and interpretivism. Theoretically and ontologically, there is a possibility that a theory can be generalised, but only skeletally, i.e. there can be a skeletal theory but not a general “all defining” theory (Laughlin, 2004, p. 272). This means that a theory – a characteristic of positivism – needs empirical details – a characteristic of interpretivism – to arrive at a complete understanding of a research. Methodologically, it follows the skeletal rules but “allows for variety and diversity in observational practice” (Laughlin, 1995, p. 82). The observer/researcher forms an integral part of the research process but the findings deriving from the empirical richness can invariably be tied back to the skeletal theory. MRT arguably benefits from both the extremes, in that interpretivism offers “respect for detail of actual situations” and positivism provides a “possibility of learning from other situations through theoretical insights” (Laughlin, 1995, p. 83).

Therefore, MRT offers two salient points, theoretically and methodologically. Theoretically, a research process starts with a skeletal framework – not from a total blank canvass. Methodologically, MRT provides some sort of outline guiding the empirical process but does not determine the method outright. MRT, as a research approach, makes it clear that,

“there is always a possibility of some level of generalization but the nature of that generalization is such that it provides some idea of what might be important to understand but not how it will be affected” (Broadbent and Laughlin, 1997, p. 625)

The above suggests that, in MRT, generalisation through skeletal theory is possible. However, such theory – and generalisation – is not designed to receive and to be fed with empirical findings with the purpose of confirming or disproving a prior theory. Rather, the theory serves both to guide and be guided by the empirical richness (Laughlin, 2004, p. 268).

#### **5.1.4b Critiques of MRT**

MRT argues that a researcher may need to defend his/her choice, as a result of choosing a methodological stance. Hence, choosing MRT as an approach presents itself with some critiques.

Dey (2002, p. 113) criticises MRT on two fronts. Firstly, he argues that, as a result of adopting a (skeletal) theory “before immersion into the empirical domain”, there is the risk that the theory may direct the “eventual result”. Secondly, the skeletal theory used may numb the sensitivity of the researcher on the ‘ground’. As discussed earlier, the key purpose of constructing the skeletal theory is to flesh out the skeleton according to empirical richness. The empirical findings are not meant to feed the theory. In other words, the eventual result does not follow a fixed pathway. This is why empirical richness is important so as to give greater meaning to the research process. The ‘eventual result’ may or may not be similar. In its similarity, there may be some differences. Broadbent & Laughlin (1997, p. 625) note that MRT may provide some idea of what might be important but “not how it will be affected”. Meanwhile, Dey’s (2002) second critique is concerned with the tendency that employing a prior theory may cause insensitivity to the ‘ground’. A study based on ethnography – acquiring data and theory from the ‘ground’ – sees developing a prior theory as impeding and numbing to the empirical engagement. This critique may be addressed by highlighting the argument by Burrell & Morgan (1979, p. x). In a sense, all researchers including ethnographers – of which Dey (2002) seems to side with – “take a stand... although [they] are not always very explicit about the basic assumptions which inform their point of view...”. Laughlin (2004) argues that ethnographers/interpretivists, despite lack of acknowledgement of a prior theory, “have their own rigour with which they engage with the empirical world”. This implies that the skeletal theory is always there, although “what constitutes the rigour cannot... be meaningfully analysed or spoken about distinct from the process of actual engagement (Laughlin, 2004, p. 273)”. Therefore, Dey’s argument that MRT is insensitive and suffers from numbness because it offers a prior (skeletal) theory may equally be applied to his ethnographical approach because all researches have an underpinning theory. The difference between MRT and Dey’s argument is that MRT

advocates that the researcher make explicit its assumption. Agyemang (2006, p. 122) argues that “what MRT seeks to do is make those frameworks visible, by using them as a language to discuss the empirics”.

Meanwhile Lowe’s (2004a) critiques are more concerned with the way Laughlin presents his argument in MRT and less on MRT as a methodology, as he himself acknowledges (Lowe, 2004b). His argument that Laughlin’s (1995) article is just rhetorical was also addressed by several other authors (Arrington, 2004, Chua, 2004, Quattrone, 2004). Chua (2004, p. 257) argues that Laughlin himself would agree that his proposition of MRT is a rhetorical argument. In other words, a rhetorical argument is made “in the hope that it has a persuasive power” although its primary purpose may not be to persuade others. That notwithstanding, MRT has been used in several studies, such as in Gurd (2008), Agyemang (2006) and Broadbent & Laughlin (1997). While Agyemang (2006) and Broadbent & Laughlin (1997) use MRT to inform their study, Gurd (2008) uses MRT in conjunction with another theoretical framework, i.e. structuration theory. This suggests that MRT may inform the research process.

#### **5.1.4c MRT in the present study**

In this thesis, MRT is used in a theoretical and methodological sense. In developing a theoretical framework, the literature on waqf and accountability has been extensively engaged. O’Dwyer & Unerman’s (2008) conception of holistic accountability was used to interpret the way waqf properties are managed, i.e. the skeletal framework. From this engagement, there seems to be no known study linking waqf and accountability (but see Sait and Lim, 2006, p. 155). More specifically, there is no study addressing how the accountability relationship, especially with the public and the beneficiaries, may contribute towards a better management of waqf properties by a waqf organisation. This extensive engagement with both literatures has eventually resulted in identifying several important parties involved in the management of waqf properties, namely, the waqf officers, the donors, the SRCs and the beneficiaries. These parties and the relationships between and among them do exist (Laughlin, 2004, p. 268), especially the relationship with waqf officers – the focal concern of the present study. This initial understanding

informs the skeletal framework of holistic accountability, i.e. the macro view (Figure 4.1) and the micro view (Figure 4.2) of holistic accountability. The theoretical skeleton of holistic accountability underwent some minor changes during the pilot study, namely a greater emphasis on the role of waqf officers/managers, the presence of partners/LSPs and a relative absence of monitoring by the donors<sup>18</sup>. This change is illustrated in Figure 5.1 for the macro view and in Figure 5.2 for the micro view.

In terms of methodology, MRT highlights the importance of the researcher. It requires the intervention of the researcher to interpret an event (Laughlin, 2004, p. 273). Despite the qualitative nature of the data, a researcher is not interpreting an event at will. Instead, the skeletal theory facilitates the researcher by introducing the language and the terminology (Agyemang, 2006, p. 122). Thus, a researcher contributes towards an understanding of events through his/her interpretation and reflection guided by theoretical framework of holistic accountability.

Therefore, the empirical work undertaken in this thesis is to flesh out an understanding of how and why the accountability relationship may inform and improve the way waqf properties are managed. In this thesis, the way in which the interpretation and reflection is made is by engaging a case based study of the waqf setting.

## **5.2 The research method**

The empirical data is sought in the context of 2 waqf entities, i.e. SRC A and SRC B. The case-based study was employed to understand the perception of waqf officers of the way accountability is experienced and how this accountability may inform and improve the way waqf properties are managed. Data was collected through interviews with officers and other relevant parties. In addition to gathering empirical data from interviews, data was also collected through observation and some documentary evidence.

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<sup>18</sup> This is discussed in detail in Section 5.3.2: linking the skeletal theory in a waqf setting.

### 5.2.1 Using a case-based study

Otley & Berry (2004, p. 235) note that the nature of case-based studies requires “an openness to the possibility of discovery, so that precisely-specified design is to be avoided”. This implies that case-based studies are dynamic in that they do not have to be overly preoccupied with a prior theory to explain and understand a research. Case-based studies may take exploratory and explanatory forms (Berry and Otley, 2004, Scapens, 2004). An exploratory case-based study bears a resemblance with the positivist tradition in that the research is undertaken to accomplish generalisation. Scapens (2004, p. 260) notes that such study is intended to assist the researcher to “generate hypotheses that can be tested subsequently...”. Meanwhile, the explanatory case-based study is used to explain the reason behind the observed phenomenon. Therefore, the use of theory is to understand the specifics rather than to produce the generalisations (Scapens, 2004, p. 260). According to him,

“theory is useful insofar as it enables the researcher to provide satisfactory explanations of the observed practices. If available theories do not provide satisfactory explanations, it will be necessary to modify them or to develop new theories”

To a certain extent, the argument made by Scapens (2004) characterises the MRT approach in that there is a prior theory used to understand the phenomenon. However, MRT is different in that it does not aspire to develop a new theory nor it intends to modify a prior theory – as there is no firm theory in the first place. For MRT, the middle range is the place to be. A researcher can continuously keep fleshing out the skeletal theory as the theory can never be complete. Laughlin’s (2004, p. 264) analogy of Indian fables regarding seven blind people describing an elephant comes to mind. Each individual description is certainly correct – from each individual’s point of view. However, it will always be partial. In the present thesis, the study attempts to flesh out the skeleton of holistic accountability by enriching it with the understanding from the case-based study in a waqf setting. The final theoretical contribution of the research may take the form of expanding the existing skeletal theory (Berry and Otley, 2004, p. 236). The case-based study assists me in better understanding holistic accountability. In my case, a better understanding is achieved within the context of waqf.

The current case-based research method uses interviews, observations, and document analysis (Laughlin, 2004, p. 272, Marshall and Rossman, 2006, p. 97, Patton, 2002, p. 306, Scapens, 2004, p. 266). The details of the research method are as follows,

	SRC A	SRC B
Interviews: Main	14 interviews	9 interviews
Interviews: Pilot	9 interviews	3 interviews
Documents	Annual report Application form Correspondences Enactments Registers Pamphlet, flyers, posters	Financial reports Posters Enactment
Observation	4 observations	Nil

**Table 5.2: Method of data collection in SRC A and SRC B**

The data collection process is discussed in detail in the following section.

### 5.2.2 The interviews

In the present study, interviews form a significant part of the empirical data. Marginson (2004, p. 325) notes that interviews play a crucial role for the robustness of a case study project. The purpose of interviewing is to get other people’s perspectives and how they render meanings on events of interest to researchers – or the process of getting inside their heads (O’Dwyer, 2004, p. 392). The process of getting inside their head has the potential to offer a greater understanding of how accountability works in their organisation and how they perceive their responsibilities. Therefore, interviews is considered as “a conversation with purpose” (Kahn & Cannell, 1957, in Marshall and Rossman, 2006, p. 101).

In this study, a semi-structured interview is employed to flesh out the skeletal theory of holistic accountability. The semi-structured interview is used because it “offers much greater opportunities to tap into realities beyond the interviews’ contexts” as compared to a structured interview (Irvine and Gaffikin, 2006, p. 126). In line with the MRT approach, the semi-structured interviews were carried out based on an interview guide. According to Yin (2003, p. 89), a semi-structured interview informed by prior understanding can guide the process but not to the point of structuring the queries. She notes that “although you will be pursuing a consistent line of inquiry, your actual stream

of questions in a case study interview is likely to be fluid rather than rigid". Yin (2003), however, reminds the interviewer to balance the fluidity and the rigidity of the process. These are the two tasks that the interviewer must always bear in mind,

“(a) to follow your own line of inquiry, as reflected by your case study protocol, and (b) to ask your actual (conversational) questions in an unbiased manner...” (Yin, 2003, p. 90)

If an interviewer only assumes the task (a) of following his/her own line of inquiry, it might be possible that the study be inclined towards a structured interview, which could also be found in a positivist approach because the interview might serve as a ‘diagnostic effort’ (Ahrens and Chapman, 2006, p. 822). On the other hand, if only task (b) is emphasised, it would bear similarity to an unstructured interview, which might be found more often in an interpretive approach (Laughlin, 2004). Hence the combination of both tasks suits the MRT approach in undertaking the present study.

Conducting interviews requires preparation (Darlington and Scott, 2002, Kvale, 1996, Marginson, 2004). To undertake the task, I read several practical books on how to prepare for interview sessions (Darlington and Scott, 2002, Legard et al., 2003, Patton, 2002).

### **5.2.2a The pilot interview**

Before embarking into the main study, a pilot study was undertaken. The focus was to understand the relationship that waqf officers have with other parties. The pilot study was carried out in February 2009, lasting one month. The pilot study refined my understanding of the relationship that waqf units have with other parties. Working with an MRT skeletal theory, some of the understandings were reinforced while, as a result of the pilot study, others required some fine tuning. Yin (2003, p. 79) notes that a pilot test assists the researcher both to refine the data collection plans and to provide some theoretical clarification to the research design.

The pilot study also introduced me to the personnel and personalities of the interviewees. In SRC A, the majority of the officers were relatively young, i.e. ranging

from their late 20s to their mid 30s. They seemed to be very enthusiastic towards the idea of improving the management of waqf properties. In SRC B, the pilot study gave the impression that the management of waqf properties was influenced by the efforts of one officer. The pilot study offered the opportunity to reflect on the prior understanding. The reflection caused me to re-examine my initial understanding and assumptions on the emphasis and importance of certain relationships whilst de-emphasising others.

The findings from the pilot study also informed me on the different ways that waqf properties are managed by different SRCs. SRC A and SRC B seemed to display different characteristics. Firstly, the choice of chairman and CEO in the SRCs is different. In SRC A, the chairman – a non-royal – is appointed by the Sultan while, in SRC B, the chairman is still a royal, i.e. a regent. The CEO of SRC A holds this position in conjunction with his/her governmental position as the Director of the State Religious Department (SRD). His/her position in the SRC is subject to his/her position in the SRD. On the other hand, the CEO of SRC B holds a permanent position, not linked to any governmental department. Secondly, the pilot study of the two SRCs alerted me of the possibly huge task entailed should I intend to study other SRCs in my main study. The way waqf responsibility is segregated into several departments and the presence of the LSP highlighted two possible variations in the way waqf properties are managed. SRC A fragmented waqf responsibilities into several departments where the waqf department was only involved in registration and periodic inspections while, in SRC B, the waqf department was in-charge of almost all waqf responsibilities. Due to the possibility of huge differences in practice, I decided that the main study was to be undertaken on the same SRCs, exploring them more in-depth.

### **5.2.2b Preparation before the interview**

The main study started in June 2009, 3 months after completion of the pilot study. During the intervening 3 months period, I transcribed the interviews myself. This time consuming process allowed me to identify issues that needed to be refocused. After the transcription, the interview guide was developed to reflect the changes. The interview guide was prepared and, in some cases, was sent by email to the potential interviewees

so that they would be aware of the general area in which they might want to respond. This allowed them to get some idea as to what issues were to be discussed. I also informed them that they could clarify their points by giving examples. Therefore, the purpose of sending them the interview guide in advance was to let them give some thought to the examples of cases they might like to present. I expected that, in their busy work schedule, some cases might not come to mind impromptu during the interviews. A sample of the interview guide is included in Appendix I. Among the contents of the interview guide are; the scope of responsibility and the way it is discharged, the nature of the relationship with other parties, the influence of legal/bureaucratic requirements on the scope of the responsibility and the role of Islamic values on waqf work. By having this interview guide, the interviewer “remains free to build a conversation within a particular subject area, to word spontaneously, and to establish a conversational style, [while] focussing on a particular subject that has been predetermined” (Patton, 2002, p. 343).

In addition to the above information, my email also informed them with regards to the research ethic issues concerning anonymity and the possibility that the interviews could be recorded (using a recording device). All of them chose to be anonymous, and the vast majority of them agreed for the interview to be recorded, except for three. As a consequence of the anonymity, I decided to make a judgement call in that I would also anonymise the SRCs that they were working for. Because the staff numbers involved in the management of waqf is limited, by identifying the SRC, it is highly likely that the readers may quickly identify who the interviewee was. This would have defeated the purpose of maintaining individual anonymity. As for the anonymity of the SRC, there are 14 SRCs, representing 13 states and 3 Federal Territories<sup>19</sup>.

### **5.2.2c During the interview**

During each interview, I endeavoured to explain that there was no right or wrong answer; and that the interviewees were the experts in their area (Darlington and Scott,

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<sup>19</sup> All 3 Federal Territories are represented by 1 SRC.

2002, p. 48, Marginson, 2004, p. 328). This was also communicated in the emails sent during the preparation phase.

The interview guide was used, during the interviews, to prompt the interviewees. From my observation, in general, there were two occasions in which the interviewees referred to the interview guide, i.e. at the beginning of the interview and when they were prompted by me to refer to a specific question. Legard (2003, p. 141) notes that this is one of the key features of in-depth interviews in qualitative studies. The interviewer will only ask the initial question and let the interviewee freely answer it. In between the core questions, which were stated in the interview guide, there were a few minor probing questions to help clarify the former. Once the interviewer felt that there were no further probing questions, the next core question was asked. These were the times when the interviewees were asked to refer to the interview guide if they were not very clear about my oral question. For example, “we discussed question 2.1 just now. Now, question 2.2. What is your opinion on...”. The interviewees would first look at the research question and then respond to it, which would normally take 5 to 10 minutes, before minor probing questions followed. The process of alternating and interweaving between core and probing questions helped both the interviewees and the interviewer to better understand the phenomenon. Holstein & Gubrium (1997, p. 114 in Darlington and Scott, 2002, p. 49) note that,

“Both parties to the interview are necessarily and ineluctably active. Meaning is not merely elicited by apt questioning, nor simply transported through respondent replies; it is actively and communicatively assembled in the interview encounter. Respondents are not so much repositories of knowledge – treasuries of information awaiting excavation, so to speak – as they are constructors of knowledge in collaboration with interviewers”.

This seems to be in keeping with MRT, in that the interviewees’ answers were always challenged through probing questions in order to gain the empirical richness required to flesh out the skeleton.

The way in which the “meaning [was] actively and communicatively assembled” was however not linearly experienced by the interviewer. In other words, the interview was not progressing in accordance with the interview guide. Due to the fluid nature of the

interview, sometimes, for example, point 6 of the interview guide had already been addressed earlier in the interview itself. Therefore, I sometimes received a response such as “I think we have addressed this issue...” from the interviewee. In such cases, I would normally ask them whether they would like to add additional comment. This illustrates that the interview guide was not strictly followed in accordance with the hardcopy on hand.

In addition, during the interviews, while taking notes and listening to the answers, I had to identify certain points which require further explanation and be worth pursuing. However, I did not immediately interject when these were first mentioned. I had to wait until the issue he/she was trying to explain seemed to be complete. It could take 5-10 minutes for him/her to come to the end of his/her train of thought. For example, some of the issues were answered in the interviewee’s own language and meaning. Normally, while making notes, I circled the point to which I would need to come back later. For example, in the Malay native tongue, the interviewees use a literal word, “tell<sup>20</sup> to beneficiaries” which, interpreted contextually, has a meaning closer to “consult or get the opinion of the beneficiaries”. In this case, I had to confirm what he/she meant by ‘telling’, i.e. whether it was an instruction or a request or an appeal. Brenner et al. (1985, p. 3 in Darlington and Scott, 2002, p. 49) note that,

“Probably the central value of the interview as a research procedure is that it allows both parties to explore the meaning of the questions and answers involved...Any misunderstandings on the part of the interviewer or the interviewee can be checked immediately...”

Therefore, the interview process was normally an intense moment, at least for the interviewer as I had to multitask – scribbling on my notepad, paying attention to every point made – by looking into their eyes, picking up points for further explanation (for probing questions), keeping on course with the interview guide, minding the time and keeping an eye on the digital recording device (checking that it did not run out of battery).

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<sup>20</sup> *bagitahu*

### 5.2.2d Post interview

There were two rituals carried out immediately after the interviews, in my car. Firstly, I would relisten to the digital recording device for a few minutes to ensure that it had worked and that the quality of recording was acceptable. This helped me in two ways. I knew immediately whether the device had worked as expected and, secondly, it acted as a self-critique exercise, especially about my interview skills. For example, in one case, the sound of the ceiling fan interfered with the recording and, in another, the clicking sound of my mechanical pen annoyed me when I replayed the recording. There were also a lot of 'okay's and 'I see's coming from me, which, in subsequent interviews, were reduced.

Secondly, I wrote a note entitled "reflection with Mr X" in red-coloured pen, on a fresh page, immediately after the interview note page (see a sample in Appendix 6). This reflection ranged between 3 lines and 2-pages writing. It concerned the set up of the interview, the improvements needed for the next interview, observations and description of the environment of the interview, interruptions during the interviews (telephone calls, staff requiring signatures/discussion), the post interview conversation when both of us had started getting up and leading towards the exit (which sometimes took around 30 minutes) and other "sweet talk". For example, in a reflective note, I wrote "Mentioning a lot about SRC A being Islamic, tho' have authority (i.e. legal authority), doesn't take that route<sup>21</sup>". During the reflection exercise, I also described the enthusiasm of a particular officer, such as in this note "his enthusiasm on waqf case is truly shown when every time he wanted to explain his work, he keeps on standing up and searching for documents/files related to his points". In another occasion, I seemed to define what being accountable entails, noting that, "Accountable is any effort that open yourself to being criticised, feedbacked, exposing yourself to comment, being vulnerable – that's the indication that you're accountable OR prepared to be accountable OR prepared to be subject to accountable". It was from all these reflections that I decided to convert the interview guide into question form.

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<sup>21</sup> Quoted in verbatim

Sometimes, the note, which had been written/scribbled in blue or black ink was also expanded with a red pen to indicate the crystallisation of meaning after the interview. In some cases, the task of note taking could not glean the meaning quickly enough, resulting in rather meaningless words. It was during the reflection phase that the 'meaningless' words took their proper shape by staying true to what had been said by the interviewee. This was later confirmed with the transcription. This exercise was particularly important for the three interviewees who had refused to be digitally recorded.

This reflection proved helpful to me in guiding and comforting me in the interpretation, analysis and writing process. It offered some sort of assurance that the meaning of the interpretation was in line with my initial thoughts. In some cases, it also allowed me to see the changes in meaning after being put into a wider context. For example, the reflection on the influence of Islamic values – it seems that, in the final analysis, the hierarchical structure may be preventing Islamic values from being fully operationalised. The reflection included both the reality presented by the interviewees and the subjective reality of my interpretation. It served as a learning tool in refining my interviewing technique and also assisted me in the final analysis.

### **5.2.2e Transcription and translation**

All the interview data, except for three interviews, were recorded using a digital recording device. In the three exceptions, the interviewees had not agreed to be recorded. 2 interviewees from SRC A, i.e. the public relation officer and the deputy head of the audit department; and the manager of the waqf clinic in SRC B. In these three instances, I undertook a note taking exercise.

All interviews, including that of the pilot study, have been transcribed. The transcription process for the pilot interview was carried out by myself, while the main study's transcription was shared between myself and a transcription company in Malaysia. I listened to the interview recordings several times and made further reflection notes, especially for the interviews which I felt more relevant to the context of my study. This

was a second reflection exercise after the first, which was carried out immediately after each interview. While the first had been written on a piece of paper, the second reflection was typed while listening to the recording of the interview. Each file name started with “Reflection while listening to Interview with Mr X”. In essence, I have 4 sources of data for the interviews, as follows,

Sources	Description
Interview transcript	transcript from interview record
Handwritten note-taking	taking note while interviewing
Handwritten reflection	writing a reflection immediately after each interview
Reflection while listening	typing a reflection while listening to the interview record

**Table 5.3: Sources of data associated with the interviews**

All interviews were conducted in the Malay language. The transcription process was very time consuming and, at times, I had to drag myself to listen to the recordings, especially when the interviewees decided to veer off the interview guide’s course. At the same time, the translation exercise was undertaken by myself as Malay is my native language. This enabled me to fully engage and reflect on what was being said.

### **5.2.2f Interviews at SRC A**

There were a total of 23 interviews, involving 18 interviewees. The interviewees ranged from staff and officers in a waqf department, officers from other departments (who have responsibilities related to waqf matters), the Deputy Secretary of the SRC (cum registrar of waqf properties) and staff from LSP. A list of interviewees is presented as follows.

	Position	Duration interview	Date of interview
AO1	Deputy Secretary General	1 hr 54 mins 2 hrs 15 mins	15 Jun 2009 24 Feb 2009
AO2	Waqf manager	3 hrs 3 mins 1 hr 56 mins	24 Jun 2009 17 Feb 2009
AO3	District waqf officer	2 hrs 7 mins 37 mins 1 hr 55 mins	27 Jul 2009 11 Jun 2009 17 Feb 2009
AO4	District waqf officer	1 hr 55 mins	17 Feb 2009
AO6	Waqf officer	1 hr 58 mins	16 Feb 2009
AO5	Waqf officer	2 hrs 5 mins 51 mins	23 Jun 2009 16 Feb 2009
AO7	Economic planning officer	1 hr 14 mins	23 Feb 2009
AO8	Waqf officer	2 hrs 22 mins	19 Feb 2009
AO9	Property development officer	1 hr 6 mins	18 July 2009
AO10	Legal officer	1 hr 14 mins	19 Feb 2009
AO11	Accountant	1 hr 22 mins	26 Jun 2009
AO12*	PR officer	1 hr 52 mins	16 July 2009
AO13*	Internal auditor	1 hr 19 mins	18 July 2009
AO14	Board member of SRC	1 hr 14 mins	26 Jun 2009
ALO1	Manager of orphanage house	35 mins	23 Jul 2009
ALO2	Officer orphanage house	1 hr 8 mins	23 Jul 2009
ALO3	Founder of retirement home	4 hrs 3 mins	9 Jan 2010
ALO4	Manager of retirement home	1 hr 12 mins	9 Jan 2010
<b>Total</b>	<b>18 interviewees</b>	<b>23 interviews</b>	

\* Refused to be digitally recorded

**Table 5.4: Interviewees for case study in SRC A**

The main study was carried out in June and July 2009 and January 2010, while the pilot interview was conducted in February 2009. In general, the interview experience was very cordial. Being newly restructured, the SRCs were generally staffed with relatively young officers. Except for the Deputy Secretary and the board member, the interviewees' age ranged between late 20s and mid 30s.

All the interviews were carried out at their respective offices which were all located in the head office except for 2 occasions. The interview with a district waqf officer was carried out in his office at district level and the LSP's staff were interviewed at their respective workplace.

### 5.2.2g Interviews at SRC B

There were a total of 11 interviews, involving 10 interviewees. The interviewees ranged from staff and officers in the waqf departments, officers from other departments (who have responsibilities related to waqf matters), the Deputy President of the SRC, who carries out the President's function, and staff from a clinic – an LSP. A list of interviewees is shown below.

	Position	Duration interview	Date of interview
BO1	Deputy President of SRC B	1hr 56min	9 Jul 2009
BO2	Waqf officer	1hr 38mins 1hr 22mins 31 mins	9 Jul 2009 12 Feb 2009 1 Sep 2010
BO3	Waqf staff	51mins	11 Feb 2009
BO4	Religious officer	1hr 11mins	10 Jul 2009
BO5	Legal officer	1hr 07mins	12 Feb 2009
BO6	Finance officer	1hr 57min	6 Jul 2009
BO7	Senior waqf staff	1hr 15mins	8 Jul 2009
BO8	Ex- Deputy president of SRC B	37 mins	
BLO1*	Clinic Manager	1 hr 17mins	10 Jul 2009
BLO2	Clinic staff	21 mins	10 July 2009
<b>Total</b>	<b>10 interviewees</b>	<b>12 interviews</b>	
*refused to be digitally recorded			

**Table 5.5: Interviewees for case study in SRC B**

The main study interviews took place in July and August 2009 while the pilot interview was undertaken in February 2009. The waqf unit in SRC B was a lot smaller than that in SRC A. The waqf unit had only one officer and 5 staff members. Compared to the waqf staff in SRC A, the waqf officer in SRC B is considered well experienced and very passionate about the development of waqf.

The interviews with the waqf staff and the Deputy President were undertaken at the waqf office, which was separate from the head office. The office of the Deputy President shared the same building with the waqf office. The other interviews were carried out in the SRC's head office, while the interviews with the clinic manager and staff was carried out at the clinic.

In addition to the interviews, observation was also undertaken. Marshall & Rossman (2006, p. 102) claim that the combination of interviews and observation “allows the

researcher to understand the meanings that everyday activities hold for people”. This is discussed next.

### **5.2.3 The observation**

Observation is one of the most important data collection methods available for the qualitative researcher (Marshall and Rossman, 2006). According to Mckechnie (2008, p. 573) “observation... involves collecting impressions of the world using all of one’s senses, especially looking and listening, in a systematic and purposeful way to learn about a phenomenon of interest”. Observation seems to be suitable in MRT as it can be carried out with a theoretically informed *priori*. Marginson (2004, pp. 326-7) notes that “the researcher(s) should use a *priori* theoretical perspectives as a guiding perspectives rather than firm theoretical frameworks...”.

During the data collection exercise, I was involved in 4 observation exercises. Two of them were in a formal setting, while another two were rather informal and occurred by chance. In the following sections, I only highlighted two cases as these seemed to have an element of accountability. The observation exercise was carried out in SRC A. I had no opportunity to carry out observation in SRC B.

#### **5.2.3a Observation in a formal setting**

The first formal observation was undertaken when I was invited to a meeting between the waqf unit and the community of a village. It was carried out at a local mosque at 9pm. The meeting concerned the inappropriate use of waqf land by a group within the community. In this case, the LSP enlisted the help of SRC and waqf officers to intervene and to find an amicable solution between the LSP and the group. The meeting was conducted on June 18<sup>th</sup> 2009 and was chaired by a representative of a member of the state legal assembly (similar to a Member of Parliament but at the state level). In attendance were the local dignitaries, i.e. the elders, such as the head of mosque, the SRC area representative and the village head. Meanwhile, SRC A was represented by the Deputy Secretary, the waqf manager, a district waqf officer and several officers from

the legal and economic departments. The total number of participants at the meeting was around 50, including 10 staff from SRC A. All parties sat on the floor in a circle. The SRC staff sat in one quarter of the circle. I sat among them listening and taking down notes (Marshall and Rossman, 2006, p. 99). I did not participate in the meeting and I assume that my presence did not alter its outcome, although I do not know for certain. I knew all the SRC staff as I had interviewed them before the meeting took place.

The meeting offered an illustrative example of the way waqf properties are managed and how the responsibilities and duties of accountability are discharged. The waqf properties were rented in which the proceeds could benefit the beneficiaries, i.e., the local community. The proceeds were used to fund activities such as a religious class for children and adults in the area. The committee managing the waqf properties felt that the tenant was reluctant to pay the rental amount. There was no proper rental agreement and this was normal, as a verbal agreement was deemed sufficient. The SRC, as the trustee, was called to mediate the problem. This gave the impression that the SRC was accountable for the needs of the beneficiaries. Failing to intervene could result in the beneficiaries not enjoying the religious class. The way the event took place gave an insight into the way accountability was experienced. Downward accountability seemed to be strengthened when the management of the properties was shared – or/and taken over – by the SRC, rather than solely managed by the beneficiaries themselves. I wrote in my reflective note (see Appendix 5),

“it seems that in order for waqf management to be accountable to the beneficiaries, they need to address the [reluctant] tenant. In other words, to make sure the beneficiaries receive the benefit, the role of management is transferred from beneficiaries [i.e., the committee] to the [SRC] management”

The way SRC A discharged its responsibilities and duties of accountability seemed to move ‘upward’, i.e. the management passed from the hands of the beneficiaries and the local community to the SRC. This seemed to suggest that downward accountability existed but the way it was enacted was through the hierarchical power of the SRC. In this case, it was the beneficiaries who required the assistance of the SRC. Stated differently, the SRC were seen to be accountable downwardly as the intervention was made at the request of the beneficiaries. This implies that downward accountability may

be enacted through a hierarchical structure established by a legal provision. Downward accountability seemed to depend on hierarchical – legal and bureaucratic – accountability as would be explained and analysed later in Chapter 8.

### **5.2.3b Observation in an informal setting**

The second observation was made during a 3-party meeting between a waqf officer (and his staff), a representative of the beneficiaries and a donor on July 20<sup>th</sup> 2009. I was allowed by the waqf officer to tag along during his visit to a donor's house to attend to her application to donate a property. This was a three way informal meeting between the donor, the waqf officer and the chairman of a mosque, the beneficiary. The donor wanted to donate her house to the local mosque. Similar to the first case, the rental proceeds were to be used for the benefit of the mosque. The donor said that she would like to waqf her current house because she had been diagnosed with a brain tumour which left her a few months to live. When I asked her the reason for the donation, she said,

“I asked Mr Chairman, the other day, what should I do with my house once I passed away. I do not have any relatives. He informed me that he could ask the SRC's opinion. That's why I am doing this waqf. My reward will not stop just because I will be dead”.

The meeting was cordially conducted. In the context of accountability – which helps inform my final analysis – there were two relevant points. Firstly, the waqf officer was willing to travel to this place even though it was not within his district. In my reflective note, scribbled as “conversation in the car”, I wrote “accountability, while demarcated by district, still assist each other”. This, in later analysis, showed the strong felt accountability of the waqf officer. Although each waqf officer is allocated a fixed area to be in charge of, they were willing to discharge their responsibilities and duties of accountability, which are beyond the scope of formal hierarchical responsibility. Secondly, the waqf setting is imbued with values, not just those of the waqf officer but also those of the donor. The donor's reply of “my reward will not stop just because I will be dead” suggests that the belief in Islamic values and their implications in the Hereafter regarding “final accountability” (Ansari, 2001) motivated her to undertake waqf. The mention of reward seems to epitomise her awareness of final accountability.

By attending both the formal and informal meetings, I gained an insight into the way SRC and waqf officers carry out their responsibilities and duties of accountability. It informed me about what is important in their daily duty. It also provided an insight into waqf settings in general, in that Islamic values are inherent in the practice. Patton (2002, p. 263) notes that “because all social systems involve routines, participants in those routines may take them so much for granted that they cease to be aware of important nuances that are apparent only to the observer...”. In this instance, even I considered the values as routine. For me, this was quite difficult to see because I am from the same background and, as such, I did not feel the difference, i.e. the importance of Islamic values. It was only after taking an outside view that I started to appreciate the role of Islamic values.

#### **5.2.4 Documentary evidence**

In this study, the interviews and the observation exercise were complemented by a third research method, i.e. documentary evidence. Patton (2002, p. 307) notes that,

“...the documentation would not have made sense without the interviews, and the focus of the interviews came from the field observations. Taken together, these diverse sources of information and data gave me a complete picture...”.

The present study uses documentary evidence as a means to reinforce and supplement the understanding gained during the interviews and observations.

SRC A is considered to be a very well-structured organisation, relative to other SRCs. It received an award for being the best SRC in Malaysia by the Auditor General Department (AO1). There was quite a lot of information available, both online and in hardcopy form. In addition, some internal documents were also secured during the course of the interviews. The materials received from the waqf unit are listed in Appendix 2. Apart from the above information, which may be publicly available (although not necessarily easily accessible), some internal documents were secured. These are listed in Appendix 3.

On the other hand, the publicly available documents regarding SRC B were not as numerous. This may have been due to the set up of SRC B itself. Unlike SRC A, SRC B did not have a specific department dealing with publications. They did not produce any annual report to the public. The existing pamphlets were produced by the waqf unit. As will be highlighted in the next chapter, the organisational set up of SRC B is simpler than that of SRC A. The list of documents is in Appendix 4.

As a supplementary method, documentary evidence assisted me in several ways, i.e. during the interview preparation stage, during the interviews and during the writing of the analysis. The information available in the documents assisted me to prepare an interview guide tailored towards the interviewees, especially for non-waqf staff or/and officers. For example, by looking at the scope of responsibility in a document, I added one or two points in my interview guide which I might not have asked “without the leads provided through documents” (Patton, 2002, p. 307).

Meanwhile, during the interviews, the information gained from reading the document was used for probing questions. For example, after listening to an interviewee’s answer regarding his/her scope of responsibility, I probed him “I thought this was the responsibility of the Secretary...”. He continued by explaining the reason for such practices. In some cases, simpler answers to a probing question were drawn from documents; such as “that [document that I mentioned] was published years ago...”. In this case, the interviewee endeavoured to find the latest information or edition. Irvine & Gaffikin (2006, p. 131) observe that “...documents can take on a different meaning or interpretation that was not originally intended”. By probing interviewees, the understanding gained from documentary evidence can quickly be compared against interview data.

In the final analysis, the documents were used to supplement the interpretation made through the interview and observation data. For example, a correspondence letter between a waqf officer and the beneficiaries gave the sense of the formality in their relationship. This responsibility was stipulated in their desk file. This reinforced my interpretation that SRC A was seen as a more formal entity, governed by hierarchical

structure, relative to SRC B. In this study, documentary evidence was used in conjunction with other research methods. It offers “a behind-the-scenes look at the program that may not be directly observable” (Patton, 2002, p. 307) but its influence may be limited, if used in isolation (Atkinson and Coffey, 2004, p. 58). It provided a useful addition to the interview and observation method.

### **5.3 Analysing the empirical data**

A book by Humphrey & Lee (2004) entitled “The real life guide to accounting research” gave me an insight into the personal accounts of researchers at different stages of the research process. One of the many insights gained was that the interpretation exercise was not linearly determined, i.e. it occurred after the collection of data. The researcher could and should undertake the interpretation exercise during the data gathering process (see, for example Marginson, 2004). Marginson (2004) also argues for the need to be guided by a theoretical framework in interpreting data, which is in line with the MRT approach. He notes that (in question form) “After all, is not the idea of interpreting interviewees’ responses in the light of initial theoretical perspective a form of analysis and interpretation?” (Marginson, 2004, p. 332). An explanation of this study may achieve greater benefit if it could be seen in light of a holistic accountability theoretical framework.

#### **5.3.1 Revisiting the skeletal theory**

Chapter three introduced us to two concepts of accountability, i.e. hierarchical upward and downward accountability. The literature has shown that these two concepts of accountability have their own languages, in terms of the ‘principal/accountee’ in the accountability relationship (accountability to who), the accountability purpose (for what), the accountability mechanism (how), and the accountability reason (why).

Accountability	Hierarchical upward	Downward
To who	Powerful parties such as donors, governments, regulators, boards of directors	Less powerful such as beneficiaries, public
For what	Meeting the predetermined requirement such as legal provisions, bureaucratic procedures and economic/financial targets	Meeting the needs and aspiration of the beneficiaries and the public
How	Preparing reports and following the work manual	Participatory approach such as dialogue and other close engagements
Why	To monitor and to control	To learn and to understand

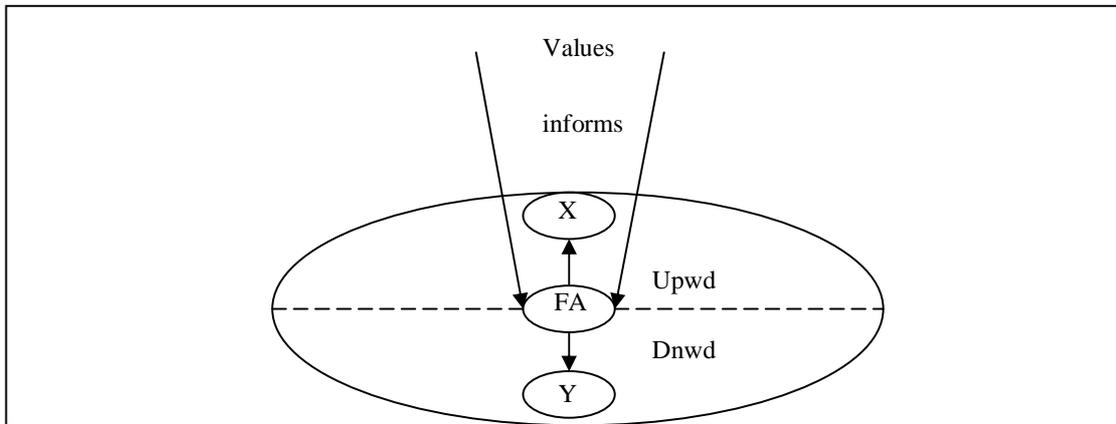
**Table 5.6: Two accountability components in holistic accountability theoretical framework**

O'Dwyer & Unerman (2008) present a concept of holistic accountability to include a wider form of accountability than that of conventional hierarchical accountability. This augments both hierarchical upward and downward accountability. Figure 4.2 in Chapter 4 illustrated the holistic accountability theoretical framework.

### **5.3.1a Linking skeletal theory with the waqf setting**

Chapter 2 has shown that the establishment of waqf was motivated by an injunction in the Qur'an. We are also informed, in Chapter 3, that the matter of accountability is very dear to Islam. Theoretically, this suggests that Islamic values may have an influence in the way holistic accountability is experienced and enacted in waqf settings. In waqf settings, Islamic values are argued to transpire through the felt accountability of waqf officers. The thesis aims to explain how accountability may inform and improve the way waqf properties are managed. It also explores the influence of values-drawn felt accountability on the operationalisation of holistic accountability. Therefore, in waqf settings, the skeletal theory of holistic accountability is argued to be fleshed out by the presence of felt accountability. The way felt accountability is filtered is discussed in the empirical findings chapter.

In addition, the skeletal framework of holistic accountability benefited from the pilot study. Specifically, it added another party, removed and merged others, deemphasised or emphasised the role of existing parties. The engagement with pilot empirics altered the understanding, although the core remained. The resulting holistic accountability framework is presented below in two parts.



**Figure 5.1: The macro view of holistic accountability**

Figure 5.1 illustrates the macro view of holistic accountability in relation to felt accountability. In the above, FA is the felt accountability of waqf officers. The arrow pointing upwards (to X) denotes upward accountability while the arrows pointing downward from FA to Y denotes downward accountability. The largest oval shape figure in the above Figure 5.1 represents the scope of holistic accountability. In waqf settings, holistic accountability is theoretically informed by Islamic values. The hierarchical upwards and downward accountabilities are argued to be affected by the presence of Islamic values. This is a development of Figure 4.1. The difference is that the operationalisation of holistic accountability now puts greater emphasis on waqf officers/managers, hence the shaded area. The macro view of holistic accountability is still being informed by Islamic values because Islam is the *Weltanschauung* (Kilby, 2006). This is shown by the dotted arrows. However, the way values operationalise holistic accountability is now filtered through the waqf officers. In this study, it is argued that they are the ones who operationalise holistic accountability in waqf settings.

The skeletal framework of micro holistic accountability also undergoes some adjustment in the context of waqf, as shown in Figure 5.2. This Figure 5.2 is a development of Figure 4.2 in previous chapter. There are two obvious differences between this Figure 5.2 and the Figure 4.2, i.e. the absence of the donor/shareholder and the presence of the LSP. In the previous chapter, the Figure 4.2 shows a thick line/relationship between waqf officer and donor/SH. This is to indicate that before conducting the main study, it is thought that the waqf officer has a strong upward accountability relationship with

donor. However upon engaging with the data, the relationship with donor turns out to be less important. The donor who donates properties for waqf purposes does so because he/she is motivated by Islamic values such as the understanding of the belief in the day of judgement where there will be reward and punishment for every action. They do not pay too much attention to what happens next as long as they have undertaken their religious responsibility (Siti Mashitoh, 2006a, p. 29). This seems to suggest the influence of Islamic *Weltanschauung* on the macro view of holistic accountability as in Figure 4.1 and 5.1. It appears to be inherent in every party in the relationships. This seems to be similar to the notion of ‘epistemic closeness’ noted by Gray et al. (2006, p. 336) in that the donor may not require a formal accountability mechanism as long as they perceive that the donation will be used for the intended purpose. Therefore, the donor’s role is minimal in the hierarchical accountability framework. This is shown in the following Figure 5.2 in that the line and the oval shape of the donor becomes blurrier denoting that the emphasis is lesser now. This seems to indicate that, in waqf setting, unlike non-religious settings, the waqf officers are not formally required to discharge their responsibility and duty if accountability to donor (unless they choose to). This is discussed further in Chapter 9.

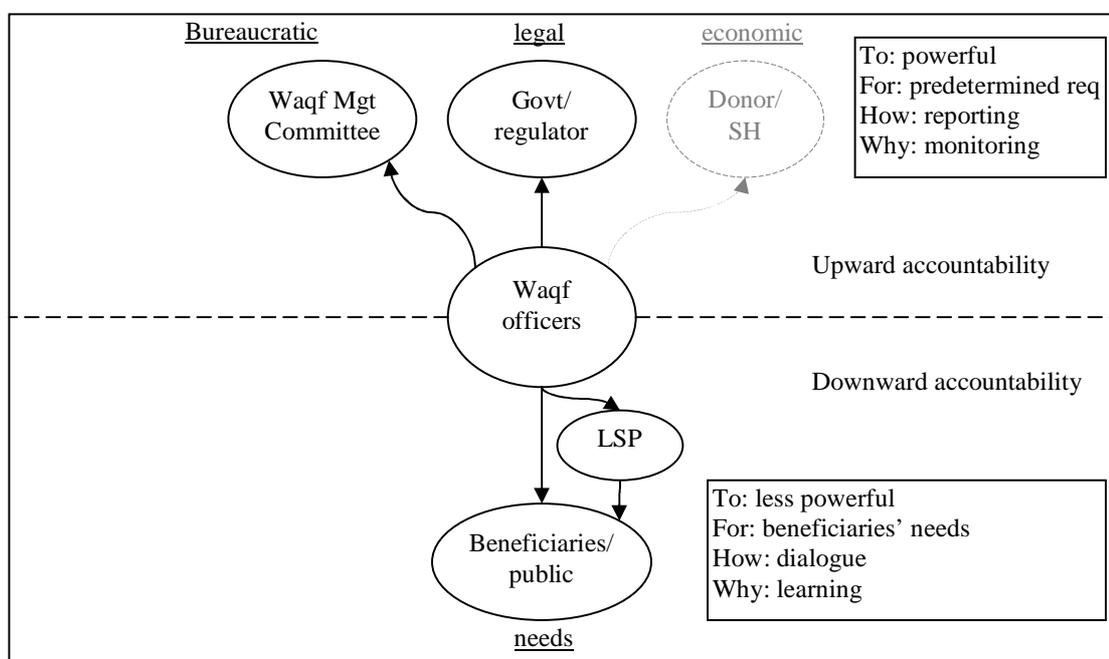


Figure 5.2: The micro view of holistic accountability

The second difference is that the presence of an LSP is emphasised in Figure 5.2. This, i.e. “the role of the partner” was mentioned in O’Dwyer & Unerman (2008) , but it does not seem to be emphasised. The LSP is the closest party to the beneficiaries and is argued to be important in operationalising downward accountability.

In addition to these two differences, the absence of the donor from the holistic accountability framework seems to also minimise the importance of performance accountability. The emphasis appears to focus on fulfilling the bureaucratic and legal accountability.

### **5.3.1b How Islamic values influence holistic accountability**

The SRC manage Islamic matters in their respective states. Therefore, the officers recruited, including waqf officers, uphold Islamic values. The majority of them received a formal Islamic education (Ghazali, 1991, p. 104). In the presents study, the way Islamic values are filtered is through the act of the officers, i.e. the way in which they carry out their responsibilities and duties of accountability. Therefore, waqf officers are the “meaning making” agents who interpret the way accountability is discharged (Fry, 1995).

In this case, the role of the waqf officers is important if we want to explore the way accountability is experienced and enacted. Their perceptions, experiences, thoughts, feelings, decisions and actions may portray the Islamic values that they hold, which influence the way they discharge their responsibilities and duties of accountability. In this study, this is referred to as felt accountability, where their internal feeling motivates them to undertake certain actions and decisions (Hall et al., 2003). This is the next stage in the skeletal theory, in that Islamic values are operationalised through the felt accountability of the waqf officer. Therefore, the initial skeletal theory of holistic accountability offered by O’Dwyer & Unerman (2008) is enriched by the ‘flesh’ of values which are filtered through felt accountability.

### 5.3.2 Coding and themes

To analyse the research data, I made use of both the Nvivo computer software and manual analysis. Some scholars have some apprehension on using computer software (see for example O'Dwyer, 2004, Scapens, 2004). However, these scholars seem to be receptive to the idea that, in some situations (and their future undertakings), computer software might be useful in qualitative research. Bazeley (2007, pp. 8-11) who supports the use of computer software, notes that, despite using software, the researcher's input remains central in the interpretation process because it is the researcher that wears the theoretical spectacles to understand the nature of social reality. He notes that researchers "must integrate their chosen perspective and conceptual framework into their choices regarding what and how to code, and what questions to ask of the data; software cannot do that". She adds that software, such as Nvivo, works with qualitative researches that have a conceptual framework as well as with those that haven't. This implies that Nvivo can be used in the MRT approach where a prior skeletal framework is developed to inform the understanding of the research study.

In my case, I only used Nvivo in the early stage of the analysis. I coded the interview data into 'free nodes', i.e. themes. After completing this exercise, I had 46 individual free nodes. Such a large number of 'nodes' posed some challenges. Firstly, I imagined that it would be quite difficult to develop a meaningful story from such diverse themes. Secondly, some of the themes had only one quote. Thirdly, some themes which I created based on literature had taken on modified meanings. Some of the themes had become too narrow and concise while some others had grown to accommodate wider meanings. The iterative process was certainly long and complicated. A few mind maps, graphs, flowcharts, pictures, arrows, shapes, were drawn to represent my thoughts, meanings, and understandings which were developed during the process. From the initial 46 themes, I managed to 'collapse' – the term used in Nvivo – the free nodes into tree nodes. This exercises seemed to reduce the nodes to 11 themes. At this point, I started interpreting the data manually. I relied on my own understanding of the literatures and of the holistic accountability theoretical framework to categorise the themes into a more

manageable theme. This involved more mind mappings, flowchartings and ‘arrowings’. Finally, three major themes were determined, i.e., downward accountability, hierarchical upward and felt accountability.

I used Nvivo to facilitate the organisation of the data in the initial stage. The data sources, however, were not limited to transcription only. In Nvivo, sources such as ‘handwritten reflection’ and ‘reflection while listening’ were also included as ‘official sources’<sup>22</sup>. The handwritten reflections were retyped and saved as a computer file. Only the notetaking was not included in the Nvivo data sources.

The following are the tree nodes/themes which were organised into 3 major categories.

### 5.3.2a Themes in hierarchical accountability

There were 5 themes under hierarchical accountability, as highlighted below.

Themes	Explanation
Influence of legal provision	This includes the need to adhere to the National Land Code, and government regulation.
Formal scope of responsibility	Normally stated in ‘desk file’. This is the written job description which outlines the step-by-step way to discharge one’s duty.
Structure of organisation	This explains how structure affects the way responsibility is discharged. The tendency for hierarchical accountability to divide responsibility is illustrated here.
Role of WMC	This includes the bureaucratic reporting and monitoring role exercised by the committee. The notion of regular meetings and requiring report from waqf officers is highlighted here.
Financial consideration	The emphasis given to calculative science. This is the language commonly used in hierarchical accountability.

**Table 5.7: Themes in hierarchical accountability grouping**

Firstly, it highlights the influence of legal requirements, such as the National Land Code and government office regulations, on the way waqf properties are managed. The officers’ reference to the importance of following legal requirements and the effect of following such requirements were put under this category. Secondly, the formal scope of responsibility includes any quote denoting the need to follow bureaucratic procedures. This is essentially an extension of the first theme in that bureaucratic procedures provide detailed explanations of legal requirements. This is represented by the existence of ‘desk

<sup>22</sup> This was explained in Table 5.3.

files’ outlining the job descriptions of each officer, and instructions from the WMC. The third theme comprises quotes pertaining to the structure of the SRC associated with waqf responsibilities. At one end of the continuum, all waqf responsibilities can be undertaken solely by the waqf officers and, at another end of continuum, the responsibility is fragmented into several smaller tasks, where each task is carried out by different departments and not limited to the waqf department. Fragmentation of responsibility into smaller tasks characterises the way hierarchical accountability operates (Lindkvist and Llewellyn, 2003). The theme in the fourth group collects quotes pertaining to roles, functions, and responsibilities of the WMC. This typifies any responsibility that waqf officers have to carry out upon receiving instructions from them. This includes the need to prepare reports and present them to the WMC and other ad-hoc responsibilities not written in ‘desk files’. Finally, the fifth theme discusses an element of ‘performance accountability’. This includes quotes regarding the privilege given to financial criteria as a tool for discharging accountability. It also includes an emphasis on the viability and feasibility of a waqf project; and on financial risks and returns, i.e. the “business-focused terminologies” (O’Dwyer and Unerman, 2008, p. 812). The use of this calculative science to measure ‘success’ implies a tendency towards hierarchical accountability. These five themes seem to characterise the concept of hierarchical accountability.

### 5.3.2b Themes in downward accountability

Meanwhile, there were 3 themes in the downward accountability grouping. These themes highlight the efforts of waqf officers and other parties involved in ensuring that downward accountability to beneficiaries is experienced.

Themes	Explanation
Presence of a district level officer	This includes the experience in their existing role. This highlights how their existing formal responsibility can help them experience downward accountability
Relationship with the LSP	This includes the role of the LSP in operationalising downward accountability and how it can affect and be affected by waqf officers
Relationship with beneficiaries	This illustrates the approach undertaken by waqf officers with beneficiaries and public.

**Table 5.8: Themes in downward accountability grouping**

The first category includes quotes related to the importance of placing waqf officers at a level close to waqf properties, i.e. at a district level. This argues that closeness allows the officers to be sensitised towards the needs of the beneficiaries and the local community.

Physical closeness is argued to contribute towards operationalising downward accountability (Gray et al., 2006, p. 336). The second category describes how accountability is discharged through the presence of partners, i.e. LSPs. This includes quotes from an LSP manager who deals directly with beneficiaries and how waqf officers – who are restricted due to the hierarchical structure - find ‘solace’ knowing that downward accountability is carried out by LSPs. Meanwhile, the third category highlights quotes regarding any effort undertaken by waqf officers potentially showing their emphasis on identifying and responding to the needs and aspirations of the beneficiaries/public.

### 5.3.2c Themes in felt accountability

The category of felt accountability comprises 3 major themes.

Themes	Explanation
Influence of Islamic values	This includes quotes pertaining to the awareness of God, day of judgement and rewards/punishment
Experience working in SRCs	The perception of waqf officers regarding their current role including the level of autonomy accorded them.
Characteristic of waqf officers	The skills, experience, knowledge and attitude of waqf officers.

**Table 5.9: Themes in felt accountability grouping**

The first theme outlines the influence of Islamic values on the way waqf officers carry out their responsibilities. This includes their reference to Islamic values, discussed in Chapter 3, which forms their motivation. The second theme highlights the waqf officers’ perception of their current scope of responsibility. This explains whether they feel their current scope matches their aspirations, i.e. whether they should do more (or less) than the stated scope of responsibility. This includes the level of autonomy accorded to waqf officers in realising their responsibilities and duties of accountability. Finally, the third theme describes the skills, knowledge, and experience of waqf officers. These characteristics can contribute towards the waqf officers’ “feeling of accountability” (Sinclair, 1995, p. 233).

## 5.4 Conclusions

This chapter has explained the methodology underpinning the thesis and the three research methods employed to accomplish the chosen methodology. The skeletal theory of holistic accountability was developed to guide the empirical investigation. This theoretical framework was adjusted to reflect the waqf setting based on waqf literature and the deeper understanding gained during the pilot study. This chapter also outlined how analysis was undertaken through the coding process which again was based on the theoretical framework. The coding process was finally categorised according to the concept of accountability identified in the theoretical framework of hierarchical upward accountability, downward accountability and values-drawn felt accountability. In the next three chapters, the detailed discussion of the themes is presented.

## **CHAPTER 6 : MANAGEMENT OF WAQF PROPERTIES IN STATE RELIGIOUS COUNCIL A**

### **6.0 Introduction**

This chapter presents the empirical findings from State Religious Council A (SRC A). This chapter is divided into six sections. Section one starts with the contextual information relating to SRC A and explains the responsibilities related to the management of waqf properties. The information about SRC A is only briefly discussed due to the confidentiality arrangement agreed with the interviewees. Section two explores the enactment of hierarchical accountability and its effect on the way waqf properties are managed. In section three, the experience of downward accountability is examined to understand the way it is carried out. Section four demonstrates how and to what extent holistic accountability appears to be achieved. Section five underlines the potential impeding and facilitating factors associated with accountability and section six concludes the chapter.

### **6.1 General information on SRC A**

This section discusses the contextual information relating to SRC A. It continues by looking at the structure of how waqf properties are managed.

SRC A is located in State A. State A is situated in a more developed area in Malaysia. It is considered the richest and most developed state in Malaysia. Household income stands at RM 5,175 (approximately GBP 1,064<sup>23</sup>), which is the highest in Malaysia; it is the state with the highest contribution towards Malaysian GDP, i.e., 22.1%.<sup>24</sup> It has comprehensive transportation links by air, sea and land. International airports, industrial ports, highways and railways provide a convenient gateway to the outside world. The modern infrastructure, including transportation links and Internet access and the

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<sup>23</sup> GBP 1 = RM 4.86 on 13 July 2011.

<sup>24</sup> [http://www.statistics.gov.myportalindex.php?option=com\\_content&view=article&id=450%3Agross-domestic-product-gdp-by-state-2008-updated-17052010&catid=40%3Agross-domestic-product-by-state&Itemid=61&lang=en](http://www.statistics.gov.myportalindex.php?option=com_content&view=article&id=450%3Agross-domestic-product-gdp-by-state-2008-updated-17052010&catid=40%3Agross-domestic-product-by-state&Itemid=61&lang=en) accessed on 4<sup>th</sup> Sep 2010

economic and business environment influences the way the SRC manages its operation. The way the SRC portrays itself and undertakes its responsibilities is reflected in the way the SRC is structured. It is also way ahead of the other states in the (re)structuring of the SRC into an entity with a corporate-like setting with different functional departments. This is reported to highlight that SRC A, which is located in an economically vibrant area, is an organised entity, which relies on a proper functional department structure to carry out its responsibilities. Waqf is one of its departments.

In terms of the management of Islamic institutions, it was the first state in Malaysia to establish a board tasked with the systematic management of the collection and disbursement of the *zakah* (religious due); which, in many other states, is still a centre of *zakah* collection, i.e., it focuses on collection only.<sup>25</sup> Legislatively and with regards to waqf management, State A is the first state to have enacted and implemented specific waqf regulations, separate from general Islamic administrative enactments.

The above paragraph illustrates that State A is a well-developed state, compared to other Malaysian states, and how its status affects its SRC. This status, in later analysis, may have influenced the way in which waqf properties were managed.

### **6.1.1 Location and history of SRC A**

The head office of SRC A is located in the state capital. The main office itself is located on the 9<sup>th</sup> and 10<sup>th</sup> floors of a 10-storey twin-structured building owned by the SRC. The two floors it occupies are located in the building's south tower. On the ground floor of the same tower is the SRC's one-stop centre. The other tenant of the building is the State Religious Department (SRD) – a state government department – with 15 units under its management. It occupies the whole of north tower and some floors in the south tower.

As for the waqf unit, it is located on the 9<sup>th</sup> floor of the south tower, which it shares with other units/departments. The waqf unit is part of the Property Department. Two more units belonging to the Property Department are inheritance and trust. The *zakah*

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<sup>25</sup> <http://web.e-zakat.com.my/baru/organisasi/organisasi.asp> accessed on 4th Sep 2010.

(religious due) is another unit belonging to the department. However, due to its growth, it is detached from the department and is now an independent entity.

SRC A was established in 1952 with the initial function to advise the Sultan on religious matters. This role of the SRC was stipulated in the Administration of Muslim Law Enactment, 1952 (since replaced by the Administration of Islam Enactment, 2003). However, at that time, it only functioned as a meeting board, which made policy decisions without having its own staff to implement those decisions (AO1, Deputy Secretary.). To implement the policies, the SRC relied on a small unit, the Unit of Property Management, which was under the SRD.

“It is the State Islamic Religious Department... which is responsible for carrying out the foundations and policies undertaken by the SRCs (Siti Mashitoh, 2006a, p. 83)

Since this was a unit under a state department, it answered to the executive head of the state, i.e., the Chief Minister of the state. Therefore, matters such as funding, budget, recruitment were dealt with through government channels just like any other government department (AO1, Deputy Secretary). As such, at that time, the public perceived that SRC A was a government department (AO1, Deputy Secretary).

However, in 2005, the board of SRC A decided that the operation of SRC was to be separate from the SRD, and it referred to this as a restructuring process of the SRC.

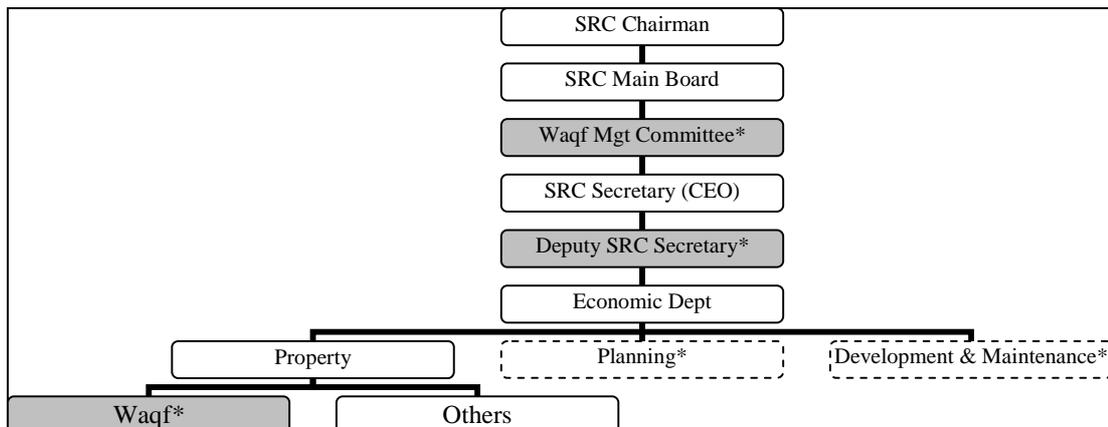
“On 1 March 2005, the administration of Unit of Property Management was transferred from SRD to SRC; and was authorised in an SRC’s meeting on 14 April 2005” (SRC A website under tab ‘establishment’)

The Property Management Unit of the SRD was now placed under the SRC and, from thereon, became its own entity, recruiting its own staff with its own budget and funding without having to go through the state treasury (AO1, Deputy Secretary). This is stated in the Enactment on the Administration of Islam (State A), Section 5(1-5).

## 6.1.2 Organisational structure

The Federal Constitution of Malaysia provides that His Royal Highness, the Sultan of the state, is the state head of religion (Islam). In State A, the Sultan appointed a chairman to head SRC A (Enactment on the Administration of Islam (State A), Section 11(2)). Prior to the 2005 restructuring exercise, the post of SRC chairman was conventionally held by the State Secretary, i.e., the highest government post in the state. However, post restructuring, the position is now held by a non-governmental officer. The chairman heads a SRC board, comprising 15 members, including a secretary of the SRC, who is the head of the SRC management team, similar to a CEO. The post of Secretary of the SRC is held in conjunction with the governmental official post of Director of SRD. Therefore, whoever assumes the directorship of the SRD automatically becomes Secretary of the SRC (Enactment on the Administration of Islamic State A, Section 16(1)). Since the attention of the Secretary is not devoted exclusively to the SRC, his role is assumed by; and the majority of the SRC's daily operation is reported to; his deputy, i.e., the Deputy Secretary of the SRC, who is a full time officer in the SRC – one of the interviewees.

The restructuring exercise also resulted in the establishment of several committees to assist the SRC main board (Enactment on the Administration of Islam (State A) 2003, Section 27 and 28) including the establishment of a waqf management committee (WMC) who is tasked to oversee the management of waqf properties in State A.



**Figure 6.1: Parties involved in the management of waqf properties.**

The asterisks represent the interviewees

The above diagram depicts the hierarchical structure, focusing on parties involved in managing waqf properties within SRC A. The grey boxes indicate the main parties who are directly involved. Besides the 'Economic Department' there are other services in the SRC such as Legal, Accounting and Human Resources. There are 10 departments, which are functionally grouped under the Management Services Department (e.g. Human Resources), a Social Department (e.g., Rehabilitation) and an Independent Department (e.g. Legal). In the above diagram, the main party involved in the management of waqf properties is the waqf unit. Other departments partially involved are the departments in the dotted line boxes, i.e., the Planning Department and the Development and Maintenance Department. These are considered to be partially involved as their responsibilities also include the planning/developing/maintaining of other non-waqf properties. The role and responsibilities of the involved parties are discussed next.

### **6.1.3 Management of waqf properties**

We are informed in Chapter 2 that the main processes in the management of waqf properties involve the registration, the development and the daily management of the properties/services. This is stated in the Waqf Enactment, Section 24 (b) and (c), i.e.,

“...(b) to monitor, organize, manage and administer waqf properties; (c) to develop, enhance and improve mawquf...”

Section 24 highlights the tasks involved in the management of waqf properties. These include the supervision, management administration, development, improvement and upgrading of waqf properties. In SRC A, all these tasks are undertaken by three different departments. They are the Waqf Unit, the Planning Department, and the Development and Maintenance Department. The responsibilities of these departments are discussed next.

### **6.1.3a Responsibilities of the waqf officer**

The waqf unit is a unit of the Property Department. Other units are Inheritance and Trust. The Deputy Secretary clarified the responsibilities of the waqf unit as,

“...to ensure that all waqf assets and buildings are registered... and monitored properly by the waqf officer either at the head office or district level... to maintain and ensure that the registration record (of waqf properties) is updated and (the assets are) legally owned... (AO1, Deputy Secretary)”

The process of legally registering waqf properties entails several smaller tasks, such as confirming genuine ownership, visiting the properties, dealing with the Land Offices and the intended beneficiaries. These tasks necessitate the establishment of district waqf offices, to which a district waqf officer (DWO) is assigned. Therefore, in addition to the waqf unit at head office, there are nine district waqf offices. Officers in the district offices initiate the registration process. They are the first contact with the public regarding waqf. They are the ones who deal directly with donors and beneficiaries in collecting information for registration purposes. They are the closest to the beneficiaries and the public, who should understand the local area and the needs of the local community. The existence of district waqf offices accounts towards the high staff numbers in the waqf unit, although it is just a unit (rather than a department). There are nine districts with at least one officer and one clerical staff each.<sup>26</sup> The DWO handles only waqf related matters. They are placed close to the local community so that they may respond quickly to any waqf-related issues raised within it.

“...the existence of a district waqf officer facilitates management of waqf by the SRC head office. It opens more opportunities for the community to do waqf, hence encouraging them. If we were not there, it would be difficult for the local community to do waqf and this would discourage them from undertaking this noble act...(AO3, waqf officer)”.

In addition to registration, DWOs also undertake periodic inspections of physical waqf properties. These are carried out at least twice a year. Waqf officers need to prepare an “inspection report” for every property inspected and send it to head office.

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<sup>26</sup> In some cases, there are one officer and 2 clerical staff.

Meanwhile, at head office, the primary task of waqf officers is to follow up what is initiated by the district offices. In other words, officers at head office deal with the Land Offices, a government department; and other local authority offices to ensure that waqf properties can be transferred to the SRC as sole trustee. They also issue letters to donors and beneficiaries, informing them on the status and progress of their application. Once waqf properties are legally registered in the SRC's name, they can be developed to benefit the beneficiaries and the public. The properties can be developed and managed by the SRC through the involvement of other departments or they can be independently developed and managed by the LSP. This is discussed next.

### **6.1.3b Responsibilities of other departments**

Besides the officers of the waqf unit, there are other officers from other departments who are involved in the management and operation of waqf properties. However, their responsibilities do not exclusively pertain to waqf properties. They are also involved in the management of non-waqf properties. They belong to the Planning and the Development and Maintenance Departments.

The Planning Department gets involved once waqf properties are legally registered to the SRC. This is elucidated by one of its officers,

“Once the waqf unit has addressed problems regarding registration, the [*management of*] the property is transferred to my department to decide the potential uses of the land”  
(AO7, planning officer)

According to the SRC A website, the function of the Planning Department is “to undertake the research and development of any potential project according to market needs” and “to plan new developments for the existing SRC and waqf properties”. This suggests that the Planning Department has a strong influence in deciding on the use of waqf properties. For example, an officer in the Planning Department is responsible for deciding whether a piece of vacant land is suitable to build a row of shops or to build a school. This department undertakes a survey and provides recommendations to the WMC for its decision.

Once a decision is made concerning a suitable project for a waqf property, the task is handed over to the Development and Maintenance Department. The objective of this department is “to ensure that SRC properties generate an optimum return in contributing towards improving the economic conditions of the Muslim community”. The activities involved in the process of development and maintenance are:

- (i) administrating and maximising the potential use of SRC properties;
- (ii) ensuring that SRC properties are maintained systematically and securely;
- (iii) ensuring that rented SRC properties are rentable with the maximum occupancy rate.

For a large project, such as developing residential houses, the department normally opts for a joint venture effort. This was noted by an officer from the department,

“We do not have the expertise. Therefore, we rely on joint ventures. So far we have three joint venture efforts with regards to property development” (AO9, Development officer)

This suggests that the development of waqf properties in SRC A entails the involvement of joint venture exercises with outside parties, i.e., contractors. However, for a smaller project such as an agricultural undertaking, the department monitors the project with assistance from the local community and waqf officers. The department is also involved in the maintenance of waqf properties. In other words, if a waqf building requires upgrading, the Development and Maintenance Department is responsible for undertaking the task. The information regarding the condition of waqf properties is normally supplied by DWOs as they are located at district level.

As discussed in Chapter 2, the development of waqf properties may also be undertaken by a partner, i.e., a local service provider (LSP). The role of LSPs in State A is evident in the development and management of waqf properties. This is discussed in detail in the next section.

### **6.1.3c Responsibilities of local service providers (LSPs)**

In those cases where LSPs are involved in the management of waqf properties, the SRC plays a very limited role. While the registration is still carried out by the SRC through the waqf officers, the development and daily operation is managed by the LSPs. A DWO highlights his role in this relation,

“It is just that we manage in terms of ownership (land status) and in terms of inspection (on the use of waqf asset). But in terms of management, such as developing the waqf properties and daily operation... it is up to the operator (LSP)” (AO3, waqf officer)

This was supported by the LSP manager explaining the role of SRC when an LSP initiates the development process,

“When we want to develop a project, we must go through the SRC [for registration] although the land originally belongs to us. We inform the SRC about our planning... The SRC does not micro manage. It just facilitates. The one managing the waqf properties is someone like us... the NGO. The SRC just does the registration and keeps the records. If they see that the way we manage the properties and services is good, they themselves will take pride...” (ALO1, LSP manager)

The above quotation illustrates the demarcation of responsibilities between SRC and LSP. The registration is the responsibility of the SRC, while the development and the operation of waqf properties is the responsibility of the LSP, if waqf services are initiated by the LSP. The LSP operator of an orphanage illustrated its responsibilities,

“Here, we are responsible for everything. Cooking, taking care (of them), cleaning the area, everything...” (ALO2, LSP officer)

The LSP officer elucidated the LSP’s daily activities in the orphanage, such as cooking, cleaning and taking care. This illustrates the meaning of daily management in that the LSP is really involved and close to the beneficiaries. The development of waqf properties undertaken by LSPs seems to make the beneficiaries’ interest their main concern.

## **6.2 The enactment of hierarchical accountability**

Hierarchical accountability is reflected in the need to adhere to legal provisions and in an emphasis on monitoring by the WMC. The effect of hierarchical accountability – by fragmenting waqf responsibilities into a smaller function – seems to make hierarchical accountability more visible.

This section is divided into two subsections. In the first, the characteristics of hierarchical accountability are discussed, i.e., accountability to who, for what, how and why accountability is enacted as such. In subsection 2, the discussion turns to the effect of hierarchical accountability in the form of splitting waqf responsibilities among smaller departments. This, as shown in later analysis, prevents waqf officers from fully operationalising their felt accountability. By this limitation in the scope of their responsibilities, waqf officers seem to feel frustrated for not discharging their responsibilities and duties of accountability as much as they feel they should.

### **6.2.1 The characteristics of hierarchical accountability**

Hierarchical accountability is characterised by its own language (Sinclair, 1995, p. 221). It normally epitomises accountability to a powerful authority for the compliance with legally or/and bureaucratically determined requirements. The way in which hierarchical accountability may be enforced is through monitoring, in the form of regular meetings and reporting to the WMC and/or board of directors.

#### **6.2.1a Legal and bureaucratic accountability**

Hierarchical accountability was illustrated by the Deputy Secretary when he was asked about his understanding of responsibility. This can be seen in the way SRC A undertakes its responsibilities,

“Our responsibility is very clear. It is there in the enactment [while searching a copy of enactment and handing it down to me]. Look at Section 24... It is very clear what we should do...” (AO1, Deputy Secretary)

This reference to ‘Section 24’ of the Waqf Enactment underlines the nature of responsibilities that inform the way the SRC works. Hierarchical responsibilities come in the guise of legal procedures, standard operating procedures; bureaucratic requirements and other “instrumental” means which serve to routinise the work process (Roberts, 1991). When the Deputy Secretary was asked about the SRC’s responsibilities in managing waqf properties, he immediately referred to a legal enactment to show how the management of waqf properties is carried out. A copy of the Waqf Enactment seemed to be always in sight. He gave me the copy and asked me to refer to Section 24 of the Enactment. He seemed to have memorised the content of Section 24, which outlines the responsibilities of the WMC. He noted that the management of waqf properties was bound by Section 24. In this case, the procedural emphasis was illustrated by the need to follow the Waqf Enactment. In other words, the legal statute provided the basis for their responsibilities.

In addition, he also mentioned the need to discuss with the WMC with respect to the operationalisation of the Enactment.

“On the detail of it we discuss in the meeting [with WMC]...” (AO1, Deputy Secretary)

This elucidates the bureaucratic arrangement of the operation. The tendency to discuss how waqf properties should be managed seems to be hierarchically decided by the WMC. This constitutes the routine by which decisions and actions regarding the management of waqf properties are carried out. This routine procedure in the bureaucratic hierarchical arrangement offers a basis for waqf officers to undertake certain actions (and neglect others) because the actions are decided by referring to legal and bureaucratic guidelines, i.e., the Waqf Enactment and the WMC. Roberts (1996, p. 46) argues that fulfilling legal/bureaucratic requirement is a form of routine accountability. A waqf officer noted,

“I have carried out the responsibilities required of me, meaning we follow... instructions from head office. For example, we conducted 5 periodic inspections in a month...” (AO4, waqf officers)

The “routine procedures” in “hierarchical rules” (Roberts, 1996, p. 51) is characterised here by the waqf officer’s reliance on the enactment and the WMC to decide the way waqf properties should be managed.

In brief, the accountability relationship in managing waqf properties seems to be strongly influenced by legal enactments and the hierarchical bureaucratic structure. Framing the discussion into an accountant-accountee relationship (Gray et al., 1996), the waqf officer, as an accountant, was accountable to the WMC for carrying out his/her responsibilities according to the bureaucratic direction and/or legal provisions.

### **6.2.1b Upward accountability**

The accountability process, in SRC A, appears to be orientated towards those in power, i.e., the SRC main board, the WMC and the Secretary of SRC A. This typifies the hierarchical upward accountability process.

“The SRC is the sole trustee [of waqf properties]. To ensure that the management of waqf properties is effective and transparent, we have the Sultan up there. The Sultan and the SRC main board [monitors us] down here. Then we have the management team, a group of people with the responsibility to manage waqf properties. This group reports to the WMC. This is stated in the enactment. Then the WMC reports to the SRC main board. Only then the chairman of the board reports to the Sultan. This reporting also involves audit reports because the SRC deals with public properties. In other words, we report to the group of 9 [i.e., the WMC] up there, then it is reported to a group of 15 [i.e., the SRC main board] and then it is reported to the one up there, that is the Sultan” (AO1, Deputy Secretary).

The above response by the Deputy Secretary characterises the hierarchical nature of the management of waqf properties. It seems that the reporting process is hierarchically orientated, moving upwards from the management team to the WMC to the SRC main board and to the Sultan. The layers of hierarchy were clearly illustrated through the use of the words ‘up there’ and ‘down here’. The Deputy Secretary explained that the Sultan and the SRC main board ‘up there’ monitors the management team ‘down here’.

The above quote does not only indicate the orientation. As discussed in Chapter 3, the upward orientation and reporting in a hierarchical setting also serves to monitor the

conduct of officers managing waqf properties. This is considered important because monitoring was argued to help an organisation achieve its organisational objectives (Hall et al., 2007, p. 407). In this instance, all processes in the management of waqf properties – i.e., registration, development and maintenance – are designed to improve the chances that an organisational objective will be achieved. The way to improve these chances is accomplished by ensuring that there is the process of monitoring and oversight.

“The most important thing [in performing our job] is that it must be conducted according to the law... and procedures. If we do our work without this, we are in a very ‘fragile’ place... But when we have the waqf enactment and [bureaucratic] procedures to monitor us, only then can we do our job and feel safer” (AO2, waqf manager)

In other words, the argument, in a hierarchical setting, suggests that the organisational objectives are accomplished if and when monitoring takes place. The notion of upward monitoring to accomplish responsibility seemed to be acknowledged by the Deputy Secretary,

“I go down to every district every month to monitor them [waqf officers]” (AO1, Deputy Secretary)

The argument that monitoring serves to better achieve organisation goals can also be gleaned from the tendency to view audits as the assessment mechanism. The way in which the SRC main board verifies that an organisational goal is being achieved – or that there is no element threatening the achievement of the organisational goal – is through audit reports, as mentioned by the Deputy Secretary:

“In term of audit, we identify things that hinder the better management of waqf properties. For example, weaknesses in the application form, no promotional exercise, lack of monitoring on stationery store, lack of facilities such as chair and table... All these are findings from audit” (AO1, Deputy Secretary).

In other words, audits are seen as the mechanism enforcing the monitoring purpose of accountability. Whether the SRC achieves its objectives in managing waqf properties depends on the assessments in the audit reports. Edwards & Hulme (1995, p. 13) hint that audits seem to flourish in a hierarchical environment where bureaucratic reporting is heavily emphasised. The above quotation by the Deputy Secretary also appears to

suggest that audits are employed to satisfy technical requirements. This purpose of the audits is to enforce monitoring through compliance with technical requirements. In this instance, audits serve to ensure the compliant behaviour that characterises formal hierarchical accountability (Hall et al., 2007, p. 407).

The hierarchical and bureaucratic nature of upward accountability is also reflected from the use of documents and correspondence. To establish a waqf, the waqf officer requires the donor to fill in a form “establishing waqf”. In this form, the donor has to write his name, his identity card number, the current address, the location of the property, the lot number, registration number with land office and the area (in square metres). The donor has to provide the copy of necessary documents such as the copy of his identity card, the land titles and several land-related documents (such as assessment notice by land office). The waqf officer is tasked to ensure that there is complete documentation before accepting the waqf, failing which the waqf may not be accepted. The waqf office then acts as the witness to the transaction where he/she has to put his signature on the form. This application form is submitted to Deputy Secretary General for approval. The total number of pages is three.

Upon receiving the application, the waqf officer has to make a site visit to investigate the waqf property. He has to fill in a five page form divided into six sections, i.e., donor’s information, property’s information, waqf officer’s report, waqf manager’s review, deputy secretary general’s approval, and some pictures of the property. The volume of information required for this investigation appears to indicate the bureaucratic nature of establishing waqf. The hierarchical characteristics seem to be reflected in the way the report is prepared, reviewed and approved by the waqf officer, waqf manager and Deputy Secretary General. The investigation form moves upwardly from the waqf officer at the district level; to the waqf manager in the head office; and finally to the Deputy Secretary General. A similar form, i.e., the periodic inspection form, must also be completed by the waqf officer every half-year for every waqf property. In addition to the various forms, a waqf officer at the head office must also update a big register book (an A5 sized book which doubles in size when it is open) where he/she has to put his initial/signature in every row of the register book. This register book will be reviewed by

the waqf manager at the end of the day. In addition to the documents, the hierarchical nature of the management of waqf properties is also reflected in the correspondence between the waqf officer and the land office. The waqf officer has to prepare a letter to the land officer informing them that a donor intends to undertake waqf for a particular property. This has to be prepared every time there is an application. This is normally undertaken once the investigation, as discussed before, is completed. This appears to indicate that the notion of hierarchical accountability in terms of reporting upwardly to the waqf manager, Deputy Secretary General and the land officer (as the authority in land matter) is the common responsibility undertaken by the waqf officer.

The upward orientation of accountability also appears to be reflected in the role of the WMC in the waqf development process. A waqf officer noted that officers of the Development Department “may carry out research and prepare proposals” but the proposals may not be approved because “the final say is determined by the [waqf management] committee members”. In most cases, the reason for not approving a development project is “it is not economically viable” (AO5, waqf officer). This is not to argue that economic viability is not important. It suggests that this reason – ‘economic viability’ – may further de-sensitise the officers from privileging the needs of the beneficiaries/public. The need to find a development project giving high returns may delay or/and prevent any opportunity for the beneficiaries to enjoy the benefit of waqf properties. There are cases where board members ask officers to re-present their proposal at the next meeting or to come up with different proposals because the projected income is “not very strong” (AO2, waqf manager).

“I think we have two proposal papers where the members [of WMC] require further information. One member in particular asked the expected income from our investment in such a project. That means the paper is not very strong” (AO2, waqf manager)

The merit of the proposal paper seems to be based on expected income, i.e., an economic consideration; which appears to characterise elements of hierarchical accountability. The yardstick used to measure the success of the management seems to rest on financial indicators. The power accorded to the WMC allows them to exert their influence on how waqf properties should be managed. Thus, the decision whether a project can be

developed or not may rest on the WMC as officers 'are bound by the decision'. An officer noted that:

“The meeting of the WMC will decide whether we want to fund the development of the properties and what are the conditions attached... if the decision is as such we, as officers, just follow what has been decided in that meeting (AO5, waqf officer)

The above demonstrates the hierarchical nature of accountability. Accountability is orientated upwards towards the WMC, as pointed out earlier. In this case, the action of waqf officers seems to be bound by the decisions made by the WMC during its meetings. Waqf officers are accountable to the WMC for upholding the resolutions/decisions made in the meeting. The notion that “we just follow what has been decided” epitomises the enactment of hierarchical accountability, where officers are preoccupied with complying with requirements imposed upon them by superiors (Laughlin, 1996). In this instance, the conditions attached to the decisions serve to guide the actions of the officers. Preoccupation with complying with requirements determined by the WMC includes fulfilling any condition stipulated in the decision. Stated differently, defining whether accountability has been discharged or not depends on whether waqf officers have upheld decisions made by the WMC. A waqf officer noted,

“we have followed their instruction... [and] followed our job description. We will follow... If that is [defined] as a success, then we have been successful...” (AO4, waqf officer)

This suggests that if (and when) actions follow decisions, accountability can be said to have been fulfilled. Gray et al. (2006) argued that “the very actions are the accountability”. This suggests that if a waqf officer’s actions uphold the decisions and conditions made by a superior, responsibilities and duties of accountability have been discharged.

### **6.2.1c The purpose of reporting and monitoring**

There seems to be a strong sense of monitoring at every level of the management of waqf properties, i.e., at district, head office, Secretary, WMC and even at SRC board level.

“We have WMC as the channel for reporting. Then they have the SRC main board chaired by the chairperson of SRC. The chairperson is then answerable to present reports to the Sultan.” (AO4, waqf officer)

The above response elucidates the level of reporting. This layer of reporting exercise can be conceptualised as hierarchical accountability as every party is accountable to the next higher level in the hierarchy. It starts with waqf officers at the district level being monitored by the waqf manager and/or Deputy Secretary at head office. The waqf manager and/or Deputy Secretary conducts a monthly visit to every district office to monitor the work of the DWOs. The officer noted that:

“We have monthly waqf meetings and, in addition, I visit them once a month to monitor the status and progress of registration” (AO1, Deputy Secretary)

Moving up the hierarchy, the Deputy Secretary faces monitoring by the WMC. He must report the progress of the management of waqf properties to both the WMC and the SRC main board respectively, every quarter. In other words, the Deputy Secretary is monitored through meetings eight times a year. He noted that,

“because we are monitored according to [Waqf] Enactment. Waqf meetings are held quarterly. So, there are four meetings that I have to attend. Then there are the SRC main board meetings, also four per year. So, we have to report to them... Therefore, in this SRC, the monitoring from up there is very strong, simply because the enactment says so” (AO1, Deputy Secretary)

The Deputy Secretary highlighted several important points regarding hierarchical accountability. First, monitoring is derived from the Waqf Enactment. In other words, monitoring is legally and procedurally required. Second, the tool by which the monitoring takes place is through reporting during at least eight formal meetings. The way by which the WMC is made aware of matters related to the management of waqf properties is through reports provided by the Deputy Secretary during these meetings. Third, there is a very strong hierarchical monitoring by the WMC and the SRC main board. This ‘hierarchicalness’ is indicated by use of the words “up there”. This strong monitoring sense is reflected in the frequency of the meetings. These three points appear to characterise hierarchical accountability, as discussed in the accountability literature.

The use of legal provisions to effect accountability, the reporting and meeting as the tools, the upward orientation towards the powerful stakeholders embody the notion of hierarchical accountability (Ebrahim, 2003b).

In addition, the frequency of meetings, i.e., eight times a year seems to put the Deputy Secretary in a rather uncomfortable situation.

“Three months seem like a month... we’ve just had a meeting... then another meeting is coming...” (AO1, Deputy Secretary)

There seems to be a sense of worry from the tone of his voice. However, it appears that the cause of concern is not so much the frequency of meetings; rather, he feels the need to present a different report for every meeting. Frequent meetings do not allow him to report any noticeable progress between one meeting and the next one.

“I could not provide the same report as in the previous meeting, could I?” (AO1, Deputy Secretary).

The tone of his reply above seems to display a sense of uneasiness when facing the next meeting if he reports the same thing as in the previous meeting. Hence, he is forced’ – by himself – to provide a different report for each meeting even though there might not be any significant progress. He has to present something (different) to the WMC as he is monitored by them. From the tone of “could I?” in the above quote, he seems to perceive that presenting the same report is equivalent to not undertaking his responsibility satisfactorily.

“member of WMC always has something to comment in the meeting... This meeting forces us to work harder” (AO1, Deputy Secretary)

This characterises the accountability where one is struggling within oneself to present something different – something that conjures an image of success/progress. This is an individualising effect of accountability where the Deputy Secretary experiences “internal agonising” (Mulgan, 2000, p. 561) in his attempt “to create or at least present himself in a manner that corresponds to the ideal” (Roberts, 1996, p. 45). In this case, the definition

of success or/and progress in the management of waqf properties is translated into and narrowed down to the fulfilment of conditions established by the committee. The emphasis on this definition of success/progress “carries one further and further onto the ground of others’ expectations” (Roberts, 1991, p. 358).

In addition, there is a sense that monitoring seems to force them to work harder. It may be difficult to ascertain whether “work harder” – in the quote above – pertains to working hard towards a better management of waqf properties or working hard towards satisfying the monitoring requirement, or both. On one hand, both views may be similarly construed because satisfying monitoring requirements may lead towards a better management of waqf properties, i.e. “that controls actually produce results” (Fry, 1995, p. 181). On the other hand, the emphasis on monitoring as the mechanism ensuring the achievement of organisational goals is argued to have distorted accountability (Edwards and Hulme, 1995, p. 13). Instead of focusing on the attainment of the organisational goals, i.e., a better management of waqf properties, waqf officers focus on satisfying requirements and conditions determined by the WMC, which may or may not lead towards attaining organisational objectives. Ebrahim (2003b, p. 197) argues that monitoring requires extra cost and time (such as the preparation of reports, the involvement of the audit department, delays in decision making), and does not guarantee that the officer will not provide a report giving the impression that the condition has been fulfilled. If this should be the case – and it is likely, from the discussion in the literature, that this is the case – the hard work carried out by the Deputy Secretary towards satisfying the requirements set out by the WMC may not lead towards a better management of waqf properties. It may just strengthen the authority of the WMC because monitoring from “up there” is founded on an asymmetry of power (Ebrahim, 2005, p. 60) between the WMC and the officers managing waqf properties.

In brief, the characteristics and language of hierarchical accountability, such as monitoring, formal approach, legal and bureaucratic emphasis, bureaucratic reporting, play a significant role in the management of waqf properties in SRC A. Structuring the SRC into an organised entity seems to subject the management of waqf properties to a more hierarchical way of carrying out responsibilities. The concerns regarding formal

hierarchical accountability; establishing several departments to undertake the management of waqf properties, restricting the role of DWOs to the registration process and over-emphasising monitoring through several hierarchical layers, motivated by the need to attain instrumental objectives – may restrict the ability of waqf officers to pursue the real objectives of waqf in the first place, i.e., ensuring that waqf properties benefit the beneficiaries and the public. In the next section, the effect of hierarchical accountability is discussed.

### **6.2.2 The effect of hierarchical accountability**

Hierarchical accountability has resulted in fragmenting waqf responsibilities into several departments. This seems to limit the responsibilities of waqf officers to registration and inspection of waqf properties only. It has an impact on the effectiveness of how waqf responsibilities can be discharged.

#### **6.2.2a The nature of hierarchically determined works**

The nature of the works – and the way responsibilities and accountability are discharged – is reflected in the way the SRC structures its departments. Questioned about the nature of his responsibility, a waqf officer responded by outlining the daily tasks that he undertook:

“When we receive a waqf application, we will ask the donor to fill in an application form with the necessary information. We check the form to ensure that the information is complete. Then we visit and inspect the site together with the donor. During the visit we ask the donor to ascertain the ownership and the precise location and boundaries of the properties. The purpose of the inspection is to verify whether the asset exists and its current state and use. The site inspection is done in the presence of the donor... We then confirm the existence of the assets. After that we look at the document (land title) to verify whether the ownership of the donor is complete. Only after going through all these steps can we inform them we will assist him/her in the process of registration (AO2, waqf manager)”.

The above typifies the technical requirements of the registration process. The process of site investigation and checking of land titles is the process stated in the desk files. In

other words, this is a routine procedure (Roberts, 1996, p. 46). An officer explained the importance of routine procedure:

“If I am absent or if I am newly recruited and I do not know my responsibilities, for example, how to do the site investigation, the desk file will explain the way to do it. For example, step no. 4 explains which officer is involved in the investigation process. Where you submit the report after investigation... who will verify your work and who will provide additional comment. All the relevant tasks and people are stated in the desk file. There is a work flowchart and a work procedure...” (AO2, waqf manager,)

The above reply illustrates that the nature of the job of the waqf officers is determined by their desk file, detailing the routine steps that should be carried out. Lindkvist & Llewellyn (2003, p. 265) pointed out that in a hierarchical arrangement, “people can work alone, adhering to the prevailing rules, plans and roles”. The ability to ‘work alone’ was illustrated above, when the waqf officer mentioned that, even in his absence, any officer could still carry out his work because “rules” provide the necessary guidelines.

The importance of following bureaucratic procedures as an indication of discharging their responsibilities was noted by another officer:

“How do we identify our responsibility?... similar to other officers [in SRC], our responsibility is outlined in our desk file. The function of each officer is streamlined with officers from other units and departments. Therefore, when we start our work, our responsibilities are there waiting for us. The responsibilities are divided into functional departments... then they are divided further to each individual officer. It is through this individual responsibility that we carry out our work. This individual responsibility entails several specific tasks. For example, how do we undertake certain processes – the step-by-steps guides. It is like a procedural manual outlining the rules and regulations, the process, the responsibility of the officer. These are all in the desk files” (AO8, waqf officer).

The above response by the officer generally typifies accountability as a formal process (Lindkvist and Llewellyn, 2003). Desk files are viewed as a manual “displaying action sequences” (Lindkvist and Llewellyn, 2003, p. 265). The mention of streamlining responsibilities suggests that an overall organisational objective can be achieved when and if individual officers and each functional department streamlines its responsibilities. The way the streamlining process takes place appears to materialise when “rules and role instruction” inherent in the desk file are followed. In this case, the “explicit rules” – such

as the work manual, the work flowchart, the step-by-step guides and any relevant authority to consult/refer to – provide the knowledge needed by every individual officer to discharge his/her responsibilities.

Another insight deriving from the quote pertains to dividing responsibilities into smaller activities. He started by equating the experience of his department with other departments in terms of the process of identifying responsibilities. This implies that the organisational objectives are translated into responsibilities, and these responsibilities are divided and executed by functional departments. The responsibilities of functional departments is translated and divided further to each individual officer in the form of desk files outlining individual responsibilities. This is a bureaucratic arrangement where rules divide organisational goals into responsibilities and offices (Lindkvist and Llewellyn, 2003, p. 265). Stated differently, the discharge of responsibilities by an individual officer will result in the attainment of departmental objectives, which, subsequently, lead to achieving organisational objectives. The achievement of organisational objectives is “the sum of individual efforts and results” (Roberts, 1996, p. 55). This seems to characterise the way waqf properties are managed in SRC A. This – as explained later – results in waqf officers feeling frustrated for not being able to carry out the duties they feel they should. This is discussed next.

### **6.2.2b The sense of frustration of the waqf officer**

We were informed in Section 6.1 that the process of managing waqf properties is divided into three functional departments, i.e., the Waqf unit, the Planning Department, the Development and Maintenance Department. Thus, the responsibility towards ensuring that waqf properties benefit the beneficiaries and the public was functionally segmented. It cuts across these three departments, from the registration process in the waqf unit to the daily management and maintenance of the Development and Maintenance Department. Therefore, the formal hierarchical structure seems to dictate the way in which a particular waqf property is managed, i.e., the ‘ownership of works’ is transferred between departments.

“when registration matters is complete at district level, we transfer the responsibility to the Planning Department and Development Department to decide on the use of the property, to develop, to rent to do whatever they deem appropriate because they are the experts” (AO4, waqf officer)

The process of relinquishing duties from one functional department to another gives the impression of a highly organised and mechanised process, similar to a manufacturing process on the factory floor (Munro and Hatherly, 1993, p. 377). These “fragmented work responsibilities” (Lindkvist and Llewellyn, 2003, p. 263) characterise hierarchical accountability. Hierarchical accountability tends to divide workers into functional departments where every department is responsible for the achievement of some parts of the organisational goals. This suggests that if every department performs its function – and achieves its departmental goals – the organisational goal can be achieved (Roberts, 1996, p. 54). Hence, rules dictate the activities of every department so that the results of individual departments cohere because “rules take care of the interdependencies” between departments. This was exemplified by a waqf officer,

“Our responsibilities are limited to registration and inspection only. After that, we cannot do anything further (AO3, waqf officer).

The fragmentation of tasks into functional departments is a concern because those waqf officers who are closer to the beneficiaries and the public are unable to get further involved in more important aspects of management, such as the development and daily operation. He noted that,

“We would like to see all the work processes done by us, the waqf unit. We should do everything from A –Z... What happens now is that some important tasks are not under our responsibility... We leave it to Development Department because development and provision of services and facilities are their responsibility (AO3, waqf officer)

The obstacle that the hierarchical structure poses to waqf officers is elucidated through nuances of “giving-in” when it comes to the provision of service to beneficiaries.

“That is all that we can do. Provision of service and development of waqf properties... those are all the job of the financial man. We do not really understand economy. We can give ideas... God willing. If they say our idea is impossible, we just keep quiet” (AO4, waqf officer)

There was a sense of despondence and of sarcasm in the reply above. The waqf officers seem hopeless in their effort to assist beneficiaries. However, when he mentioned that “we do not understand about economy”, I detected some cynicism in the tone of his reply. The waqf officer sarcastically inferred that other officers seem unable to give their opinion regarding the development and provision of the service from waqf properties. Only those with an economic background know how to develop waqf properties.

“God willing, we would like to help [in the area of provision of services to beneficiaries and public]. But our expertise at the district offices is just in the process of registration and property ownership transfer..” (AO3, waqf officer)

Listening to the interview record, the second sentence above was conveyed in a rather cynical style. Explicitly, the reply informs us that their ability is limited to registration only. However, implicitly, he tried to convey the opposite, i.e., although they are only in charge of registration, that does not mean that their views carry less weight in the waqf development effort. The waqf officers noted that input from waqf officers is important because of their placement, i.e., at the district level. In other words, they are closer to the beneficiaries and the public than the officers from other departments.

“But they [people from other departments] do not deal directly with local people. They do not feel what we feel. This is perhaps why there is no development on waqf properties. We cannot do anything because our responsibility goes up to a certain point only (AO3, waqf officer)

This, they claimed, seems to have contributed towards the lack of satisfactory service provided by waqf properties to beneficiaries and public. The lack of engagement with waqf officers, as a result of functionally fragmenting waqf responsibilities, seems to result in a lack of satisfactory service provided by waqf properties to beneficiaries and public. They were not called to a meeting to discuss the development of waqf properties. Although they did not explicitly state that they were hindered, however, I could clearly detect their sense of resignation when talking about the development of waqf properties. The use of the sentence such as “who are we to talk about economy... (AO3)” and “they know better” (AO4) were given in a cynical tone. For example, there is one case where the rental rate of waqf properties is different although they were located in the same area and the condition of the properties is very similar. The DWO was only informed of this

matter by the tenant when he met them during his unofficial visit. The DWO was clearly not satisfied with this matter and he confided that this would not have happened if the DWO was involved in the matter relating to a particular waqf property. Eventually the rental rate was revised after the report from the waqf officer regarding the condition and status of both properties.

“This would not have happened if we are kept in the loop” (AO3, waqf officer)

Another officer similarly pointed out this possibility:

“If the approach to manage waqf properties remains, [i.e., keeping the waqf related task separated] I don’t think we can achieve the objective of having waqf properties” (AO4, waqf officer)

The tendency to work within a formally established structure where work is functionally fragmented – a notion of hierarchical accountability – seems to contribute towards the possible unsatisfactory management of waqf properties.

### **6.3 The experience of downward accountability**

The previous section argued that hierarchical accountability may hinder the waqf officers’ effort/involvement in assisting the beneficiaries. This limits their potential to experience downward accountability. However, the structure of SRC A, where waqf officers are placed at district level, offers great potential in realising downward accountability to the beneficiaries and the public. This section explains some instances where this significant opportunity can be realised by mobilising and tapping the role and location of DWOs.

#### **6.3.1 The relationship with beneficiaries: the untapped capacity of DWO**

I was informed that the role of DWOs involves the registration of waqf properties. This responsibility includes ensuring that the ownership of the waqf is legally transferred to the SRC, as trustee. During the course of carrying out this responsibility, especially in identifying the location of the properties, the waqf officers have to rely on several

parties, such as the donors or their descendants, the local community and the beneficiaries. An officer noted:

“Regarding how we become aware of the existence of waqf properties... from our experience, the donor will inform the trustee and the beneficiary about his/her donation. It’s normally like that. That is why, when we cannot refer to the donor because he/she has already passed away or was not in the area and the descendants are difficult to reach, normally we rely on the beneficiary because they normally know where the property is (AO2, waqf manager)”

The above quotation illustrates the nature of the waqf officers’ work, showing the close relationship with the community. It is during these encounters that the local community shares an intimate moment with the waqf officers and the relationship flourishes. This closeness is further illustrated when waqf officers visit the local community during the fruit season. An officer recounted:

“This is the time where they normally treat us exceptionally well. If it is the fruit season, you will be treated like a dignitary. That is just the way they are. They are very happy because we care about their intention [to undertake waqf]” (AO5, waqf officer)

This is the untapped resource of the DWO, i.e., the physical/tangible and intangible proximity with the local community. Waqf officers develop a strong bond with it during the course of carrying out their formal registration duty. Thus, the officers feel that they understand the needs and the aspirations of the local community better than other departments. Those aspirations emerge out of, and are derived from their understanding and learning during the course of the formal registration process.

“We work and live in the area... We know, more or less, the people, their needs...” (AO4, waqf officer)

This argues for the importance of having the DWOs involved in a wider scope of responsibilities than the current hierarchically determined one. This suggests that the DWO should also be involved during the processes of development and daily operation, in addition to registration. Waqf officers feel that they could contribute more to the management of waqf properties because of their proximity, i.e., their location at the district level. As noted by another waqf officer referring to officers from other departments,

“they do not feel what we feel” (AO3, waqf officer)

This characterises their intangible proximity to the public, due to which the waqf officers share the public’s feelings. This suggests that physical closeness brings about a deeper understanding of the local community. Physical proximity influences an intangible “feeling” of proximity. These encounters with the local community allow waqf officers to understand and learn their needs and aspirations. The physical closeness ignites “value and/or epistemic closeness” (Gray et al., 2006, p. 336). In this study, it emerges that the closeness to the local community of DWOs is not capitalised upon simply due to them not being ‘economic men’. It seems that the voices of those who are closer to the beneficiaries and the local community are not important in contributing towards the way waqf properties should be managed. An officer noted that:

“Even if we are allowed to speak, it does not really matter because it is not taken into account” (AO4, waqf officer)

The above quotation epitomises the limited – and fragmented – role played by DWOs in the management of waqf properties, although they offer significant advantages for the SRC in the way in which waqf properties are managed. This seems to contribute towards the unsatisfactory management of waqf properties,

“We do not show to the public that we can manage waqf properties... ”. (AO4, waqf officer)

The officer concluded this, as he related the lack of scope accorded to DWOs. In other words, he felt that the responsibility of waqf officers should be broadened so as to capitalise upon their closeness to the beneficiaries and the local community. “We cannot do anything because our responsibility goes up to a certain point only” (AO3, waqf officer).

The physical and epistemic closeness between waqf officers and the local community does not normally require formal accountability, in that their relationship is not dictated by legal/bureaucratic requirements. Rather it is driven by empathy towards the needs of

the local community, although it may be instrumentally initiated by the registration requirement. Roberts (1991, p. 364) argues that it is at this “lower level of organisation” that “socialising accountability” flourishes. Stated differently, the level and the relationship at which the DWO is involved is an area in which the hierarchical relationship has less effect. This is discussed in the next section, where the DWOs find some ‘solace’, i.e., a channel to satisfy their unfulfilled felt accountability – through their relationship with the LSPs.

### **6.3.2 Downward accountability through the LSPs**

We were informed that State A is located in a more developed area. This creates an environment where the public is more aware of its responsibilities (Abdul-Rahman and Goddard, 2007, p. 166). This provides a suitable setting for independently managed LSPs, as they have greater awareness and willingness to get involved in the management of waqf properties. In this instance, members of the public manage waqf properties. This involves both the development of properties and the daily operation of the waqf services. An LSP manager noted:

“The ones managing are people like us, NGOs... we receive land and we plan what we can do with it. We manage it properly... we are transparent. We do not hide anything from the SRC and the public [in terms of management]” (ALO1, LSP manager)

This suggests that the management and development of waqf properties is carried out by LSPs. A waqf officer noted that,

“anybody can manage an orphanage but, more importantly, the land must be registered under the SRC’s name so that we have the power to take action in the event that the operator does not manage it in the interest of the beneficiaries” (AO1, Deputy Secretary)

The above passage illustrates that the SRC is more concerned about the ownership of properties. As the registered owner/trustee, the SRC can take action regarding the use of the properties although it is not involved in their daily operation. A waqf officer intimated that the management of waqf properties is best handled by a member of the public or an NGO. He provided several reasons for such a suggestion, such as the

flexibility of the NGO, the emphasis on beneficiaries' uses and the reduction of the SRC's burden. He noted that:

“If any NGO would like to develop and manage, it reduces the SRC's burden [developing and managing]. That is why I encourage NGOs or individuals do it by themselves. They cannot rely on the SRC alone. They can better manage the properties for the use of beneficiaries because they have greater flexibility in the way waqf is managed” (AO3, waqf officer).

During our conversation, the DWO praised the management of Orphanage House X. He talked enthusiastically about the way it is managed. I was taken to see the LSP operator for an interview and site visit. At the time of the visit, the Orphanage House X was undergoing some renovation project. A few old buildings were being knocked down to make way for bigger ones. An LSP officer noted that:

“This orphanage started very small. Initially, the operator took two orphans and decided to purchase a plot of land and built his house to accommodate his family and the orphans. That was 20 years ago. Now, it has become a complex, housing 131 orphans. The old building was demolished to make way for a new development, including a recreation area and a bigger school” (ALO2, LSP officer).

This was made possible because the LSP managed to acquire the adjacent land through a donation by the local community. As for the waqf officer, I sensed his pride when he mentioned the current state of Orphanage Home X.

“For me, Orphanage Home X is an example of iconic waqf management” (AO3, waqf officer).

His reference to Orphanage Home X as an icon suggests that he is very proud of the way this waqf property is being managed – despite his minimal role. This perhaps explains his suggestion that waqf properties need to be managed and developed by NGO-type organisations.

The mention of 'greater flexibility' by the waqf officer was in contrast to his own experience as a waqf officer. In other words, his/her experience in the management of waqf properties, especially regarding the fragmentation of waqf responsibilities, seemed to prompt him to suggest that the management of waqf properties should be managed by

individuals or/and NGOs. He could see that an NGO is not restricted by the SRC's hierarchical structure; hence, it can respond quickly to the needs of the beneficiaries. The benefit of leaving the management of waqf properties to parties other than the SRC is illustrated in two cases of LSPs, i.e., the management of Orphanage Home X and Retirement House Y.

### **6.3.2a Case I: Orphanage Home X**

Orphanage Home X was established in 1989 when the founder (ALO1) received several adopted children (document). The founder then had an idea to offer the service through the waqf concept. With cooperation from donors, a small orphanage home was built on half an acre of land. Following the procedure to establish waqf, the land was registered under SRC's name.

“No... the property cannot be (under the name of) orphanage house because the temporal nature of this establishment. People may dispute later on. Management may misuse the properties. But if it is under SRC (name), it will be retained as such forever till the day of judgement. Nobody can dispute that... (AO1, LSP founder)

At that time, the orphanage home could only accommodate 30 children. Currently (at the point of interview), there are 131 orphans living in the orphanage home excluding 10 single mothers who also live there and help to run the home (AO2, LSP Officer). The home is undergoing a renovation process to build more buildings and facilities as several landowners of the adjacent area willingly donated their land. There are currently 11 blocks of buildings, which were developed in phases over the years, comprising student accommodation, library, hall, mosque, canteen, kindergarten, and offices. In addition, there is a recreational area, playground and sports facilities (such as badminton/tennis court table tennis) (document).

The orphanage Home X runs on a voluntary contribution from the community. It does not receive any fixed grant from the government or anybody. The monthly running cost is approximately RM35,000 (AO1, LSP founder). However, the majority of the donations, either in terms of cash or the construction project, are donated anonymously. This seems to typify the notion of absence of donor monitoring (Figure 5.2), which is

unique to the waqf setting. The LSP founder noted regarding the receipt of money in their account:

“People decide to bank-in their money to our account without telling us. We cannot do anything. We have the bank statement but we do not know who the persons are...” (AO2, LSP officer)

Similarly, with regard to any development and construction of buildings, the majority of the work is undertaken anonymously.

“I dealt with the contractors. When I ask them ‘who is your boss?’ They said, ‘he/she told us not tell anybody’...” (AO1, LSP founder).

This appears to indicate that the LSP does not face donor monitoring, as the donor does not seem to require one. From the macro perspective (as in Figure 5.1), the accountability to Weltanschauung, i.e., Islamic values (such as belief in oneness of God and the Day of Judgement) offer a powerful force (Lissner, 1977, p.74). From the micro perspective, the action and evidence of the LSP’s growth is in itself an indication of accountability. Gray et al. (2006, p.335) noted that in some cases involving NGOs, especially those holding religious values (they gave an example of a member of a church), no formal accountability is required as the action itself is the accountability. The LSP founder noted that:

“They (donor) do not need account... When they see that we take good care of the kids, they already put their trust in us...” (AO1, LSP founder).

When pressed further how the donor knows that the Orphanage Home is taking good care of the children, he continued:

“The number of kids coming in keeps increasing, while other homes are not. We even had a government-funded home come and ask from us for these kids to be put under their care...” (AO1, LSP founder)

This seems to indicate that downward accountability is experienced without a formal mechanism. In other words, the donor does not require a formal accountability mechanism from the LSP to show that the money/property has been properly used. The

ability of the LSP to understand the need of the orphanage contrasts with the bureaucratic nature of government-funded orphanages. The LSP founder highlights this issue by elucidating a story of an old man with five orphans that he intended to put in a government-funded orphanage home. His application was rejected because the officer from orphanage house said that he can take care of the kids. The LSP founder noted that:

“You cannot be too fussy when deciding on receiving new orphans... (such as) investigate his house, go to the kitchen, you have this... you have that... so you are able to take care of them... no... you cannot do that. As long as they provide the death certificates of the children’s parents, that’s good enough” (ALO1, LSP founder).

This indicates that the management of waqf properties, i.e., the Orphanage Home X facilitates the process and not too restricted by the bureaucratic nature of the government-funded orphanage. The LSP founder seems to attribute this to the lack of sensitivity of those making decisions concerning the plight of the orphans. He noted that:

“You have those big guys sitting on a board... deciding. We must do this, do that... look into this and that... Not looking at the actual case...” (AO1, LSP founder)

In the above case, the five orphans were immediately accepted. He elucidates on the moment when the old man met him the first time,

“As soon as he come out from his car, he hugs me and cries and repeatedly saying thank you... thank you. Imagine a 60 year old man crying like a baby... People won’t come asking your help if they have enough money. People start to hate you if you are being too fussy...” (AO1, LSP founder)

The flexibility in managing waqf properties was also reflected by a comment from the LSP’s officer. She noted that:

“Here we do not have rigid guidelines. When an orphan is placed here by his/her mother, we help each other” (ALO2, LSP officer)

This flexibility of rules is also conceptualised through the notion of closeness. In this sense, the closeness is generated by the understanding and better learning on the part of LSP operators. An LSP operator noted that:

“To manage an orphanage, we have to understand the orphans’ psychology. Every orphan is unique and his/her background is not the same to that of any other. Some [orphans] come from broken families, some do not have parents at all, some are mistreated. It is up to us how to handle them. Then there is the age difference. The treatment of a younger child should not be similar to that of an older one and vice versa. It is very easy to forget this when managing a whole orphanage. We need to always be aware of this” (ALO2, LSP officer)

This suggests that the LSP’s close proximity provided it with a better understanding of how to deal with the beneficiaries. An LSP operator illustrated instances where it took understanding and learning. The house has a regulation regarding sleeping arrangements for the orphans. In other words, all children should sleep in their designated bed. However, more often than not, the children, especially younger girls, seem to always want to sleep with their older girlfriends. An LSP officer noted:

“You may have a regulation [that everyone must sleep on their own bed]. You can impose it. But they may still breach it. Why? That’s nature. They are at that age... longing for a cuddle from their mother, missing the ‘sibling’ environment. Given all that, they will sleep together” (ALO2, LSP officer)

The above argues for the importance of understanding the needs and aspirations of the beneficiaries. In these cases, the LSP operators will bend some of the rules because they are always learning from the beneficiaries. Another officer from the same LSP agreed:

“There comes a point when we cannot say anything anymore. Even if we ask them to sleep separately, they find ways to congregate. In many instances, we found four or five of them asleep in one bed... like chickens in a shed. You can imagine the condition of the bed. It almost becomes a bowl [indicating the concaveness of the bed]. I felt like reprimanding them... You see... your bed has become a bowl... In the end, we resign to allow them to lay their mattresses on the floor [so that they can sleep together]. As long as they can live and learn properly, that is good enough for me. That is why it is very important for us to learn and understand the children’s feelings” (ALO1, LSP manager)

The above quotation epitomises the notion of flexible regulations drawn from a better understanding and learning from beneficiaries. This empirical insight shows that formal procedures may not be sufficient in the management of waqf properties. In this case, the closeness of the LSP to the beneficiaries allows them to learn the orphans’ behaviours, and, hence, they are able to relax some rules, i.e., to be flexible in carrying out their

duties. Should the LSP operators insist on discharging some form of bureaucratic accountability it may not necessarily benefit the interest of the beneficiaries. This illustrates the peril of bureaucratic accountability devoid of any consideration for learning and understanding.

### **6.3.2b Case II: Retirement House Y**

This notion of closeness between the manager of an LSP and the beneficiaries provided an opportunity for the LSP manager to learn and quickly react towards any concern. In the case of Retirement House Y, the LSP was able to promptly identify and address the problem.

Retirement House Y is a family-run institution, managed by a couple and their son and daughter in-law. It was established in 2004. The mother is the founder and manager, but some of the responsibilities are now being carried out by her son and daughter-in law. Retirement House Y was established as a place where retirees can spend their time learning and getting together. The house was bought by the couple and donated for waqf, hence, the involvement of the SRC as the trustee for waqf properties. The idea to establish the Retirement House Y comes from the experience of the LSP founders. It combines the ‘pondok’<sup>27</sup> concept in Malaysia and the retirement home in the UK. She noted that,

“I want to maintain the spirit of going to classes, listening to religious talks from teachers. But I also wanted the retirees to listen to not just religious topics. I also want them to get active, playing chess, checkers, carrom, board games and do some exercise and gardening for example...” (ALO3, LSP founder).

The phrase “going to classes, listening to religious talk” is translated from the Malay phrase “mengaji pondok”. “Mengaji” is literally translated as learning, but the term has a religious connotation. It gives a deeper sense of learning in that it includes among others learning, understanding, memorising and interpreting. Meanwhile, pondok literally means a hut. However, when it is combined with “mengaji”, i.e., “mengaji pondok” it means that the process of religious learning is intensively conducted by the participant in a place such as a mosque. The normal layout would normally be sitting on the floor

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<sup>27</sup> This refers to a place to study Islam. It is normally conducted in an informal setting.

where the teacher reads a particular religious book and explains the content to the participants. This could be attended by anybody although normally it is attended by retirees who have more spare time. She also comments on the retirement home in the UK where her daughter lives noting that,

“I see the retirees are quite active. We normally sit in our own house doing nothing. Or if we live with our kids we take care of the grandchildren. Over there, they are quite independent... we can learn something from them...” (ALO3, LSP founder)

The need to learn religious topics combined with a more active and fun approach encouraged her to set up Retirement House Y. It is referred to as a modern version of a pondok (AO8, waqf officer). The founder thus called the place as “fulfilling your last moments seeking Allah’s pleasure”(ALO3, LSP founder).

The retirees come to the home early in the morning and go back to their houses in the evening. The manager of the retirement home stated that:

“They come early in the morning around 8am and go back around 8pm. We do not provide overnight accommodation” (ALO4, LSP manager)

The founder, who is also a retiree, stated that the objective of the retirement home is for retirees to be able to spend their time in a fruitful way, listening to talks regarding health, welfare and religious issues. According to her:

“They spend their daytime here. As a place to remember Allah, a place to discuss health problems, a place to confide... like a support group. (ALO3, LSP founder)

The fact that the founder herself is a retiree suggests that she understands the needs of the retirees. She, however, seeks the opinion of the retirees as to what type of class should be carried out. She noted that:

“We decided that at our age, the most important issues are religion and health. So currently, we arrange for ustaz (religious teacher) and medical personnel to come and give some talks. This is quite often, once a week for health issues and for religious lesson, it is more frequent... up to three times a week” (ALO3, LSP founders).

This appears to indicate that the way in which the activities are chosen is decided upon in discussion with the retirees, i.e., the beneficiaries. This seems to ensure that the topics given to the retirees is what is actually needed by the beneficiaries and not what is thought is needed by them and imposed by some other party (O'Dwyer & Unerman, 2008, p.805). To meet this need, the house was renovated accordingly. There is a room to perform prayer. This is for the practical lesson of prayer, which takes place when the teacher comes to teach. There is also a sort of medical room where medical personnel come and carry out a simple examination of the retirees if needed. I also visited the play area, which was under slight renovation. Each room is given a name appropriate to its purpose.<sup>28</sup> There is "Bilik Penawar", which literally means "Room of Antidote/Healing" which is for medical purposes. There is also "Bilik Kasih", which means "Room of Love" which is a prayer room. The name was also decided by the retirees (notes).

However, she illustrated a problem regarding the low turnout. This problem is illustrated here to highlight the importance of having an LSP, which is close to the beneficiaries to manage waqf properties.

Prior to establishing the retirement house, the operator thought that the retirees could easily reach it as they live with their children who could drive them there. However, after opening the waqf facility, the turnout kept decreasing. The manager recounted:

"Our assumption was wrong. We thought that everybody had a car. Or at least that they could rely on their kids to bring and fetch them. However, their children leave for work early in the morning around 6 o'clock. Therefore, there is nobody to bring them around 8 o'clock" (ALO4, LSP manager).

Therefore, in addition to providing waqf services for the retirees, they also had to provide some transport arrangement. Thus, the husband took the responsibility of fetching the retirees from the local area to the retirement home. The son also assisted in the responsibility of driving the retirees. During the interview, I sensed that the transportation issue posed a serious problem for them because both the son and the

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<sup>28</sup> I could not remember the name of all the rooms as this was mentioned to me while I was given a tour around the house.

parents mentioned it on two separate occasions. The interview with the son was carried out at noon while the interview with the parents was late in the evening.

“Transportation is a serious problem. Now we are relying on my husband and my son. But we would like to find a fulltime paid driver” (ALO3, LSP founder)

The above quotation reveals that the close proximity between the LSP and the beneficiaries/retirees allowed them to quickly respond and address the concern. This quick response, i.e., responsiveness, is one of the traits characterising accountability (Mulgan, 2000, p. 566). The LSP’s flexibility and prompt response characterises the advantage of being closer to the beneficiaries in managing waqf properties.

Similar to Orphanage Home X, a waqf officer – not involved with the former – spoke highly of Retirement House Y. He noted that:

“You can look at the management of House Y. It is exemplary. The operator really works hard to serve the retirees in that area. Sometimes, I am ashamed with what she does, compared to what we do” (AO8, waqf officer)

The two cases presented here illustrate the role of the LSP in managing and developing waqf properties. In both cases, the development and the daily operation are being carried out by an LSP without heavy involvement by the SRC. The SRC is only involved in the registration of waqf properties, which is conducted by the DWO. In addition, periodic inspections undertaken by DWOs allow them to feel close to the LSP and beneficiaries. Thus, they tend to consider the LSP as the channel through which to satisfy their felt accountability, which is being suppressed by the hierarchical structure. In other words, the DWOs’ relationship with the LSP – and, by extension, to the beneficiaries – provides an avenue to mask the disappointment created in the hierarchical structure. If we consider the relationship with the LSP as a relationship at the lower level of the organisation – unlike the relationship with the SRC’s main board and the WMC – this relationship can be conceptualised as socialising accountability, as noted by Roberts (1991, p. 364):

“socialising accountability cushions the individual from the impersonal harshness of hierarchy, especially at the lower levels of organisation”

Although Roberts (1991) argued in a slightly different context, this can be used here to show that the existence of an LSP – representing an avenue for socialising accountability – allows waqf officers to cushion themselves, i.e., to find solace, from the formal hierarchical structure of the SRC. In other words, in a strict hierarchical structure, DWOs can feel satisfaction in knowing that the LSP works hard to fulfil the needs and aspirations of the beneficiaries.

#### **6.4 Achieving holistic accountability**

Values seem to play a lesser or no role in an organisational setting. Lindkvist & Llewellyn (2003, p. 251) argued that “where the instrumentality of an organization diffuses into spheres of society traditions, their culture and ethical concerns may be suppressed”. According to Lindkvist & Llewellyn (2003), there is a tendency that an individual working in an organisational setting is expected to leave his/her values “outside the organisational door” because, once inside, “individuals cease to be responsible moral subjects” and the instrumental end becomes his/her sole obligation (Lindkvist and Llewellyn, 2003, p. 252). Hence, a hierarchical accountability established to achieve instrumental ends (Lindkvist and Llewellyn, 2003, p. 252) is perceived to provide no space for values. In this section, values derived from Islamic teaching are argued to play an important role in the management of waqf properties.

##### **6.4.1 The effect of Islamic values**

Lindkvist & Llewellyn (2003) argued that an individual ceases to be a responsible moral subject once he/she steps into an organisation. However, an empirical insight from this study seems to suggest that waqf officers seize the opportunity to be responsible moral subjects in the waqf organisational set-up. This seems to be attributable to the values underpinning their motivation.

“Responsibility is not merely originated from a relationship with mankind. Responsibility... what we call accountability in your work, comes from Allah... (AO2, waqf manager)

The officer believes that the responsibility entrusted upon him/her originates from God (Maali et al., 2006, p. 271). The reward for doing right and the fear to do wrong, after being entrusted with some responsibility, represents the values on which the management of waqf properties is based upon. In other words, being entrusted with the responsibility to manage provides the opportunity for waqf officers to attain more rewards from God, while neglecting their responsibilities results in losing the opportunity to add more points/credits to their account since “every Muslim has an ‘account’ with Allah” (Lewis, 2001, p. 113). This suggests that while the responsibilities of waqf officers may be outlined in their job description, their accountability to God is demonstrated in the values that underpin their action. Islamic values “serve as the reference schema” (Schultz and Luckmann, 1973 p. 7 in Ranson et al., 1980, p. 5) to explain their action/inaction and reaction for any activity undertaken.

“If we take the responsibilities entrusted to us as a normal task, they will become a normal task. But if we take our responsibilities as a task, which is going to be queried later by Allah, we are going to carry out our responsibilities as if it is going to be queried later. Have we done our job? That is our accountability to Allah” (AO2, waqf manager)

The responsibilities derived from how waqf properties should be managed may be described in the desk files, which may serve to accomplish instrumental and strategic ends (Roberts, 1991). However, by executing the exact same task with a greater awareness of the values attached to it, the officers believe they have discharged their accountability to God. Hence, they seem to feel that there is no dichotomy between actions intended towards achieving moral ends and actions intended towards strategic/instrumental ends, as there is no division between secular and non-secular in Islam itself in the realm of the organisation (Tinker, 2004, p. 452). This suggests that values can play their role in an organisational setup, especially in waqf settings.

#### **6.4.2 Reinterpreting a normal task into a vocation through values**

In the preceding section, the waqf manager noted how the perception of waqf officers in carrying out their ‘normal task’ can change as a result of having greater awareness that God will be querying them about it later. This relates to an Islamic value regarding the

concept of the Day of Judgement (Smith and Haddad, 2002). Islamic values place greater awareness on waqf officers in that their responsibility does not rest in this world only. It transcends into the next world, where they are going to be questioned. Ansari (2001, p. 328) noted that “man...should be subject to Resurrection and Final Accountability for his moral actions in this world” (*capital letter in original*). Being aware that their responsibility is subject to a “final accountability” motivates them to work harder, i.e., to manage waqf properties better. One officer explained that:

“If we perceive our daily task as a normal task, we tend to say that... it’s all right...I can do that later. But if we realise that this is, in fact, a trust from Allah, then how do we approach our work? How do we produce a quality work, a quality investigation? We must feel responsible if we have such awareness. With this felt responsibility, do we want to carry out the task to the best of our ability or do we just carry it out like a normal task?” (AO5, waqf officer).

This extends the argument from the previous discussion by introducing the effect that accountability to God may have on a normal task. The officer indicated that being aware that their responsibilities are a trust from God changes the way waqf officers approach their work. They develop a sense of felt responsibility out of such awareness because this normal task now assumes a greater importance. The task is now ‘upgraded’ in the eyes of God as a trust from Him to them, rather than a burden imposed upon them by a bureaucratic requirement. The task becomes a vocation (Gorz, 1989). The values that they hold assist them to conceptualise normal work, which was routinely carried out according to predetermined procedures into a vocation which is highly regarded – and potentially highly rewarded – in the eyes of God. This suggests that values provide a reinterpretation of the notion of ‘work’ in an organisational setup. Far from deterring them, values enhance and invigorate them to work harder. In this case, values do not just add but underpin the waqf officers’ motivation to undertake their responsibilities in better managing waqf properties. This was succinctly summed up by an officer stating that:

“If we pause a while and reflect... that we are going to be later questioned regarding what we have done, why we haven’t managed properly... that we are going to be accountable for what we did and did not do and what we managed and mismanaged... that we are going to answer to Allah... I believe we are going to carry out the task to the best of our ability” (AO2, waqf manager)

The manager mentioned similar phrases in “we are going to be asked”, “we are going to be accountable” and “we are going to answer”. This elucidates the notion of accountability, which characterises Islamic values. He believes that his ultimate accountability to God motivates him to discharge his responsibilities (Abdul-Rahman and Goddard, 2007). The values that motivate waqf officers to work and to better manage is derived from Islam, which strongly emphasises accountability to God:

“If we love Allah... love Islam, truly love... we would not dare to shirk our responsibilities. We will do more in fact” (AO3, waqf officer)

The focus on God being the guide is also noted by Maali et al. (2006, p. 271) stating that, “everything originates from this one source [Allah]... each Muslim is thus responsible to God for everything that he or she does”. In this instance, Islamic values are very much derived from their accountability to God. One waqf manager, in jest, told the author that he and his staff used to make a joke about ‘why not use waqf money for a drink treat’. The immediate reply by one of them was “if you would like your stomach to get bloated<sup>29</sup> then, by all means...” (AO2, waqf manager). This showed that waqf officers did take their responsibilities seriously. The conversation scenario, although exchanged in jest, suggests the impact of values in underlining their work on waqf matters.

This section, so far, argues that in a waqf organisational set up, values provide a strong motivation to waqf officers. In the waqf setting, values are derived from Islamic teachings, where God is considered to be the focal concern. Hence, the notion of accountability to God – who represents the values system – does not imply that waqf officers are prevented from discharging their normal responsibilities. More than that, accountability to God reinforces the need to work harder. In other words, an emphasis on values provides the underpinning motivation to waqf officers in their effort to improve the management of waqf properties.

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<sup>29</sup> This refers to the cultural notion of using public funds through illicit channels, for example, receiving bribes, misusing funds, etc. Although, there might not be scientifically proven, this is a common notion, upheld by many.

### **6.4.3 The quality/values of the DWO: a missed opportunity**

The empirical findings highlight the tendency for the management of waqf properties in SRC A to focus on a form of hierarchical accountability. However, it also illustrates the role of the values upheld by waqf officers in discharging their responsibilities. While the organised structure of SRC A, with its proper demarcation of duties seems to facilitate the smooth management of waqf properties, this demarcation, for waqf officers with strongly held values, seems to prevent them from fulfilling their felt accountability. In other words, while they may achieve hierarchical accountability – as reflected in the following of all imposed procedures – they seem to be more concerned about ensuring that waqf properties truly benefit the beneficiaries and the local community. A waqf officer surmised this notion stating that,

“I think we can achieve the target set for us, for example, 50 waqf donors per year. We have the plan to achieve that. But if we do not improve the way we manage waqf from what we are doing now, even I myself would think twice before donating. So we have to improve the way we manage waqf properties in order to gain public confidence” (AO3, waqf officer)

The comment seems to encapsulate both the importance and the limitation of bureaucratic accountability, as privileged in a hierarchical structure. A hierarchical structure creates departments, with each department assigned a predetermined target (Lindkvist and Llewellyn, 2003, p. 265). However, departmentalising waqf responsibilities restricts the ability and capacity of DWOs to effectively carry out their duties. The waqf officer quoted illustrated his dissatisfaction of the way waqf properties are currently managed. This section discusses the qualities of waqf officers that are not capitalised upon by the SRC in attending to the needs of the beneficiaries/public.

The hierarchical structure affects the way waqf properties are managed, as well as the waqf officers, i.e. the ability of a waqf officer to get more satisfaction by assuming more responsibilities. The waqf officers interviewed showed that they want more responsibility:

“As much as we would like to do everything, we cannot. The problem is due to the fact that there are other departments. Should all the functions and responsibilities related to waqf be under the waqf unit, from A to Z, God willing... then there wouldn't be any problem” (AO4, waqf officer)

This expressed the willingness of waqf officers to take on more responsibility and to be responsible for a larger scope of functions in the management of waqf properties. This is an interesting insight in relation to the influence of values. While it may not be difficult to imagine a situation where an officer would happily remove a task out of his/her list of responsibilities – on the assumption of receiving the same amount of pay – finding someone willing to take on more responsibilities without the corresponding rewards may prove to be harder. This seems to be illustrated here where the waqf officer was willing to assume greater responsibilities just to see that beneficiaries and public can taste the benefits of waqf properties. A waqf officer noted that:

“In the current condition, we cannot do all that we would like to do. This is because our voice cannot bring about any changes” (AO3, waqf officer).

In the current hierarchical structure, the DWO seems to be disempowered. As much as he would like to see changes in the way waqf properties are managed, he cannot because the hierarchical structure does not allow him. This elucidates the limitations imposed upon waqf officers within the current structure. The mention of “we cannot do all that we would like to do” indicates their willingness to accept more responsibility. As much as they would like to be accountable for the state of waqf properties, they seem unable to do so. In other words, the sense of accountability felt by the officers cannot be satisfactorily appeased. This suggests that hierarchical accountability, in the guise of a formal departmentalised structure, seems to suppress the waqf officers' sense of felt accountability. The waqf officers seem unsatisfied with what they do although they fulfil their formal responsibilities.

“Although deep down I haven't achieved what I feel I should have achieved, at least I have carried out the stated formal responsibility required of a district waqf officer. This means that we followed procedures, we worked according to the work manual as instructed by the head office. For example, we did the required inspection of five waqf properties per month and we continued searching for any unregistered properties. However, I cannot say that I am 100% satisfied. Anyway, we have followed all the instructions required of us” (AO4, waqf officer)

The above quotation succinctly illustrates the difference between discharging a hierarchical accountability imposed by bureaucratic procedures – as stipulated in desk files – and discharging a personally felt accountability. The officer noted that he is able to discharge his hierarchical responsibilities and duties of accountability but unable to discharge his felt accountability. There is a gap between hierarchical and felt accountability that bureaucratic procedures are unable to fill. The boundary of felt accountability seems to be self-created. This self-created boundary seems to encompass more than the formal one because the officer implied that he had not achieved his self-created targets although he was able to attain the formal ones.

This argues that waqf officers tend to create their own boundary of responsibilities, which is strongly influenced by their felt accountability. This may be the quality that should be capitalised upon by the SRC in its effort to improve the way waqf properties are managed.

## **6.5 Factors impeding the operationalisation of holistic accountability**

There appear to be two impeding factors associated with holistic accountability. First, an emphasis towards hierarchical accountability may suppress the operationalisation of holistic accountability and, secondly, the reliance of waqf officers on LSPs to operationalise downward accountability may not be realised if the LSP does not share the same objective or/and values.

Despite the strong influence of Islamic values on felt accountability, there is a risk that these cannot be actualised because of the hierarchical structure. The effect of hierarchical accountability may hinder the achievement of felt accountability. The presence of a hierarchical structure can stop felt accountability from pursuing downward accountability to the beneficiaries/public. This is going to be discussed in detail in Chapter 8.

As downward accountability is theoretically framed to be one of the key elements in holistic accountability, a failure to discharge downward responsibilities and duties of accountability implies a failure in achieving holistic accountability. Although this may not necessarily mean that there is no development in waqf properties, it implies that the development effort made by officers from other departments appears to be made without the involvement of and input from waqf officers and/or beneficiaries. Therefore, the emphasis on the beneficiaries is reduced as these officers are also in charge of planning, developing and managing other non-waqf properties within the SRC. The waqf manager in SRC A made this analogy:

“When we are responsible for a lot of things... it is like an analogy... if we hold three cups with one hand, it may be difficult. But when we only have one cup, it would be much easier and faster for us to hold it...” (AO2, waqf manager)

This suggests that officers from other departments may not be able to discharge waqf related responsibilities satisfactorily, as they have other responsibilities not related to waqf properties. This argues that while a hierarchical structure may be intended to streamline functional responsibilities within the SRC, its existence seems to hinder the way waqf properties are managed. This is because the officers involved in the core activities of waqf management – such as planning, development and maintenance – may be tied up with other responsibilities, while the officers who have a strong felt responsibility are given little or/and no opportunity to be involved as a result of the fragmentation of functional activities. The effect of hierarchical accountability impedes the achievement of holistic accountability.

Another potential impediment is associated with the reliance on LSPs to operationalise downward accountability. As hierarchical accountability tends to fragment waqf responsibilities, waqf officers appear to turn to LSPs to channel their unfulfilled felt responsibilities and duties of accountability.

“When an LSP decides to independently develop and manage waqf properties, it actually reduces the SRC’s burden... They are better at managing the beneficiaries because they are more flexible and not so restricted by bureaucracy...” (AO3, waqf officer)

Although waqf officers do not have the authority/contract – and neither does the SRC - to enforce their way of managing waqf properties, they feel that the LSPs can take on the role of ‘agents’ in discharging the waqf officers’ duties of accountability. In this case, the ‘contract’ between waqf officers and LSPs is not legally defined; rather, the contract seems to be incidentally upheld because waqf officers and LSPs share the same values. There seems to be the risk that the LSPs may not share the same values; in which case, the felt accountability of waqf officers would remain unfulfilled. This may affect the beneficiaries and the public in that the downward accountability may not be operationalised, leaving the needs of the beneficiaries/public unaddressed or/and unsatisfactorily addressed – as quoted by one waqf officer... “others may not feel what we feel...” (AO3). If this happens, i.e., the inability to operationalise downward accountability, waqf officers may remain frustrated.

The hierarchical structure also seems to result in inappropriate and slow decision making. The decision making only involves the “expert” (AO3, waqf officer). In one instance, a decision was made without consulting the waqf officer as the purported donor came directly to the head office. He donated a school building to the SRC for waqf purposes and asked the SRC to take care of the management of the school. The waqf is informed by the surrounding community that the school actually belongs to the community but the land title was put under the donor’s name – in good faith.

“We got to know later that, the school is built using collective money. But to expedite the process, we put X name (donor) because we trust him...” (AO3, waqf officer)

This information is channelled to the waqf officer by the community who sent their kids to the school. Therefore, the community feels that the decision as to who should manage the school should first be discussed among them. The waqf officer noted that:

“This matter should not have been dragged this long... If waqf officer is there, probably it would be easier...” (AO3, waqf officer)

The waqf officer opined that as the party closer to the community, the head office staff should discuss the matter first with the waqf officer before accepting the donation.

Although in this case, there is no unnecessary legal suit faced by the SRC, the waqf officer is wary that this might happen in the future if people “on-the-ground” are not consulted. The waqf officer noted that:

“We’re worried, who knows... we might not be so fortunate later...” (AO4, waqf officer)

This, according to the waqf officer, could probably be solved at the community level. He felt that once the matter is brought up to the WMC level, it is bound to experience a “bureaucratic mess” (AO3, waqf officer), which may slow down the process. This case exemplifies the effect of the decision making process, which tends to disregard “on-the-ground realities” (O’Dwyer & Unerman, 2010, p.468). In this case, the community and/or beneficiaries (i.e., parents of the pupils) normally deal directly with the waqf officer in waqf matters. However in this instance, the decision making was made by the head office’ staff who are distanced from the beneficiaries structurally.

In another instance, there is concern about late response when any feedback from the beneficiaries and community is relayed to the head office through the waqf officer. In one case, an agricultural waqf property, i.e., a palm tree plantation was left unattended because the tender process to find a contractor to clean the area took time. This left the area with undergrowth comprising all kinds of shrubs. A waqf officer noted that:

“This is dangerous... All kinds of small things like spiders, scorpions, snakes lurk around...So there is a delay... waiting to appoint a contractor...” (AO4, waqf officer)

The waqf officer seemed to attribute the delay to the waiting period to appoint a contractor. This, as he elucidates, is due to the need for the relevant department to prepare a proposal to call for tender, the process of interviewing potential contractors and the decision making.

“(waiting for) proposal... (waiting to) call for tender... (waiting to) interview; and then (waiting for) decision... who’s going to get it. In the meantime, the area is overgrown... (AO3, waqf officer)

The waqf officer suggests that the process takes a long time. Although he does not explicitly suggest that the authority to make a decision is delegated to them in this particular instance, this seems to be the theme that frequently cropped up during the interview. Statements, such as “if the way we do thing does not change, beneficiaries and community won’t benefit”; “it’s difficult if you are in charge of all types of properties” (referring to the responsibility currently held by development department); “we would like to be involved as much as possible”, appear to indicate that the waqf officer should be empowered to make decisions regarding certain matters so as to expedite the process.

This argues that the effects of hierarchical accountability may impede the achievement of holistic accountability. There is a possibility that the felt accountability of waqf officers may not be discharged if the effect of hierarchical accountability is not addressed.

## **6.6 Conclusion**

This chapter presents the empirical findings and discussions regarding the management of waqf properties in SRC A. The findings show that the management of waqf properties is hierarchically executed. The SRC is viewed as a very organised entity, whose waqf related tasks are fragmented into departments with the objective to improve the way waqf properties are managed. This was the concept enacted when the SRC underwent restructuring. In other words, for SRC A, the answer to a weak management of waqf properties seemed to be addressed by establishing the SRC itself as a more organised entity, mirroring a corporate structure with functional departments. As a result, the management of waqf properties was separated into registration, planning and development and maintenance departments. This separation of tasks did not seem to result in the satisfactory management of waqf properties, at least from the perception of waqf officers. They feel that the hierarchical structure is restricting their role, as their quality/aspiration and their capacity could achieve more. Hence, they cannot discharge their felt accountability satisfactorily – however much they would like to – although they are able to discharge their hierarchical accountability. Waqf officers find little

consolation in the knowledge that independently managed LSPs play some role in satisfying their felt accountability. The empirical findings show that their strong values and their close relationship with the LSPs and the beneficiaries should be capitalised upon by the SRC as a means to improve the way waqf properties are managed.

This chapter highlights four important points. First, the management of waqf properties is hierarchically executed. Second, as a result of this, the waqf-related responsibilities are departmentalised, where a task is transferred from one department to another. This creates a gap between the beneficiaries/local community and the decision making authority. Third, DWOs prove to be important due to their strong felt accountability and their location (close to beneficiaries/public). Fourth, LSPs provide an avenue for DWOs to satisfy their undischarged felt accountability. The findings suggest that felt accountability may not be fully experienced in an environment where there is a strict hierarchical structure. In this environment, an officer may have to find a different avenue to satisfy his/her felt accountability. In this case, owing to their location in an 'aware' and 'urban' society, it is perhaps fortunate that there are individuals or/and NGOs who can provide such an avenue. However, in a more 'closed' society, where there is little awareness and willingness, the individual officer may not be able to discharge his/her felt accountability. In the next chapter, the discussion turns to SRC B, where the make up of State B's society is more traditional and not as aware as that of State A.

## **CHAPTER 7 : MANAGEMENT OF WAQF PROPERTIES IN STATE RELIGIOUS COUNCIL B**

### **7.0 Introduction**

This chapter illustrates the contextual information regarding the State Religious Council of State B (hereinafter referred to as SRC B) as the second empirical site, the findings and discussions. The chapter is divided into six sections. The first section briefly highlights general information relative to SRC B and continues with a discussion on the parties involved in the management of waqf properties. Section two, three and four are the empirical sections presented according to the theoretical framework of holistic accountability. Section two describes the elements of hierarchical accountability in SRC B. Section three examines the experience of downward accountability by highlighting the direct engagement with the beneficiaries and the indirect relationship through the LSPs. Section four discusses the influence of felt accountability in achieving holistic accountability. Section five underlines the potential impeding factors associated with the way waqf responsibility is discharged by SRC B. Section six concludes the chapter.

### **7.1 General information on SRC B**

SRC B is located in State B. State B is characterised by a more traditional outlook. Economically it relies on agriculture and forestry, which accounts for almost 90% of its territory<sup>30</sup>. Manufacturing and industrial activities cover less than 5% of the state area. In term of the GDP contribution to Malaysia, it sits in the bottom half of the 14 states<sup>31</sup>. In essence, State B predominantly relies on forestry and agricultural activities. In comparison to State A, State B is considered less developed and more rural.

The management of Islamic matters is under State jurisdiction as provided by the Federal Constitution of Malaysia – similarly to other states in Malaysia. The law

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<sup>30</sup> Department of Town & Country Planning, State B. Land Use Category 2008.

<sup>31</sup> Department of Statistics Malaysia, Table 2 GDP per capita by State, Annual Percentage Growth and Percentage Share to Malaysia GDP, 2008.

governing Islamic matters is the Enactment of Administration of Islam (State B) 19XX<sup>32</sup>, which invests the State Religious Council (SRC) with the power to administer Islamic matters within the state, including waqf. Unlike State A, State B does not have a specific legal enactment governing waqf matters. It is interesting to also note that state B was arguably the first state in Malaysia mentioning waqf in its law, in 1596 (Siti Mashitoh, 2006a, p. 28). This also contributed to the choice of SRC B as an empirical study subject.

### **7.1.1 Location and history of SRC B**

The head office of SRC B is located in district X of the State B. All SRC staff and its functions are located in a new building. Previously, the SRC staff shared a building with the State Religious Department (SRD), a state department. Since 2007, all SRC staff from all units have been relocated to the new SRC-owned building. The new building is located in a quiet area. However, one unit, i.e. the waqf unit, is located in the state capital, closer to the bustling economic activities and state administration. The distance between the waqf unit offices and the head office is 50 kilometres – approximately one hour drive. Besides the offices of the waqf unit, the office of the Deputy President is also situated in the capital, sharing the same building with the waqf unit.

SRC B was established in 1926. Since then, it has undergone some changes. One of the changes concern its scope of legal power. This major change gave SRC B the power to be its own entity, no longer under state government jurisdiction, as provided under the Administration of Islam Enactment, State B (Section 4),

“There shall be a body incorporated, known as SRC B, having a perpetual succession which may sue and be sued by its corporate name and, for the purpose of this enactment, may enter into contracts and may acquire, purchase, take, hold, and enjoy movable and immovable property of every description, and may convey, assign, surrender and yield up, charge, mortgage, demise, reassign, transfer or otherwise dispose of, or deal with any movable or immovable property vested in the Council upon such terms as the Council deems fit”.

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<sup>32</sup> As a measure to anonymise the state involved.

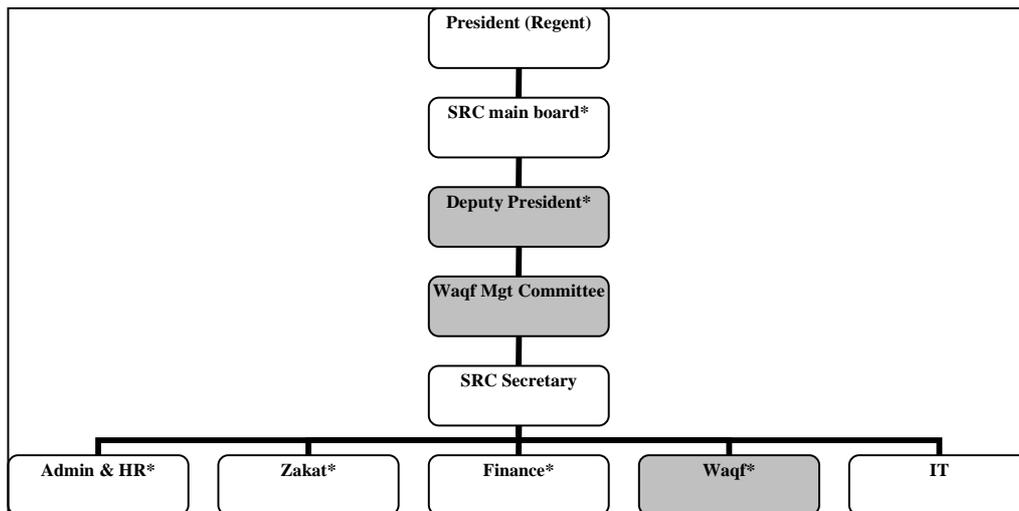
The Enactment above gave the SRC power to assume a separate legal entity and having its own assets, including waqf assets. While the SRC was seen as an entity dealing with physical assets, the SRD was conceived more as an entity dealing with ‘human’ aspects, i.e. attending any issues regarding education, marriage, divorce and law enforcement (BO5, legal officer). Previously, the majority of the SRC’s activities was carried out by SRD staff. The SRC just existed in the form of a board of meeting. This situation has gradually changed, where the SRC’s own staff has taken over the role of implementing its own policies (BO6, finance officer). However, some simple tasks, especially those requiring an involvement at district level, such as handing out and receiving application forms and informing the public regarding the role of the SRC – including information on waqf – are still undertaken by SRD staff (BO4, religious officer).

### **7.1.2 Organisational structure of SRC B**

In State B, the board of SRC B is presided over by His Royal Highness, the Regent of the State. SRC B’s main board comprised of 15 members, including the Regent as its President. While the Regent is the President of the SRC’s main board, his functions are normally carried out by the Deputy President. This provision was set out in the General Enactment, State B, Section 7(5), which states,

“The President may delegate his/her functions to the Deputy President as he deems fit, where the functions are under the control, monitoring and direction of the President”

Therefore, most of the SRC’s main board meetings are chaired by the Deputy President (BO8, ex-Deputy President). Meanwhile, the daily operation of the SRC is conducted by the SRC Secretary who is a full time officer. The SRC Secretary is considered to be the Chief Executive Officer of the SRC. There are five units under SRC control, who report directly to the Secretary. This is outlined in the following chart.



**Figure 7.1: SRC B organisational structure focusing on waqf management**

The asterisks represent the interviewees.

The above chart depicts the organisational structure of the SRC. The parties directly involved in the management of waqf properties are indicated in grey. Apart from the waqf management committee (WMC), there are other committees established to supervise other specific matters such as the finance committee, the zakat management committee, and the recruitment committee. The members of the WMC comprise the Deputy President, the SRC Secretary and 8 other members, mostly drawn from the SRC main board. Any project or undertaking by a waqf officer is deliberated upon at an executive meeting. An executive meeting is a meeting between the officers of all the units. After that, it is brought up to the WMC, presided over by the Deputy President (BO1, Deputy President) for approval. The WMC's decision is then communicated to the SRC main board. Waqf officers sit in attendance at the WMC meetings. In brief, SRC B is officially presided over by a President, who is the Regent of State B. However, executive power, such as the chairmanship of the SRC main board meetings is delegated to his Deputy President (BO6, finance officer). The Deputy President who is one of the interviewees is also the chairman of the WMC.

SRC B has a total of 43 staff within 5 units. All units are located in the SRC head office except for the waqf unit, which is located in the city centre. In a later analysis, the location of the waqf unit and its closeness to the office of the Deputy President has an impact on the way waqf properties are managed and how accountability is experienced. A total of 12 interviews were made, comprising 5 interviews with waqf staff, 3

interviews with officers from other departments (legal, finance, zakat and property), 2 interviews with LSP staff, one interview with the Deputy President and another one with the ex-Deputy President.

In the next section, the thesis discusses the structure of waqf management, i.e. the main parties involved in the management of waqf properties, i.e. the waqf officer and local service providers (LSPs).

### **7.1.3 The management of waqf properties**

This section is divided into 2 subsections. The first subsection outlines the main parties involved in waqf management, i.e. the waqf officers and the staff in the waqf unit. The second subsection continues by highlighting the party which is closer to beneficiaries, i.e. the LSP. This is the party who deals directly with the beneficiaries, i.e. patients, schools, retirees etc. The thesis starts with the waqf officer.

#### **7.1.3a Responsibilities of the waqf officer**

The waqf unit is one of the 5 units under SRC B. It was established in December 1998. However, the waqf unit was not fully operational until January 1999, when a waqf officer was recruited.

“The waqf scheme started in December, 1998 with no proper staff. There were only two clerical staff. When I came in January 1999, then there was me, as the head, and 2 clerical staff. Only then we had proper planning and an action plan” (BO2, waqf officer)

“The waqf unit was established in early 1999” (BO6, finance officer)

Prior to the establishment of the waqf unit, issues regarding waqf were handled by the Zakat and Property units. During that period, the management of waqf was limited to receiving applications for waqf property and holding the properties – with no development effort.

“Whatever people give us [for waqf purposes], we hold them” (BO8, ex-Deputy President)

“Previously, waqf was there, but nobody cared to activate it. Waqf was limited to receiving applications [for registration only]. That was all” (BO2, waqf officer)

The number of staff handling waqf matters within the waqf unit is 5, with only one at officer level, i.e. the head of waqf unit. All of them are located in the waqf office, separate from the SRC head office. There is no dedicated waqf officer at district level. Waqf matters at district level, which are limited to the handing out and receiving of waqf forms, are attended to by the SRD (BO4, religious officer). They are not SRC staff and their salary is paid by the state government.

The sole waqf officer is responsible for all the activities of the waqf unit. These activities, as outlined in the website, are as follows,

- (i) planning, developing, monitoring and managing waqf assets
- (ii) recording and updating all documents regarding waqf
- (iii) managing and monitoring the waqf accounts
- (iv) making investments and improvements on waqf assets and services

From the above list, the waqf officer is responsible for all aspects of waqf management, i.e. registration, development and maintenance of waqf properties. This suggests that he has a significant role to play in the accountability processes and relationships, as will become clearer in the analysis that follows.

### **7.1.3b Responsibilities of the local service provider**

In SRC B, LSPs are established by the SRC. Management of LSPs is monitored by the SRC. While the registration and development of waqf properties are the sole responsibility of the waqf officer, the daily operation of LSPs is carried out by the LSPs themselves, monitored by a management board established by the SRC. The management board typically comprises several SRC board members; and the waqf officer sits – in attendance – on the LSP management board.

The LSPs are established either as units of the SRC or as separate entities answerable to the SRC. The decision to establish an LSP in either form depends on the nature of the services provided by the waqf properties. If the waqf property is established to serve a social purpose, such as a welfare home, the LSP is established as a unit under the SRC. However, if the waqf property is intended to raise revenue, it would be established as a separate entity, a private company wholly owned by SRC. The waqf officer noted,

“We decided earlier on the status of the bodies. For business-type waqf properties, we set them up as companies. But if the waqf property does not require expansion, such as a welfare home, we can set it up as a unit under the SRC. The nature of the waqf properties and their services determine the type of body” (BO2, waqf officer)

An example of the services provided by the waqf properties developed as a businesses is a private health clinic. The waqf clinic offers quality treatment at an affordable rate or, in some cases, free of charge.

“We charge less than private clinics but with comparable quality... even free of charge in some cases...” (BLO1, clinic manager)

Therefore the role of the business-type LSP is to make sure that the waqf service is high quality and affordable. The provision of health service derived from waqf properties serves to ensure that it is accessible to the wider public. While it enjoys the service quality of a private clinic, it charges a lower rate. In a sense, it enjoys the best of both worlds; “services equivalent to a private clinic with affordable rates” (BLO1, clinic manager).

Meanwhile, an example of a waqf property used for social purposes is a welfare home. The role played by the LSP is to meet social and welfare objective. The Deputy President stated that,

“Rightfully, this should be provided by the government. However, we took over (the responsibilities). Here, the welfare of the poor is taken care of... they live here for free” (BO1, Deputy President)

This type of LSP is established as a unit under the SRC because its operation does not seem to require the urgent actions and quick decisions typical of a business-type LSP

(BO2, waqf officer). The welfare home has its own manager and staff. In terms of policy, this is decided by a committee made up of SRC board members, including the waqf officer (BO4, religious officer).

Both types of LSPs are controlled by the SRC for their operation. In both LSPs, there are some members from the SRC main board which sit on the meetings to safeguard the interest of the SRC. For example, the Deputy President is the chairman of both the clinic and the welfare home.

In the next three sections, the discussion turns to the empirical findings to see how the waqf properties are managed and why. This informs the way accountability is experienced and enacted.

## **7.2 Enactments of hierarchical accountability**

There is a discernment of hierarchical accountability in SRC B in terms of the emphasis placed on following legal provisions and of the WMC monitoring. However, this discernment of accountability seems to be influenced by the dominant role of the waqf officer. In certain cases, in which accountability is ‘fixed’, such as legal requirements, the waqf officer must comply with those requirements to discharge his responsibilities, as he does not seem to have a choice. In other cases, where accountability seems to be flexible, as in some bureaucratic procedures, the waqf officer uses his abilities and capacities to carry out this responsibility. His calculative ability – which distinguishes him from the typical waqf officer<sup>33</sup>, and his informal relationship with his superior seem to contribute to the way in which this bureaucratic responsibilities and the duties of accountability are discharged. Hierarchical accountability seems to depend on the role of the waqf officer and his informal relationship with his superior.

This section is divided into three subsections. In the first subsection, the discernment of hierarchical accountability is discussed. The word ‘discernment’ is used to differentiate it from the ‘pure’ concept of hierarchical accountability. Hierarchical accountability in

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<sup>33</sup> Waqf officer with religious background but limited calculative ability (Siti Mahitoh, 2006, p. 93)

waqf settings seems to be characterised by some elements of (pure) hierarchical accountability, such as legal and bureaucratic accountability, monitoring, and the use of financial indicators, albeit calculative science, to indicate accountability. These are three of the characteristics associated with hierarchical accountability. However, in SRC B, this hierarchical accountability is conflated with the role and attitude of the waqf officer. While he still must satisfy legal accountability; some elements of bureaucratic accountability seem to be satisfied through his initiative taking attitude. His penchant for calculative science – a characteristic of performance accountability – also appears to help him discharge his responsibilities and duties of accountability. In other words, the existence of legal, bureaucratic and performance elements of hierarchical accountability seem to be altered by the waqf officer’s role and attitude. These and the responsibilities of the waqf officer are discussed in section two. Section three continues with the discussion on the informal relationship between the waqf officer and his superior.

### **7.2.1 Discerning hierarchical accountability**

In SRC B, the discernment of hierarchical accountability can be illustrated in two ways, i.e. the monitoring through legal and bureaucratic procedures and the use of financial considerations to indicate accountability. These two characteristics of hierarchical accountability are discussed in turn.

#### **7.2.1a Monitoring through legal and bureaucratic means**

The legal requirements are mainly drawn from the National Land Code (NLC) and regulations laid out by the government offices; while the bureaucratic procedures are reflected through the monitoring by the WMC and also through the use of desk files as work manuals. Two officers illustrated this by stating that,

“Of course we are bound by laws.... Laws are there [for example]... National Land Code, regulation by local councils...” (BO2, waqf officer)

“we must bring the matter to the committee for its approval” (BO5, legal officer)

The above quotations illustrate legal and bureaucratic hierarchical accountability. Both officers seem to suggest that their responsibilities are always bound by legal and bureaucratic accountability considerations, which they must always be aware of and always need to discharge. The emphasis on legal rules is illustrated by the comments of a legal officer,

“we cannot do that because the National Land Code does not have that provision”  
(BO5, legal officer)

On that occasion, I had asked the legal officer whether there was a way to know whether a property was waqf simply by referring to the grant title provided by the land office. She suggested that the NLC did not have such a provision. I sensed that she was quite adamant in referring to the power (and inflexibility) of the NLC, that there is no way to determine ‘waqf’ status just by looking at the documents<sup>34</sup>. This suggests that adherence to the NLC seems to be paramount for her to carry out her responsibilities. She seemed to be aware that other SRCs had been quite creative in solving this problem but she had determined not to follow in their footsteps because the NLC does not envisage such a provision. For example, one SRC just put the word “waqf” in brackets next to the owner’s name as this does not seem to go against the law<sup>35</sup>. The point was that there are exceptions within the legal provisions, albeit rather uncommon exceptions, but the legal officer seemed to be more comfortable with the common practice as used by the land office.

“If we did that, it may violate other provisions” (BO1, Deputy President)

The legal officer and the Deputy President seemed to have concerns about the violation of legal rules. There was a sense of caution; of not going against the rules. This seems to illustrate the case for satisfying hierarchical accountability through legal means.

Meanwhile, bureaucratic hierarchical accountability manifests itself in the need to follow WMC directives and other written directives prescribed in the desk files of every officer. A religious officer noted this through the use of formal meetings with the WMC.

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<sup>34</sup> Although my encounter with the officer from SRC A seemed to suggest otherwise.

<sup>35</sup> The name on the land title changes once the ownership changes. Therefore, the SRC could put ‘SRC (Waqf)’ on the land title to indicate that the land is waqf.

“In carrying out any activity, we have a specific committee to make the decisions. We have a lot of committees... (BO4, religious officer)”

In the reply above, the religious officer seemed to suggest that the way waqf properties are managed in SRC B is determined by decisions made at board level. The comment seems to be particularly strong because it claims that “any activity” is to be decided upon by committee. The religious officer’s comment underlines the importance of hierarchical accountability, in that any activity must obtain committee approval before it can be carried out. The responsibilities and the discharge of accountability seem to be operationalised only when there is a formal instruction from a committee, WMC included. The waqf officer noted,

“I put the recommendation to the WMC. They decide what is the appropriate model that we can use to manage any particular waqf property” (BO2, waqf officer)

This responsibility – to prepare a recommendation paper – seems to be carried out because it needs WMC approval in determining the management model to be applied to a particular waqf property. Preparing a proposal paper and presenting it for approval are the waqf officer’s responsibility, drawn from his bureaucratic relationship with the WMC. WMC monitoring seems to be apparent in the presentation during which the proposal paper is scrutinised. In such a meeting, the waqf officer needs to argue that the proposed project is beneficial. The officer explained the typical meeting environment,

“When I am questioned, I must answer. For example, why I chose this project, why is the project viable. I must answer these queries. Questions regarding the risk of failure and, should the project fail, what should we do about it..., the contingency plan, and the financial implications... all of these questions... I must convince them” (BO2, waqf officer)

The waqf officer noted that the scrutiny requires him to include a risk assessment, contingency plans and financial implications. The mention of financial implications suggests that the task of preparing the proposal and presenting it to the WMC seems to assume great significance in the management of waqf properties.

“The meeting is normally intense...The officer who presents the proposal is responsible for the execution of the project”(BO6, finance officer).

The need to prepare a report and to be answerable for the viability of the project, the risk of failure and the financial implications suggests a strong sense of upward hierarchical supervision by the WMC. This elucidates the notion of hierarchical accountability where accountability serves the purpose of monitoring (Ebrahim, 2003b, Fry, 1995, Roberts, 1991).

Bureaucratic procedures can also be seen at officer level. Before the proposal is brought up to the WMC, it must be deliberated at a lower level, among the officers.

“the decision making mechanism starts with a discussion at the executive level among the officers. They deliberate the risk and potential, do some calculations... After that, they bring it up for approval... by the WMC and then the endorsement by the SRC’s main board” (BO1, Deputy President)

The Deputy President noted that all ideas are discussed at officer level and are extensively deliberated upon at this level. After they pass this level, the officer who prepared the proposal is tasked to carry out its related responsibilities. A finance officer noted that,

“We at the lower level here; we prepare the plans and we also execute them once they are approved” (BO6, finance officer)

The above suggests that there is a formal step required for an officer to carry out his/her responsibilities. In this instance, the formal step is a manifestation of hierarchical bureaucratic accountability which an officer has to satisfy in the process of managing waqf properties.

“At the officer level, we have an executive meeting... I table the proposal to them first. The meeting is very important because this is where we decide, for example, the worst case scenario, what happens should the project fail, what is the project impact... If the executive meeting agrees with the proposal, it is to be brought up to a higher board for decision making” (BO2, waqf officer).

The waqf officer noted that the bureaucratic process starts with a discussion and deliberations among officers before the proposal is brought to a higher board for decision making. The above passage suggests that the way accountability is discharged seems to be reflected in the adherence to legal and bureaucratic procedures. This typifies the formal approach of the accountability process in carrying out duties related to the management of waqf properties.

In both examples of bureaucratic process – WMC meeting and executive meeting – the way in which the waqf proposal is considered and deliberated upon seems to depend on a calculative medium such as risk and project viability assessments. The use of a calculative medium as the means to convince people to carry out their responsibilities is discussed in the next section.

### **7.2.1b The importance of calculative science**

The emphasis upon which waqf properties are managed in SRC B seems to privilege calculative skills. The Deputy President noted that,

“We need SRC staff with such skills. Accountants with experience in contemporary accounting practices. Economists with knowledge of investments and project management” (BO1, Deputy President)

These skills and knowledge appear to be held by the waqf officer, who has experience in the banking industry and skills in project management. These skills and knowledge use calculative media.

“You do not want to see the SRC bankrupt, do you? So we research the potential, the user. We do calculations. You need to back up your proposal [with figures]” (BO1, Deputy President)

“...you have to do a good research... look at the facts and figures... dollars and cents are important. If the project fails, who’s going to pay?” (BO2, waqf officer)

The management of waqf properties in SRC B seems to embrace the use of “facts and figure, dollars and cents”. This emphasis seems a bit unique as the SRC – being

considered to be a typical religious entity – is not normally known to privilege calculative sciences. This point can be illustrated by a comment from the ex-Deputy President, noting that,

“We are the sole trustees of waqf properties. I do not want to risk that. I would rather hold what we have. Cash... we put in the bank” (BO8, ex-Deputy President)

The above quote echoes the inclinations of some SRCs in the management of waqf properties. Although this may not represent the view of all SRCs, it may not be too difficult to find a typical religious entity embracing it. SRC B and the waqf unit in particular, however, may represent a special case where calculative science – such as the use of facts and figure – does not only seem to be embraced but actually emphasised. The Deputy President noted that,

“We must substantiate our proposal with proper calculations. There should be a good return.” (BO1, Deputy President)

The Deputy President regards calculative science as an aid in carrying out SRC responsibilities. His comment was made in response to a question on the reasons for lack of development of waqf properties. He seemed to be quite forceful in his opinion. He believes that accountability can only be discharged if waqf properties are developed. This, he claimed, entails extra responsibility, which requires knowledge and skills about facts and figures.

“This [lack of calculative knowledge] explains why many SRCs are more comfortable with joint ventures to solve the problem of undeveloped waqf properties” (BO3, waqf staff)

“We do not want to take risks because, by taking risks, we are burdened with a lot of work... because managing waqf properties requires knowledge about numbers and figures... So why bother?” (BO2, waqf officer)

Both the waqf staff and officers noted that the task of developing waqf properties entails extra responsibilities. These extra responsibilities seem to require the waqf officer to make use of calculative science. He argued that this leads many SRCs to opt for joint ventures, because the latter do not seem to require extra efforts from waqf officers. As

the SRC just provides the land, these extra responsibilities can be transferred to the partner in the joint venture exercise. This argument seems to be supported by the waqf officer quoted above. He suggests that the management of waqf properties requires knowledge of figures and numbers. By taking those responsibilities upon himself, the waqf officer gets burdened with extra work. The quote ‘so why bother?’ indicates a perception typical to officers, who are reluctant to get heavily involved in the development of waqf properties. He noted that,

“When we talk about property development, it involves matters such as finance, viability, approval, project management and more”(BO2, waqf officer).

The mention of ‘finance, viability, approval, project management’ seems to suggest that calculative science was employed by the waqf officer to discharge his responsibilities. The waqf officer was directly involved in the development process, rather than leaving this task to a joint venture effort. The emphasis on calculative science in the form of facts and figures can be observed through a comment by the Deputy President,

“If we ‘plunge’ (i.e., enter) into a project without any research... we just accept any offer for any venture without a proper assessment, surely we are bound to fail. If we are basing our decision on the promise of making money, we are doomed” (BO1, Deputy President).

When he illustrated the above point, he was comparing the approach taken by SRC B with that of other SRCs in the management of waqf properties. He believes that the way waqf properties should be managed is through proper research and assessment of the viability of a project by waqf officers themselves. The promise of financial return alone without a proper assessment may not possibly result in the beneficiaries and the public enjoying the service provided by the waqf property. Implicitly, he argues that many SRCs choose to develop waqf properties – through joint venture exercises – based on the promise of financial return. The importance of ‘facts and figures’ was further illustrated by the Deputy President,

“We cannot do without proper research... We consider; if we put money in the bank, the return is 3.5%. But, if we use the funds to develop waqf properties or purchase buildings, not only the return is higher, 7 or 8 percent, but the property value is also

appreciating. We can use the return for other waqf projects... our welfare home for example” (BO1, Deputy President)

“The majority of the waqf officers do not have exposure to these matters. That’s why there is hardly any development on waqf properties” (BO2, waqf officer)

The Deputy President illustrated a case where financial implication should be considered in the management of waqf properties. As things currently stand, the management of waqf properties cannot be improved because the typical waqf officer does not seem to possess these skills and knowledge.

The argument so far suggests that there are some discerning elements of hierarchical accountability in practice in SRC B. This can be observed through the need to adhere to legal provisions, the bureaucratic monitoring from the WMC and the executive and the importance attached to calculative science. However, this discernment of hierarchical accountability does not seem to greatly impede the way waqf properties are managed in SRC B. This may be attributed to the role and attitude of the waqf officer in carrying out his responsibilities. This is discussed next.

### **7.2.2 The influential role of the waqf officer**

The way waqf properties are managed seems to be significantly influenced by the presence of the waqf officer. In this section, his knowledge/skills and experience, his initiative taking attitude and his relationship with his superior may assist us in understanding how accountability in this waqf setting is discharged.

#### **7.2.2a The qualities of the waqf officer**

The waqf officer of SRC B has a degree in Economics and ten years experience in the banking industry.

“I was in the private sector, in banking, for 10 years before coming here and my first degree is in Economics...” (BO2, waqf officer)

This seems to distinguish him from the typical waqf officer the latter normally holds qualifications in religious studies.

“Most of the time, officers in charge of waqf properties in SRCs are from religious backgrounds, but I am not” (BO2, waqf officer).

He seems to match SRC B’s required skills and knowledge for the management of waqf properties. The Deputy President noted that,

“The waqf officer must know about land administration, have a knowledge of management and banking. Religious education alone is not enough” (BO1, Deputy President)

The Deputy President highlighted that having these skills and knowledge allows the waqf officer to better carry out his responsibilities and duties of accountability. He noted that,

“We need SRC staff with such skills... with a knowledge of investment and project management” (BO1, Deputy President)

The above illustrates that a waqf officer needs to have a knowledge or/and experience in finance and project management in order to manage and develop waqf properties. These skills, experience, and knowledge can shape the approach to managing waqf properties. In SRC B, the waqf officer brought the mentality acquired by working in the banking industry to his current job, stating that,

“Working in the private sector, such as in banking, is different. They do not give you detailed instructions on how to carry out your duty. But they expect you to generate profit. How you do it is up to you” (BO2, waqf officer)

The above response gives an insight into the character of the waqf officer, resulting from his experience working in the private sector. He noted that there is no detailed job description when working in the banking industry. Instead of following detailed instructions, he was focused on achieving a predetermined target – performance accountability (Laughlin, 1996). This encouraged him to be creative and imaginative. He noted that,

“How to be creative is not written in a job specification. You have to figure it out yourself” (BO2, waqf officer)

The above implies that following bureaucratic procedures as written in desk files seems to be insufficient should one want to undertake his/her responsibilities satisfactorily. Accountability to bureaucratic procedures does not guarantee that the waqf properties are managed properly. According to the waqf officer, the improvement depends on an individual creativity which seems to extend beyond the prescriptions of the desk files. Improvements may have to rely on individual initiative beyond the fulfilment of bureaucratic accountability. The need to take initiatives and be creative is a positive side of an individual perspective of accountability, as discussed in Lindkvist & Llewellyn (2003). This is elaborated further in the next section on initiative taking.

#### **7.2.2b Initiative taking in a hierarchical accountability setting**

The waqf officer’s knowledge/skill and experience encourage him to take initiatives in carrying out his responsibilities. He noted that,

“[we] must have initiative [because] even if we did nothing, nobody will ask you [why you do not take on extra responsibility]” (BO2, waqf officer)

This appears to characterise the attitude of the waqf officer. He noted that an officer must take initiative because there are no instructions detailing how to be creative and no punishment for not undertaking more responsibilities. Under a hierarchical accountability setting, responsibility is said to be discharged when an officer undertakes his/her responsibility as stated in detailed instructions; the desk files. The waqf officer, however, noted that, since initiative is self-created, nobody will query us if we do not take initiatives. Therefore, he stated, one may not be considered ‘not accountable’ as he/she may have fulfilled his/her written hierarchical accountability although he/she may not have taken any initiative. The Deputy President illustrated how initiative might be taken.

“If we have existing waqf land, we use it (for the project). If there is no land, we apply to the government and develop it. If that is not possible, we purchase land and develop it. If that is not possible, we purchase buildings. If it is still not possible, we rent buildings. In everything that we do, we must ensure that our stakeholder benefits from it. That’s all” (BO1, Deputy President).

The Deputy President noted that the objective of waqf properties is that they must benefit the public/beneficiaries. The above comment epitomises what one can do if initiative is privileged. One does not just sit idly waiting for property donations to initiate a waqf project. This proactive attitude prompts him/her to be creative in achieving the objectives of waqf. This suggests the importance of initiative as it is internally generated within an officer. Initiative taking is not prescribed in procedures. This implies that taking initiatives is a form of responsibility which extends beyond hierarchical bureaucratic requirements. The waqf officer noted that taking initiatives, being creative and innovative transcends the scope stated in bureaucratic procedures. He stated that,

“People may have an attitude of ‘why should we carry extra responsibility beyond what is required. It is not stated in the job specification’. They argue that ‘we are not required to undertake extra work’” (BO2, waqf officer)

This seems to suggest that the waqf officer has created his own boundaries of responsibility, which are not restricted to the bureaucratic requirement. His responsibilities and duties of accountability extend beyond that. He continued by explaining the common attitude possessed by the typical officer who seems satisfied with following procedures, without taking on greater responsibility and initiatives.

“Why put yourself at work? If there is a problem with the project, then you are answerable. But if you do not develop a waqf property, nobody will ask you” (BO2, waqf officer)

In the above response, the waqf officer sketches a scenario explaining why an officer would not want to take on additional responsibility. The mention of ‘putting yourself at work’ suggests that one may have taken initiatives in carrying out his/her (additional) responsibility. These are considered additional in the sense that they are not bureaucratically required. The extra responsibility is self-created by the officer.

Although he/she is not required to undertake such responsibility, he/she willingly demarcates the boundaries. A waqf staff member noted,

“I created the responsibility myself (BO3, waqf staff)

This was one’s own initiative in carrying out one’s responsibility. This initiative was not hierarchically (read financially) driven, as noted by the Deputy President,

“In the private sector, the drive is different. You undertake a project; your bonus could be 12, 13 or 14 months. But here, even if you undertake a number of projects having millions of profit; your bonus is still one month” (BO1, Deputy President)

This implies that the additional responsibilities and duties of accountability are self-motivated. This officer fixes his own boundary of responsibilities based on his initiative taking attitude.

This section suggests that the effectiveness of hierarchical accountability in the management of waqf properties in SRC B seems to be dependent on the role of the waqf officer. His knowledge/skill and initiative taking attitude shape the conventional understanding of hierarchical accountability.

### **7.2.3 The informal hierarchical relationship with the superior**

In SRC B, the effectiveness of hierarchical accountability seems to also rely on the relationship between the waqf officer and his superior. Besides the formal relationship determined by the hierarchical structure, the waqf officer relies on an informal relationship with his superior – the Deputy President of the SRC – in carrying out his responsibilities and duties of accountability. The close informal relationship between the waqf officer and the Deputy President seems to be attributable to the less bureaucratic nature of the relationship. The waqf officer describes the nature of his relationship with the Deputy President,

“Working for him is easy because he does not really bother about bureaucratic protocol. He is always willing to spend time [for discussion]...” (BO2, waqf officer)

This appears to suggest a rather comfortable relationship enjoyed by the waqf officer. This comfortable nature of the informal relationship may also be attributed to the physical location of their offices. The office of the Deputy President is located in the same building as that of the waqf office. In fact, the office of the Deputy President is next to the that of the waqf officer. During the interview, I moved from the waqf officer's room to the Deputy President's room with the digital recording device still on – a walk of a few seconds . This was to show how close the rooms are.

On another occasion, when I was about to interview the Deputy President, the waqf officer confided and reminded me, “you have to interview my boss as a CEO”. He seemed to refer to the Deputy President as the CEO even though the organisation structure puts the SRC Secretary as the CEO and the Deputy President as the Chairman. Hence, I sensed that he enjoys a rather special relationship with the Deputy President. He has a closer relationship with the Deputy President than with the SRC Secretary. This was noted by a senior waqf staff member,

“Mr X [the waqf officer] has a closer relationship with the Deputy President than he has with the Secretary. People in the head office do not understand how Mr X works. They say that Mr X takes too many risks” (BO7, senior waqf staff)

This may be analogous to a head of a department ‘reporting’ – albeit informally – to the chairman prior to formally reporting to the CEO. The ‘people in the head office’ referred to other officers, including the Secretary. The waqf officer seems to ‘use’ his informal hierarchical relationship with the Deputy President in carrying out his responsibilities. He illustrated a case in which he discussed some of his plans with the Deputy President before tabling them at the executive meeting.

“... I tabled my initial idea to the Deputy President. Only after receiving a green light from him, I present it to the executive meeting” (BO2, waqf officer).

This indicates the informality of the relationship between the waqf officer and the Deputy President as he discusses his plans with the Deputy President at a very early stage of the proposal. According to SRC B's organisation structure and line of reporting

(Figure 7.1), the waqf officer should discuss his idea during the executive meeting between SRC officers before bringing it to the SRC Secretary. Only upon receiving approval from the Secretary, the proposal should be presented to the WMC – in which the Deputy President sits as the Chairman. Instead, the waqf officer has already had the ‘backing’ of the Deputy President before presenting his idea to the executive meeting. This was noted by the senior waqf staff,

“If he [Deputy President] sees that the proposal is complete and the funding is sufficient... he will support the proposal in the meeting” (BO7, senior waqf staff)

Although the Deputy President is not a full time officer, he is quite actively involved at ground level. A clinic officer noted that,

“the Deputy President always comes when we have a recruitment interview” (BLO1, clinic officer)

This seems to be acknowledged by the Deputy President himself, noting that,

“Sometimes I join in the brainstorming session. I am not an economist or anything like that, but I have the experience of being involved as a director in private companies” (BO1, Deputy President)

The above statement gives the impression of the Deputy President being a hands-on officer. This seems to suit the way the waqf officer works. The waqf officer noted that,

“If it were not for him, I would not be able to have all 5 projects approved and concurrently carried out” (BO2, waqf officer)

He seems to attribute the way waqf properties are managed as they are today to the strong understanding and cooperation of the Deputy President.

“The way waqf properties are managed as you can see today is owed to the vision and risk-taking attitude of the Deputy President. In this State, the management of waqf properties relies more on individual initiative...” (BO2, waqf officer)

Both of them seem to share the same attitude in the way waqf properties should be managed. This perhaps explains the close relationship between the two. The waqf officer noted that,

“When the Deputy President sees an opportunity [to develop waqf properties], he asks me to seize it. So he and I are on the same wavelength” (BO2, waqf officer)

The above highlights the support received by the waqf officer. The physical closeness in office locations and their seemingly similar attitude provide the avenue for the waqf officer to explain and gain support from the Deputy President. Although the Deputy President still requires proper research within the formal relationship, the waqf officer feels less threatened or/and nervous knowing that the Deputy President has been consulted beforehand. This close relationship also transpired in the way the waqf officer addressed the Deputy President. He seems to regard the Deputy President as his immediate boss, which he kept on referring to during the interview as ‘my boss’.

This section offers an insight into the way waqf properties are managed and developed. There is an informal relationship between the waqf officer and the Deputy President although both their positions were originally determined within a hierarchical relationship. There is an informal relationship amid the formal structure. This close informal relationship is attributable to the physical closeness of their offices and also the willingness of the Deputy President to ‘take risks’ with development projects. Hence, both factors, the tangible one, i.e. the location of their offices, and the intangible one, i.e. the risk-taking attitude of both waqf officer and Deputy President, facilitate the informal relationship. This seems to serve two purposes. Firstly, by having this informal relationship, the waqf officer is provided with an avenue to cushion the impersonal harshness of hierarchical accountability (Roberts, 1991). This implies that, by engaging the Deputy President at the early stages of the management of waqf properties, the waqf officer can be more confident in pushing forward his idea, especially in the WMC meeting. Secondly, it allows the waqf officer to be ‘free and creative’ towards satisfyingly discharging his accountability (Lindkvist and Llewellyn, 2003). This implies that waqf officer is fully aware that the Deputy President will be receptive and supportive of his ideas as long as they are properly researched with facts and figures.

### **7.3 Experience of downward accountability**

In Chapter 2, we were informed that downward accountability involves a relationship between an organisation and the people affected, notably the beneficiaries and the public. In SRC B, downward accountability may be discussed from two perspectives, i.e. the direct relationship with the beneficiaries and the public and the indirect relationship through the LSPs. This section is divided into three subsections. The first one discusses the emphasis on beneficiaries in general terms. This is to show that downward accountability is very much on the agenda. In the second subsection, a more specific case is presented, where accounts from several staff members are highlighted. In the third, the indirect relationship with the beneficiaries through the LSPs is outlined. The relationship between the waqf officer and the LSPs; and between LSPs and beneficiaries are discussed.

#### **7.3.1 The emphasis on the beneficiaries and the public**

In SRC B, the discharging of accountability does not seem to be confined to hierarchical accountability only. The waqf officer does not have to rely fully on the NLC or on approval from the WMC in order to discharge his/her accountabilities.

“More pressing than adherence to laws is the public... They are the biggest influence on our work” (BO2, waqf officer)

The waqf officer emphasised the importance of the public in the management of waqf properties. He put forward this emphasis in relation to adherence to legal requirements. The use of comparative and superlative adjectives in ‘more pressing’ and ‘the biggest’ suggests that the meaning of discharging accountability seems to be more associated with satisfying the ‘public’ than legal/bureaucratic requirements. This was observed by a senior waqf staff member,

“There is a gap between what our employer wants us to do and what ordinary people want” (BO7, senior waqf staff)

Being accountable is associated with being downwardly accountable to the ‘public’ and ‘ordinary people’ rather than accountable to “adhering to law” and “what our employer wants” – both denoting legal and bureaucratic accountability. The waqf officer and the senior staff appeared to be aware of the shortcomings of hierarchical accountability and contrasted this with downward accountability to the public. The use of superlatives/comparatives also implies that the way waqf properties are managed does not seem to negate the importance of hierarchical accountability. It however suggests that the waqf officer’s stronger emphasis should be better directed towards fulfilling what ‘ordinary people want’ – downward accountability – in addition to fulfilling hierarchical accountability.

The above response from the senior waqf staff member also seems to distinguish between the employer’s instructions and the public needs, i.e. hierarchical and downward accountabilities. This gives the impression that discharging hierarchical accountability does not seem to represent the whole notion of accountability. Discharging bureaucratic accountability may not necessarily result in public satisfaction with the way responsibilities are being carried out. In the above quote, the words ‘ordinary people’ were translated from the Malay words, *‘pakcik dan makcik’*, which literally mean ‘uncle and aunty’. These words do not refer to blood relations of the waqf staff. They denote both ordinariness and old age. In the context of the quote, where the comparison is made between employer and ordinary people, the use of *‘pakcik dan makcik’* implies that accountability to this group of people is not the same as (upward) accountability to the employer. These *‘pakcik dan makcik’* cannot demand accountability because they are ordinary old people with no authority. The senior waqf staff member seems to argue that the needs of *‘pakcik dan makcik’*, which represent the notion of downward accountability, may not be fulfilled if the management of waqf properties overemphasises the discharge of hierarchical accountability. He noted that,

“The employer may not be a party suitable to assess the needs of the public” (BO7, senior waqf staff)

This seems to suggest that the way waqf properties are managed should be informed by ordinary people. The formal approach drawn from the hierarchical structure may not cover the whole notion of accountability that should be carried out.

“...focus on an area which is close to the people’s hearts” (BO1, the Deputy President).

This implies that the scope of the waqf officer’s responsibility may be drawn from his/her relationship with the public, by being sensitised towards their needs and aspirations. Cases elucidating this are discussed in the next two sections.

### **7.3.2 Direct engagement with the beneficiaries**

In SRC B, the beneficiaries and the public seem to receive focal attention. A senior waqf officer noted,

“What is our mission?... It’s actually for the beneficiaries and the public...” (BO7, senior waqf staff)

The staff member notes that the mission of those managing waqf properties must always be guided by the interests and the need of the beneficiaries and the public. This suggests that the way waqf properties are managed must be undertaken with an awareness towards the needs of the public and the beneficiaries. The Deputy President noted that,

“we must always be aware of our responsibility towards the public... their views are important” (BO1, Deputy President)

The Deputy President outlines that this awareness may be manifested by the public’s ability to enjoy the benefit of waqf properties. He seems to suggest that such an awareness, devoid of the actual enjoyment of the benefits by the beneficiaries/public cannot be considered an effective discharge of downward accountability. The views of the public/beneficiaries seem to be used to sensitise the waqf officer’s responsibility and this sensitivity and awareness are translated into a tangible service which they may enjoy.

“The public must be able to enjoy the benefit. If not, there is no point in developing a property...” (BO1, Deputy President)

One of the cases which highlights the emphasis on the needs of the beneficiaries is illustrated below. It regards the layout plan of a welfare home. In this case, the waqf officer decided to listen to the needs of the beneficiaries, i.e. the poor and the retirees; and ignored some of the advice of the State Welfare Department in drawing the layout of the welfare home. Originally, the welfare home was planned to be built according to a layout provided by the State Welfare Department; a government department. The building was supposedly to be designed with a dormitory layout, with rows of beds.

“We received advice from the Welfare Department... We paid a visit to several welfare homes run by them to see how it looked like... We saw that the residents lived in a dormitory, as you normally see on TV...” (BO2, waqf officer)

However, this plan seemed to evolve into something different after an engagement with the beneficiaries. Through meetings with the beneficiaries, several officers, including the waqf officer, realised that some of the retirees were still married and some of the poor had small children. The template layout provided by the State Welfare Department did not seem to cater for this situation. Under the template advised by the Welfare Department, if such cases, the couple or the family with small children were going to be treated like individuals and be allocated with individual beds. However, after engaging with the beneficiaries, those married, mostly the elderly, said that they would have liked to still live in a house-like layout, where they could share a private space.

“We found out that some of them would still have liked to live with their partners. That’s why we did not follow the advice of the welfare department 100%” (BO4, religious officer)

This would not have been possible in the conventional dormitory layout suggested by the Welfare Department. As a result, the welfare home decided to do away with the dormitory layout and, in its stead, built private rooms for every individual beneficiary. In addition, those who chose to live a married life could live in a separate unit built for such a purpose. There were also views from those beneficiaries who would have liked to

devote their remaining life to a mosque. Arising from all this feedback, the officer expanded the idea to create a sort of small village. A religious officer noted that,

“If they have kids, the house is bigger. We allow them to live there.... Here there is enough land for them to grow vegetables. There is a fish pond and a mosque. It is like a small village” (BO4, religious officer)

The above suggests that the way waqf properties are managed – in this case during the planning stage – seems to incorporate the needs of the beneficiaries. The mention of a template layout from the State Welfare Department can also be seen as a manifestation of hierarchical accountability in that the waqf officer could be bound by the layout requirements. This characterises the difference between accountability to a bureaucratic requirement suggested by the Welfare Department and accountability to the needs of the beneficiaries who are going to be impacted by the waqf project. The officer opted to ignore some of the advice from the State Welfare Department in favour of the views of the affected people, i.e. the beneficiaries. This notion was reflected in a comment by the Deputy President,

“[the engagement process is] often to realign our direction, and increase our knowledge... The outcome of the engagement assists us in undertaking our responsibilities” (BO1, Deputy President)

The Deputy President argues that an engagement with the beneficiaries and the public offers waqf officers a better way to discharge their responsibility. The use of words such as ‘realignment of direction’ seems to imply that the way waqf properties are managed takes a different direction from what it was originally planned to do. By incorporating the needs of the beneficiaries, in addition to the advice from State Welfare Department, the beneficiaries can enjoy better living conditions as compared to just listening to the suggestion from the State Welfare Department. In the context of accountability, downward accountability to the beneficiaries may enhance the role of hierarchical accountability in that the beneficiaries’ needs are given more consideration because the waqf officer seems to be more aware and responsive to their needs.

### **7.3.3 Indirect relationship through local service providers**

In this case, the relationship between the waqf officer and the beneficiaries is mediated by the local service providers (LSPs). LSPs such as clinics, welfare homes, and training centres are created by the waqf officer to carry out specific responsibilities. As noted in the earlier part of this chapter, the LSPs in SRC B are created by the waqf officer and subject to the monitoring of the SRC, unlike in SRC A where LSPs are independently managed by third parties. The waqf officer is involved in the formation of the LSPs and also sits in attendance in the LSPs' management committees. The LSPs seem to take the role of the waqf officer in terms of being sensitised towards the needs and aspiration of the beneficiaries and the public. As LSP is monitored by the SRC administration, the role of the waqf officer is to facilitate the needs of the LSPs. The relationship between the LSPs and the waqf officer was partly discussed in the earlier part of this chapter under the responsibility of the LSPs (Section 7.1.3b). In this section, the role of the waqf officer is further elaborated upon. The second part of the discussion focuses on the relationship between LSPs and beneficiaries. Where applicable, the role of the waqf officer is also interweavingly highlighted.

#### **7.3.3a The relationship between the waqf officer and the LSPs**

The emphasis on taking in the views of the beneficiaries and the public can be illustrated in the way they are engaged. An officer noted that,

“We welcome anybody who has an idea but does not have enough funding to come forward and suggest any beneficial project that could benefit society as a whole... we welcome that” (BO2, waqf officer).

The above gives the impression that the waqf officer encourages anyone who would like to contribute ideas towards the management of waqf properties. He recounted one of the instances in which he received suggestions from public, which has since materialised, i.e. the establishment of a waqf clinic. The idea to establish a waqf clinic was proposed by a group of doctors who identified the absence of an affordable health establishment providing a quality service. A doctor working in the waqf clinic noted that,

“Dr \_ saw that there were a lot of private clinics established but their rates were very expensive. Some people could not afford them. So he and a few other doctors suggested that SRC B establish a clinic where people could enjoy affordable quality services...” (BLO1, clinic manager)

The doctor interviewed also took on the role of clinic manager. In the above answer, he explained why the waqf clinic was established. The waqf officer remembered the day when the group of doctors came to see him,

“The initial idea came from them... So, when they said that they would like to do something in the area of health, we immediately sat down and discussed further” (BO2, waqf officer)

This exemplified the involvement of partners, i.e. doctors, in identifying a matter that may be of interest to the local public. The doctors’ view may have represented the needs of the local community and the patients as they were working with the beneficiaries. Therefore, the notion of discharging downward accountability not only includes the patients – as the beneficiaries – but also extends to those who have a close relationship with the beneficiaries – such as the doctors – as partners. The involvement of the doctors was important as they sensitised the waqf officer regarding the need for an affordable yet quality health service.

“...We asked the doctors what they wanted. We cannot just decide what to buy without asking the experts in the area. If they said that we should do this, buy that, then we had to follow. So, for everything that we did, we had to ask for advice from those who are competent...” (BO2, waqf officer)

“We gave input to our management committee. This was easier [compared to a government clinic] because our committee was closer to us” (BLO1, clinic manager)

The above are an illustration of the relationship between the LSP and the waqf officer after the establishment of the clinic. The suggestion seems to originate from the doctors and was deliberated upon at a meeting in which the doctors themselves were involved. In this instance, the willingness of the waqf officer to receive from the doctors the idea of the establishment of the clinic; of the purchase of equipment and; his openness in engaging them; implies the extent of his awareness and responsiveness towards the

needs of the local community with regard to health issues. Therefore, downward accountability to the beneficiaries included paying attention to the views of the doctors, as partners, because the doctors' duty is "an unconditional desire to help others" (Gorz, 1989, p. 144).

"...the most important thing is sincerity in carrying out the responsibilities entrusted upon them. Set the interest of the community as the first priority" (BO2, waqf officer).

In this context, the proper management of the waqf property through the engagement of the doctors – with the ultimate objective of responding to the needs of the local community and the beneficiaries – informs the way in which the beneficiaries and the local community can be assisted. A religious officer noted,

"working here... we must think about our responsibility towards others..." (BO4, religious officer)

The relationship between the LSPs and the waqf officer seems to be hierarchically established as a result of placing the LSPs under the SRC. However, the waqf officer seems to allow the LSPs to operate in the interest of the beneficiaries, especially with regards to giving concessions to purchase the necessary facilities. This is discussed in detail in the next section.

### **7.3.3b Relationship between the LSPs and the beneficiaries**

In the previous section, we were informed that the waqf officer sought opinions and input from doctors who worked directly with the patients, i.e. the beneficiaries of waqf services. This implies that the needs of the patients may be manifested through the doctors' requests. In this section, several instances are highlighted to illustrate how the relationship between the doctors and the beneficiaries provided the waqf officer with the opportunity to discharge his responsibilities. In one case, the clinic required medical equipment to carry out its treatments. A doctor noted that,

"...for example, an MRI machine. From our experience, the clinic needs one to facilitate our work. We cannot do our work properly if we do not have this machine. Without it we may have to refer the patient to a private clinic"(BLO1, clinic manager).

In the above instance, the clinic manager required a Magnetic Resonance Imaging (MRI) machine to carry out his doctor's duty. This may not have been a direct request of the beneficiaries. However, this equipment assisted the doctors to better carry out their task. The doctor requested the MRI machine from the waqf officer so that beneficiaries could be better treated. This suggests that the relationship between the doctors/clinic and the beneficiaries/patients may inform the needs of the clinic which eventually benefit the patients.

In another instance, a haemodialysis machine was purchased using waqf funding. This was also requested by the clinic because there seemed to be a number of patients requiring this treatment. A waqf staff noted that,

“we provided a haemodialysis machine as we saw that there was a huge demand for it” (BLO1, clinic manager)

In the above instance, during the course of his/her work, the doctor was sensitised towards the needs of the patients. Hitherto, the patients would have had to go to a private clinic that offered the service, although the initial consultation may have been carried out at the waqf clinic. After seeing the need for such a service, the waqf officer was 'sensitised' by the doctor to provide it for the patients. This was noted by a waqf staff member,

“rather than giving money to private clinics, we might as well provide the service. The charge is lower, [the donor] obtained [a religious] reward...” (BO3, waqf staff)

This suggests that the relationship between the LSP and the beneficiaries serves as a channel for the waqf officer to better carry out his responsibilities. The existence of the doctors/clinic opened the opportunity for the waqf officer to discharge his downward accountability according to the needs of the patients.

In another instance, the Deputy President highlighted the service improvement in the way the waqf clinic operated. He noted that this improvement was recommended by the patients.

“Now the clinic has a computerised system. This was actually suggested by the patients. No more paper. From the registration to the writing, printing and labelling of prescriptions... the doctor just types in the information and sends it to the pharmacist” (BO1, Deputy President).

All the above instances elucidate that the provision of medical equipment was triggered in the interest of the patients. This suggests that the engagement with the LSP was used to ensure that the needs of the beneficiaries and the public were served. The involvement of the LSP informed the waqf officer in discharging his accountability, as the LSP was seen to represent the interest of the beneficiaries.

This section argues that the relationship between the waqf officer, the beneficiaries/public and the LSP – i.e. the downward relationship – may inform and improve the way waqf properties are managed. In this case, it seems that the relationship between the LSP and the beneficiaries informed the waqf officer regarding the way he could carry out his responsibilities. O’Dwyer & Unerman (2008) argue that the downward accountability process involving the beneficiaries is important because it sensitises an entity to “the core needs of those beneficiaries”. In this particular case, it sensitised the waqf officer to adjust the layout of the retirement home and to accommodate the LSP’s request for medical equipment. This appears to indicate that the waqf officer both listens and responds to the aspiration of the beneficiaries and the LSP.

#### **7.4 Achieving holistic accountability**

The current study’s theoretical framework suggests that the driving force for the achievement of holistic accountability seem to be the Islamic values held by the waqf officer. This section is divided into three subsections. The first one discusses the way in which Islamic values affect the way the waqf officer carries out his responsibilities. The second section discusses the way Islamic values influence downward accountability and the third elucidates the way in which downward accountability is sensitised through the waqf officer’s felt accountability.

#### 7.4.1 The effect of Islamic values

The attention given to Islamic values can be gleaned from a comment made by the waqf officer,

“The board member must monitor that our activities are not against our vision. The aim is not profit. The Islamic faith must be the guiding factor for the board members. That cannot waver... stick to the vision. Religious conviction must be strong. We want to provide services, not just to gain profit” (BO2, waqf officer).

“if the management does not have a religious background, we are finished. The [religious] foundation must not be forgotten. Always remember the rewards and punishment from Allah in the Hereafter (BO7, senior waqf staff).

The Islamic values seem to underline the management of waqf properties in SRC B from board members to the staff. They seem to influence the way the waqf officer and his staff carry out their responsibilities. The waqf officer seems to be aware that his work is bound by his Islamic values. He noted that,

“Fulfilling responsibility as God’s servant is our number one task, especially when we are the sole trustee [of waqf properties]...” (BO2, waqf officer)

The waqf officer suggests that Islamic values appear to play a significant role in shaping his responsibilities in managing waqf properties. In the above response, he seems to acknowledge that his responsibilities in managing waqf properties appears to reinforce his role as God’s servant. He seems to feel that being entrusted with the job of waqf officer encourages him to fulfil his responsibilities towards God. He believes that the discharge of waqf-related responsibilities entails the discharge of his responsibilities towards God. Accountability to God is discharged through accountability to work.

“We work for Him. Whatever we do, He decides. All that we can do is carry out our responsibilities to the best of our ability” (BO2, waqf officer)

He notes that taking on the position of waqf officer includes carrying out the formal responsibilities stated in the desk file – as discussed in the hierarchical accountability section – and more informal tasks – as in the downward accountability section. Both concepts of accountability are undertaken for his God. Islamic values appear to

encourage him to discharge this holistic accountability. The holistic nature of Islamic values appears to be reflected in the words ‘to the best of our ability’ – as above. This suggests that he must exhaust all possible efforts to discharge his responsibilities as the officer entrusted with managing the waqf properties in SRC B. This includes discharging accountabilities not formally stated in the desk file, because the scope of ‘to the best of our ability’ may extend beyond the formal ones. A senior waqf staff member eluded this,

“I fear that I did not discharge my responsibility fully. What I should be responsible for may be bigger than what I am responsible for” (BO7, senior waqf staff)

The senior waqf staff member seems to suggest that the formal responsibilities of ‘what I am responsible for’ may not be sufficient to be considered as discharging the duties of accountability relative to the position that he is entrusted to. In this instance, the awareness of Islamic values seems to encourage him to look beyond the formal scope of responsibility. The senior waqf staff member underlines his concern that he may not be able to completely fulfil his responsibilities, especially the informal ones. This is because the informal responsibility is drawn from his feelings, hence the scope is rather nebulous. However, he seems to believe that the Islamic values that he holds sensitise him to carry out his responsibility to the best of his ability.

This suggests that the scope of responsibility drawn from Islamic values seems to be wider, although its extent seems to be uncertain. Despite this unknown boundary of responsibility, Islamic values seem to require him to do his best. Illustrating this belief, the senior waqf staff member noted that,

“I know what I am doing... [If God asks me in the Hereafter] I can proudly say that I have done my bit...” (BO7, senior waqf staff)

This was similarly echoed by the waqf officer,

“Later [in the Day of Judgement], if God asks ‘have you developed the properties?’. And my answer is ‘I’ve tried my best but I failed’... God may accept my failure. But if I do not even try, I think it is difficult to answer” (BO2, waqf officer)

In both cases, the respondents believe that the responsibilities were entrusted upon them by virtue of being in their positions – being in charge of waqf matters. The waqf officer imagines a dialogue between him and God in the Day of judgement regarding his responsibility in managing waqf properties. He notes that if he will have tried his best to carry out his responsibility, yet will have failed, God will be satisfied. However, he argues that, if one is entrusted with a responsibility and has the capacity and the ability but does not try to undertake the work, he/she may find it difficult to answer to God. This may have motivated him to do the best he can. As he noted,

“Everything in this world can change. The only thing that does not change is our religion. That... we have to protect. And, as an officer who works in SRC, assuming the trusteeship of waqf properties, this [my role as waqf officer] is even more important...” (BO2, waqf officer)

The above emphasises that the motivating force of the waqf officer and his staff are the Islamic values, i.e. the awareness of the need to be accountable to God as the ultimate accountability. Islamic values drive the operationalisation of holistic accountability. The fact that the SRC is legally assuming trusteeship responsibility serves to further strengthen holistic accountability.

#### **7.4.2 Values-drawn felt accountability**

Islamic values seem to sensitise the waqf officer in carrying out his responsibility. This implies that Islamic values may be internalised and felt. The Deputy President noted the nature of responsibility when working in the SRC. He noted that,

“[the burden of responsibility] working in the SRC is twice as heavy. Firstly, it is the responsibility of carrying out our normal job scope. Secondly it concerns our responsibility in the Hereafter” (BO1, Deputy President)

The Deputy President suggests that working for the SRC entails two types of responsibilities, i.e. the responsibilities for which one was hired for and the responsibilities drawn from Islamic values. He seems to compare the nature of the responsibilities related to working in the SRC with those entailed by working elsewhere. He appears to suggest that working elsewhere – for example, in a private organisation –

one may only be concerned about discharging his/her stated 'desk file' responsibilities. However if one works in the SRC, he/she seems to be aware that his/her position also entails fulfilling his/her responsibilities towards God. Islamic values seem to sensitise him/her towards this extra dimension of responsibility. I sensed that the Deputy President did not imply that there were additional tasks that one needs to perform by being accountable to God. Rather, Islamic values seem to sensitise the SRC staff to the fact that there is an extra dimension to carrying out their formal tasks.

"If you are a Muslim, your identity will not disappear if you understand about rewards and punishment. The question of hell and heaven is always in your mind" (BO7, senior waqf staff)

Islamic values create additional feelings of responsibility that one should be aware of. This seems to distinguish between carrying out the 'normal job scope' responsibilities and carrying out responsibilities with an awareness of Islamic values. The waqf officer noted this difference,

"if we work elsewhere, we can still feel ok [for not striving beyond normal responsibility]... (BO2, waqf officer)

This argues that one might not be required to think about his/her accountability to God/Islamic values if one worked elsewhere. In a crude sense, one could forget about his/her accountability to God if he/she worked, for example, in a private entity, and focus on achieving profit targets. However, by being entrusted with the management of waqf properties in the SRC, where the purpose of the SRC establishment is to care for the welfare of Muslim society, the sense of accountability is felt more strongly. Being in the SRC seems to force one to be aware of carrying out responsibility both towards the prescribed job scope and to God.

"[Carrying out] the normal scope of responsibility is a must because that is what we are hired to do. That is the 'worldly' task that we can see. And then there is our responsibility to God. That is more important. We are given all the resources, all this ... land, power, ability" (BO2, waqf officer)

The waqf officer emphasises that the normal scope of responsibility is unavoidable. This responsibility comes with the job. He does not seem to play down the importance of

carrying out this formal accountability – which may include the accountability derived from hierarchical structure, i.e. hierarchical accountability. He refers to this as a ‘worldly’ task. It seems that discharging this hierarchical accountability denotes discharging a worldly task. He then continues by associating the responsibility to God with the need to employ the ‘resources’. He seems to attach greater importance to this responsibility. By distinguishing this responsibility from the ‘worldly’ one, he appears to suggest that the waqf officer’s responsibility does not stop with the sole discharge of formal hierarchical accountability. Although an officer may have carried out all the tasks listed in the desk file, albeit the worldly task, the ‘resources’ that he/she has may require him/her to do more.

“It is a must for us to strive to develop waqf properties with the resources given to us...” (BO2, waqf officer)

The word “must” above was translated from the Arabic word “*wajib*”. The word has a religious connotation. When an action is considered “*wajib*”, carrying it out entails reward and neglecting it entails punishment. Therefore, the waqf officer – with all the resources and power given to him – feels that he is compelled to develop waqf properties even though there are no written instruction from the WMC or legal provisions requiring him to do so. This underscores the influence of Islamic values on his felt accountability. The waqf officer seems to suggest that this awareness to work beyond normal responsibility can only be achieved if he/she is aware of his/her responsibility to God, i.e. he/she internally feels that this additional responsibility is his/hers to assume. He noted that,

“The question of whether other officers like the way I work is not important. The most important thing is Allah knows what I am doing. I do not work for them. I work for Allah... What is more important is the benefit of waqf properties... In the end, the waqf project will speak for itself” (BO2, waqf officer)

This suggests that the waqf officer seems to be guided by his own felt accountability, that God ‘knows’ what he is doing. The felt accountability ‘that Allah knows’ seems to guide him in ensuring that waqf properties may accrue their benefit. The above response was received when the waqf officer elucidated his approach to managing waqf properties. Other officers are uncomfortable with his risk-taking attitude in developing

waqf properties – hence the comment. The waqf officer seems to depend on what he feels to be right because he ultimately ‘works for Allah’. Therefore, the notion of felt accountability seems to be drawn from the Islamic value of ‘Allah knows what I am doing’. This was also noted by a senior waqf staff,

“You do not need your boss to monitor you. You have Allah. It all depends on the individual...” (BO7, senior waqf staff)

This implies that the guiding principle for the staff member in carrying out his responsibility is God. His final concern is with how God sees his work.

This section illustrates that the waqf officer seems to realise that he ‘works for Him’. Holistic accountability is reflected through the Islamic values of the waqf officer and his staff, where they provide a motivating force for them to undertake their responsibilities. This understanding of Islamic values encourages the waqf officer to undertake his responsibility more seriously. It seems that Islamic values are used to stimulate – rather than to impede – the way in which waqf properties are managed.

### **7.4.3 Downward accountability through felt accountability**

The influence of felt accountability can be translated into the work of the waqf officer in the way waqf properties are managed. The waqf officer noted that,

“I was given by Allah the knowledge, experience and the ability in the area of project management... This is my expertise. God willing, I’ll do my best in this area...” (BO2, waqf officer)

He seems to credit God for whatever knowledge, skills and experience he has. He also underlines his intention to ‘do the best’ in the area in which he has expertise. This suggests that his felt accountability – drawn from his awareness of God – appears to encourage him to do the best in his work. This was highlighted when he talked about the motivation for his work. He noted that,

“...I would like to see people, especially Muslims down there... healthy, comfortable. That is my drive. If my work is confined to the office, to being a paper pusher... that is not my drive” (BO2, waqf officer)

He highlights that the drive motivating his work is seeing people being healthy and comfortable. For him, the guiding factor is the public interest. At the same time, he mentions that ‘office work’ is not the motivating force. This suggests that, while office work may form part of his responsibility, it is not what excites him. He seems to implicitly highlight that he faces two types of responsibilities in managing waqf properties. One is the obvious “paper pushing” responsibility and the other are the actual needs of the people, reflected in the words “Muslims down there”. Hall et al. (2003) similarly differentiate between imposed and felt accountability, where imposed accountability is discharged due to the impositions of objective requirements while felt accountability is driven by an individualised subjective perception. The waqf officer appears to demonstrate that his actions are driven by his felt accountability to see people healthy.

The waqf officer’s comment also suggests that his felt accountability is motivated by the needs of the people. The term ‘Muslims down there’ gives an impression of downward accountability. This implies that his felt accountability is driven by downward accountability to the people, in this case the ‘Muslims down there’. This epitomises the relationship between felt accountability and downward accountability in the holistic accountability concept. The waqf officer appears to place greater emphasis on downward accountability. This was supported by his senior staff member,

“We have the desk file. Fulfilling what’s stated in the files is the obvious accountability to our work. But secondly, as individuals, we may have another accountability... which is informal... not stated in the desk file” (BO7, senior waqf staff)

This suggests that the waqf officer/staff member are responsible to carry out a formal duty – a duty established by virtue of holding a post which is hierarchically defined - as well as a more informal one – a self created duty by virtue of the downward accountability to the Muslims – which seems to be internally felt. The formal hierarchical accountability seems to be easily carried out – not necessarily because it is

easy – but because the scope of responsibility is clearly stipulated. The waqf officer seems to suggest that hierarchical accountability is objectively defined but downward accountability is subjectively created – triggered by one’s own felt accountability. This was noted by a senior waqf staff member,

“Listening to their [beneficiaries] stories is not stated in my desk file (BO7, senior waqf staff)

The senior waqf staff member notes that the task of listening to the beneficiaries – an element associated with downward accountability (Callamard, 2006) – is not stated in his desk file. This gives the impression that the responsibilities stated in the desk file seem to be fixed. They are a set of predetermined responsibilities instructing how waqf properties should be managed. However, the ‘other accountability’ may not possess such characteristics because it depends on the officer’s felt accountability, drawn from his relationship with the beneficiaries and the public. He notes that,

“God willing, I feel safe in the knowledge that my work is for the benefit of the beneficiaries and the public. I know what I am doing... [If God asks me in the Hereafter] I can proudly say that I have done my bit...” (BO7, senior waqf staff)

The senior waqf staff member states that his work is meant to ensure that waqf properties can benefit the public and the beneficiaries. The emphasis on the beneficiaries and the public reflect his downward accountability to them. This downward accountability seems to be elicited by one’s own feeling – the ‘I feel safe’ that ‘I know what I am doing’. This seems to illustrate that felt accountability drives him to prioritise the beneficiaries and the public; to be aware of their needs.

This section highlights that the driving force behind holistic accountability are the Islamic values held by the waqf officer and his staff. The (holistic) accountability is characterised by accountability to the work/desk file and accountability to the beneficiaries, i.e. hierarchical accountability and downward accountability respectively. For the waqf officer, hierarchical accountability is working according to what is stated in the desk file. His description of hierarchical accountability as ‘obvious’ seems to imply that, whatever job one assumes and whatever position one holds, the job will entail this

‘obvious’ responsibility. Therefore, he argues that this responsibility is a must – “*wajib*”. Hierarchical accountability to work must be discharged. The second accountability is downward accountability to the people. He notes that this other accountability “depends on the individual”, it is unique to the person who carries out the responsibility. This suggests that downward accountability is initiated by the waqf officer’s felt accountability<sup>36</sup> in that the exact way waqf properties are managed may not be as clearly defined as in the hierarchical accountability. Hierarchical accountability may be said to be discharged once one has ‘ticked’ all the boxes highlighted in the list of responsibilities. However, in his felt accountability, the waqf officer decides his own scope of responsibility, which prioritises responsibility to the beneficiaries, in addition to the predetermined hierarchical accountability. There seems to be no template list of responsibilities (there shouldn’t be...!!). He undertakes his responsibility according to what he feels to be right. One relies on oneself to determine whether to discharge this accountability, since the scope of responsibility is also self-created.

## **7.5 Factors impeding/facilitating accountability**

It appears that the management of waqf properties in SRC B depends too heavily on one dominant officer. This can both impede and facilitate the way waqf properties are managed. There are potential impediments when responsibility is concentrated on one waqf officer, individually and organisationally. On an individual level, the waqf officer may discharge his responsibility and duty of accountability according to his interpretation of the beneficiaries’ interest. In one instance, the waqf officer noted that,

“For example, a small mosque... the local community does not need it because the government has the funding for it. Furthermore, if the scale is small enough, the local community can build it themselves... (BO2, waqf officer)

The above passage highlights an instance where the waqf officer uses his own lens to interpret the needs of the local community. In this case, he claims that the local community does not need a small mosque. In the context of our argument, whether there

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<sup>36</sup> This does not suggest that hierarchical accountability is not triggered by felt accountability. Because hierarchical accountability is ‘obvious’ it does not need felt accountability to ‘pull the trigger’ as much as downward accountability.

was a real need for the mosque or not may not be that important. The argument here is that it is the waqf officer who determines what is best for the local community. There may also be a worse risk, where a waqf officer may pursue his own interest although there was no evidence found of this. Roberts (1991, p. 364) notes that,

“One can think... of the abuse of localised un surveilled power... that subverts or disregards wider responsibilities...”

This argues that bestowing wide ranging autonomy without sufficient supervision to one dominant officer can impede the achievement of holistic accountability. The waqf officer appeared to be aware of this possibility, noting that,

“Sometimes, I wonder why some people are so interested in waqf... do they sincerely want to develop waqf properties or are they just interested in getting something out of it? (BO2, waqf officer)

The waqf officer appears to question the sincerity of some parties – perhaps in other SRCs – who are eagerly involved in the development of waqf properties. He seems concerned that the development of the properties may not result in the best interest of the beneficiaries and the public, in which case, the waqf officer – directly or indirectly<sup>37</sup> – may not be seen as discharging his/her responsibilities and duties of accountability.

From the organisational point of view, entrusting too much responsibility to one dominant officer may risk the sustainability of the management of waqf properties should the officer leave his post. As highlighted earlier, the waqf officer enjoys both wide ranging autonomy and an informal relationship with his superior. When I asked three officers from different departments about the management of waqf properties, I was consistently directed to refer to the waqf officer. These officers seem to have a very minimal input or/and awareness of the state of the waqf properties’ management. This seems to be acknowledged by the waqf officer,

“In this state, [the development of] waqf depends on an individual effort” (BO2, waqf officer)

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<sup>37</sup> It must be noted that the SRC is the sole trustee of waqf properties; hence, the development of waqf properties must go through WMC. Therefore, WMC may be more directly responsible.

This response was received when he highlighted the list of waqf development projects he was responsible for. This suggests the dependence of the SRC on one officer to carry out the responsibilities and duties of accountability in the management of waqf properties. In other words, it may not be sustainable for the SRC to depend on the waqf officer's expertise and his informal relationship with his superior, as this seems to be individual and personal. While felt accountability is already 'personal' in nature in that it is connected to the "private sites" of the waqf officer's "calculus of accountability" (Sinclair, 1995, p. 232), adding another 'personal' mechanism such as the informal hierarchical relationship between the waqf manager and his superior to ensure that waqf properties benefit the public and the beneficiaries may be risky for the long term sustainability.

In addition, the physical separation of the waqf office from the SRC head office seems to magnify the organisational and individual risks. The activities of the waqf officer may not be clearly observed by other officers and by his superior. In the event the waqf officer should leave his post – for whatever reason – the SRC may face some difficulties in continuing the work of managing waqf properties. The findings of the present study suggest that there is an element of 'positive coincidences' occurring in SRC B. By this I mean that the waqf officer seems to possess a strong felt accountability and enjoys a good informal relationship with his superior. His experience from previous employment in banking and project management, coupled with a strong religious belief and good support from his superior, facilitates the way he manages waqf properties. This argues that relying on one dominant officer may be detrimental to the way waqf properties are managed. Assuming that the waqf officer is good natured and always works with the beneficiaries' interest in mind – which seems to be the case in SRC B – his leaving may potentially pose a risk to the SRC.

## **7.6 Conclusions**

This chapter assesses how accountability is experienced and enacted in the management of waqf properties in SRC B; and factors influencing its operationalisation.

Accountability seems to be strongly driven by an individual, the waqf officer, rather than dictated by the hierarchical structure. Hierarchical accountability appears to be discerned in the form of legal and bureaucratic requirements. The waqf officer still has to follow the NLC and directives by the WMC and these sometimes hinder him from satisfyingly carrying out his responsibilities. This is however dealt with through his autonomy and his informal relationship with his superior. He is in charge almost exclusively of every aspect of the management of waqf properties and he makes use of his ability in calculative science to carry out his responsibilities. His informal relationship with his superior appears to empower him to create his own scope of responsibility – his felt accountability. The calculative science, which may be discerned as an element of hierarchical accountability, is also used to satisfy his felt accountability. His felt accountability seems to elicit the awareness of – and to place greater emphasis towards – the needs and aspirations of the beneficiaries and the public, i.e. the downward accountability.

However, this dominant characteristic of the waqf officer, characterising identity accountability (Unerman and O'Dwyer, 2006), seems to be too idiosyncratic to pull together hierarchical and downward accountability, i.e. holistic accountability. It could be a recipe for disaster or a recipe for great success – abyss or oasis (Sinclair, 1995, p. 232). This seems to be mitigated by the presence of Islamic values. In this case, holistic accountability is driven by Islamic values which provide a broad guideline regarding one's relationship with others and with God. Values can drive one to be downwardly accountable (Kilby, 2006). Islamic values also recognise the importance of hierarchical accountability as it forms part of the normal job scope.

Based on the empirical findings, the way waqf properties are managed in SRC B is dependent on the dominant role of the waqf officer. His felt accountability operationalises holistic accountability. While he has the ability and the authority to be idiosyncratic – to be an angel or a demon, Islamic values bind him to be accountable to the beneficiaries and the public, while not negating hierarchical accountability. This argument will be elaborated in detail in Chapter 8.

## CHAPTER 8 : AN EMPIRICAL AND THEORETICAL ANALYSIS OF HOLISTIC ACCOUNTABILITY

### 8.0 Introduction

O'Dwyer & Unerman (2008, p. 819) noted that,

“the complex nature of accountability necessitates its examination in context in order to illuminate the multi-faceted ways it is experienced and enacted in specific organizational settings”

The management of waqf properties in Malaysia provides a specific organisational setting to examine the nature of accountability and the extent of its operationalisation. This chapter responds to their call, which is encapsulated in the research objectives of the present study. The three research objectives, as outlined in Chapter One, are highlighted:

- (i) To examine the ways accountability is experienced and enacted;
- (ii) To assess the extent of holistic accountability;
- (iii) To analyse the factors that facilitate or impede holistic accountability;  
in the waqf setting in Malaysia.

This chapter explores the empirical findings of the present study on accountability in managing waqf properties. Theoretically, accountability may be used to inform and improve the way waqf properties are managed. The way it informs and improves relies on how one sees the role of accountability. Hierarchical accountability emphasises monitoring through formal means, privileging the role of the waqf management committee (WMC) and the use of legal and bureaucratic procedures. This characterises the notion of upward accountability. In contrast, holistic accountability expands the scope of hierarchical accountability to include an informal approach, a wider range of stakeholders including the beneficiaries and the public, i.e., the ‘downward’ stakeholder; and learning as the purpose of accountability, to complement the monitoring purpose.

The analysis in this chapter discusses elements of hierarchical and holistic accountability as practiced in both SRC A and SRC B.

This chapter is divided into six sections. The skeletal theoretical framework on accountability theorising is briefly reintroduced in the next section. This is followed by a synopsis of the accountability story of both SRCs in section two. Although the two SRCs seem to share common characteristics – being organisations legally responsible for Islamic matters in each respective state – there are specific stories from both SRC A and SRC B that reflect their individual situation, hence the different way they approach their work. This is followed by an examination of the empirical findings from the two case studies to analyse the waqf officer's response in carrying out his/her responsibilities and duties of accountability. The analysis considers how the waqf officers of each SRC engage with different parties in order to discharge their responsibilities. The discussion on hierarchical accountability is discussed in section three, while section four discusses holistic accountability. Holistic accountability is, however, discussed in the light of Islamic values, which arguably inform the achievement of both hierarchical and downward accountability. Although the discussion is analytically separated, the way both accountabilities operate is conflated empirically and theoretically. Section five expands the discussion on the influence of Islamic values on felt accountability and how this felt accountability affects the way waqf officers undertake their responsibilities and duties of accountability. The final section, six, concludes the analysis.

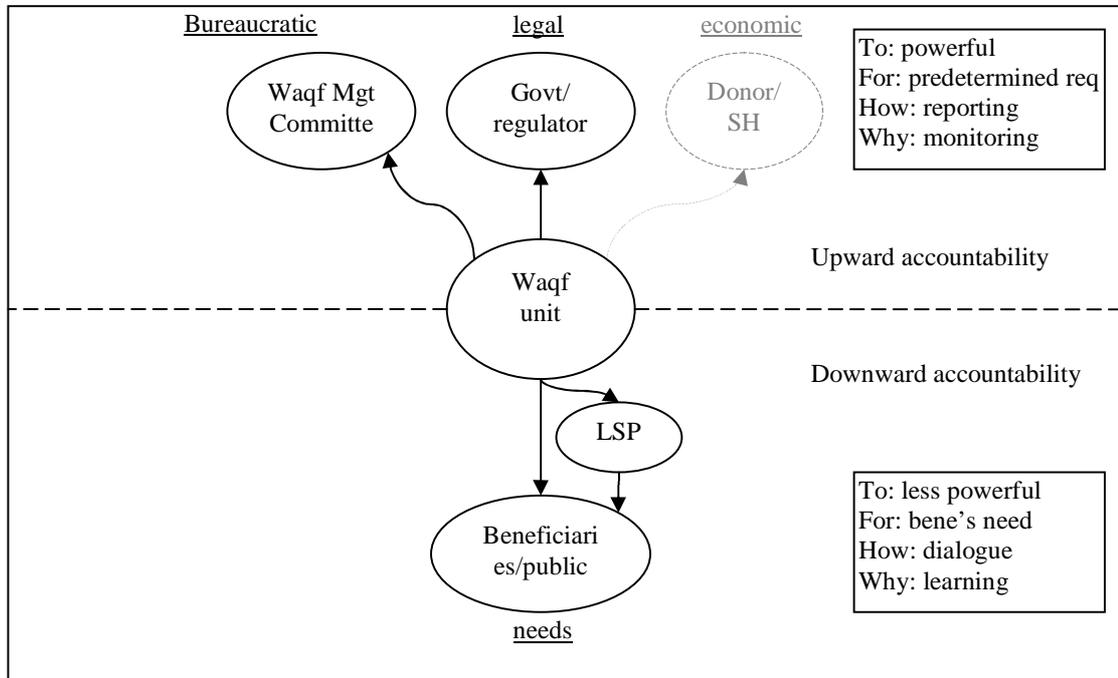
### **8.1 The skeletal theoretical framework of holistic accountability recapped**

In Chapter 5, a theoretical framework for analysing accountability in managing waqf properties is conceptualised through the notion of upward and downward accountability. Upward accountability is associated with accountability to the powerful stakeholders – for example the SRC main board, while downward accountability is related to the beneficiaries and the public. In the context of hierarchical and holistic accountability, upward accountability is normally associated with the hierarchical form while holistic accountability includes both, with a strong emphasis on downward accountability. The term hierarchical accountability, as a concept, tends to assume a slightly wider

connotation than upward accountability. While upward accountability is perceived to focus on the direction of accountability, i.e., to whom one should be accountable to, hierarchical accountability expands to include not only the direction but also the approach (formal), the purpose (monitoring) and the tool (written reports) of accountability (Ebrahim, 2003a, O'Dwyer, 2007). Hence, hierarchical accountability may be characterised by a set of common languages, such as formal, monitoring, written report, bureaucratic procedure and quantitative target (Edwards and Hulme, 1995). Therefore, the skeletal theoretical framework of accountability in managing waqf properties employs this set of languages to characterise hierarchical accountability. Specifically, hierarchical accountability prioritises the imposition of bureaucratic procedures, a strong monitoring tendency and the use of formal meetings and reporting to indicate its formal approach.

In contrast, holistic accountability, as a concept, is more widely encompassing. Hierarchical accountability forms part of holistic accountability. Holistic accountability, as discussed by O'Dwyer & Unerman (2008), is concerned with the wider stakeholder, employing other approaches and focusing on different purposes. While hierarchical accountability and its characteristics are still observed, holistic accountability, with its significant emphasis on downward accountability, is prioritised. This downward accountability emphasis in holistic accountability introduces its own qualities and language, such as informal, learning and understanding, awareness and dialogue. In the skeletal theoretical framework of accountability, this is framed as the waqf officers' relationship with the beneficiaries/public and the local service providers (LSPs). The way waqf officers carry out their responsibility is characterised by the tendency to learn and understand the needs of the beneficiaries/public by closely engaging them through dialogue. Therefore, the way accountability is discharged is not bound by written procedure – as in hierarchical accountability – because the responsibilities seem impossible to be determined *a priori*. Only by learning through the engagement of the beneficiaries/public and the LSPs can the responsibilities be determined and accountability be discharged.

The skeletal theoretical framework of accountability in managing waqf properties, as stated in Chapter 5, is highlighted below.



**Figure 8.1: Theoretical framework of holistic accountability in waqf management (micro view)**

The above figure illustrates the way in which waqf properties are theorised to be managed in both SRCs. However, upon further examination, each SRC demonstrates a different approach empirically.

## 8.2 The synopsis of accountability story in the waqf setting

The waqf setting provides a specific context to understand how accountability is experienced and enacted. Islamic values provide the driving force for the holistic approach of accountability in this setting. However, the extent to which and the reason why Islamic values may have such an effect depend on the waqf officers. Although both SRCs are located in Malaysia, the way accountability is discharged is different. In SRC A, hierarchical accountability informs the way waqf properties are managed. This can be illustrated through the fragmentation of waqf responsibilities into several departments and the emphasis on fulfilling bureaucratic procedures. This results in waqf officers feeling helpless in discharging holistic accountability, especially downward

accountability. They can only discharge their responsibility up to a certain point – in compliance with their written desk file – which they feel to be insufficient because they cannot realise their felt accountability. Downward accountability is not discharged within the SRC's hierarchical structure. However they find some 'relief' outside the SRC's hierarchical structure, through working with the LSPs. LSPs, in State A, are operated independently from the SRC. They have full authority in the management and development of waqf properties. Although the waqf officers' role is limited in their relationship with the LSPs, they seem to be very proud of the LSPs' achievements. The extent of holistic accountability is limited due to the hierarchical fragmentation of waqf responsibilities. However, it seems to be complemented by the LSPs.

In SRC B, accountability was experienced through the lens of the sole waqf officer and his staff. He dictates how waqf properties should be managed. In this case, he can discharge his responsibilities and duties of accountability in accordance with what he feels to be appropriate. This felt accountability, which is drawn from Islamic values, motivates him to discharge his accountability. Although he faces the hierarchical structure in terms of bureaucratic procedures, he is able to address the 'concern' using his experience, knowledge and skills and by having an informal relationship with his superior. His initiative attitude and the understanding from his superior allow him to satisfy his felt accountability and discharge both hierarchical accountability to the WMC and downward accountability to the beneficiaries. The extent of holistic accountability seems to emphasise downward accountability, in addition to hierarchical upward accountability. However, it depends on the dominant role of the waqf officer.

The above stories are analysed in detail next.

### **8.3 An analysis of hierarchical accountability**

The theoretical framework of holistic accountability characterises three conventional forms of upward accountability, i.e., bureaucratic, legal and economic. These are drawn from their respective mechanics of power, law and money/assets, which may be

represented by boards of directors, government/regulators and funders/donors. This section analyses the three sources of upward accountability.

### **8.3.1 ‘Absence’ of accountability to the donor**

The study found that, in the waqf setting, there is a lack of monitoring from the donor. This is the unique characteristic of the waqf setting. This appears to be the apparent difference between holistic accountability in the waqf setting from O’Dwyer & Unerman’s (2008). The Deputy Secretary of SRC A noted that, normally, donors undertake waqf donations as a means to fulfil their religious responsibilities:

“I just want to do waqf. After that I do not really care [about the condition and state of the properties]” (AO1, Deputy Secretary)

The above quote implies that the donors seem to display a ‘couldn’t care less’ attitude regarding the fate of their donations. They feel that once they have undertaken the waqf donation, they have fulfilled their religious responsibilities. There is no longer any hierarchical upward accountability to the donors. Holistic accountability cannot rely on the donors to monitor the way waqf properties are managed. This removes the donors from the role of monitoring in the holistic accountability framework.

However, the absence of monitoring from the donors cannot be construed that waqf officers are not accountable to them. Gray et al. (2006, p. 335) noted that to claim that one is accountable or not accountable based on “the presence or absence” of singular measures “is almost certainly mistaken”. Similarly, it is inappropriate to suggest that a waqf officer is not accountable to a donor just because the donor does not monitor the way the waqf officer undertakes his/her responsibilities and duties of accountability. They note that there may be informal ways in which accountability can still be discharged despite the absence of one monitoring measure. Accountability is considered discharged in the knowledge that the waqf officer is doing something with the donated waqf properties.

“it might be that all a donor (for example) requires is the very act of taking their money from them and promising to act for them. The actions that follow may be relatively unimportant” (Gray et al., 2006, p. 335)

This suggests that whether the waqf officers actually make use of waqf properties to benefit the beneficiaries and the public is not as important as the act of receiving the donation from the donors. In this case, the promise to act – as noted by Gray et al. (2006) above – seems to be inherent to the post of waqf officer, i.e., being a waqf officer seems to already command “the promise to act” as the position entails such responsibility to ensure that waqf properties benefit the recipients/public. A waqf officer noted,

“when we receive the donations, we have to develop them...” (AO8, waqf officer).

From the perspective of the donor, the act of the waqf officer in receiving the donation may already be construed as discharging accountability to them.

This suggests that, in waqf settings, one of the key components of holistic accountability, i.e., monitoring by the donors, is absent. However, from the donors’ perspective, the knowledge that waqf officers receive one’s donation already indicates that accountability to them is being carried out. In the waqf setting, despite the absence of the donors’ monitoring, the accountability to the donors appears to have been discharged, albeit differently.

### **8.3.2 Absence of performance-based accountability**

In addition to the absence of the donors’ monitoring, there is also a relative lack of emphasis on achieving predetermined quantitative targets, i.e., performance accountability (Laughlin, 1996, p. 228, Laughlin, 2008, p. 249, Stewart, 1984, p. 18). Performance accountability involves comparing the expected and the actual performances, where the performance target is measured in precise terms (Laughlin, 2008, p. 250). According to Laughlin (1996, p. 228), performance accountability is,

“...intended to declare, in precise terms, the ends achieved by the agent, according to the ethos and specific goals set by principal”

In the waqf setting, there is an absence of performance-based accountability. This does not mean that absolutely no performance target is developed. The absence implies that predetermined targets are not used as the basis on which to reward or/and punish waqf officers. A waqf officer noted that:

“We have targets, but as broad guidelines only. We need to have targets because they are required by the government. We have job descriptions, desk files and targets. If you are working in a government department, you have these... If we achieve the targets, that is good. If not, we will try again next year...” (AO4, waqf officer)

There seems to be no sense of urgency to achieve the targets. Their presence appears to merely fulfil a government requirement.<sup>38</sup> Since the government requires that every department formulate a target, waqf units are also bound by this requirement. This was similarly observed in SRC B, when the Deputy President noted that:

“We do not get anything. Our responsibility is to the people. No bonus, no promotion... We just get lunch during meetings...” (BO1, Deputy President)

The Deputy President notes that there seems to be no rewards, such as bonuses and promotions, for meeting predetermined targets. He quips that the form of reward that he might get is lunch. This gives the impression that performance targets are not used as a means to monitor the performance of waqf officers in such a way that the monitoring could affect the waqf officers’ behaviour. A waqf officer noted that:

“If you don’t do it, you won’t be punished... if you do it very well; your bonus is still 1 month like other people...” (BO2, waqf officer)

This suggests that should a waqf officer not meet a requirement, he would not receive any punishment. Similarly, should he perform well above target, the reward would still be the same as that of any other officer who had not achieved their target. The existence

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<sup>38</sup> Although the SRCs are not government departments, they adopt many processes/mechanisms as adopted in other government departments. For example, the SRCs are still audited by the Auditor General’s Office.

of performance targets does not seem to create a sense of anxiety/threat (O'Dwyer and Unerman, 2008, p. 803) nor motivation/challenge (Schlenker and Weigold, 1989, p. 27).

Despite the absence of performance accountability, hierarchical accountability seems to be enacted by the other two remaining forms of accountability, i.e., legal and bureaucratic accountability – legal/probity and process accountability (Laughlin, 2008).

### **8.3.3 The enactment of bureaucratic and legal monitoring**

The lack of donor monitoring and performance accountability seems to render the role of legal and bureaucratic accountability more important. The notion of monitoring is reflected in the presence of the WMC and the need to follow the legal enactments of waqf and the National Land Code (NLC). The WMC is empowered (by enactment or/and procedure) to monitor the way waqf properties are managed. The monitoring seems to be very strong. The Deputy Secretary of SRC A noted that,

“the monitoring from up there is very strong because the enactment stipulates as such...” (AO1, Deputy Secretary)

The above response explains that the monitoring by the WMC and the SRC main board is carried out because the legal enactment provides for it. This characterises one of the elements of hierarchical accountability, i.e., the “short-term monitoring aspects of accountability” (O'Dwyer and Unerman, 2008, p. 804).

“...we are monitored according to the [legal] enactment. The waqf meeting is held quarterly. So there are four meetings that I have to attend to... So we have to report to them...” (AO1, Deputy Secretary)

The waqf enactment requires waqf officers to present their reports to the WMC on a quarterly basis. This is the hierarchical component of holistic accountability, where accountability is activated by “monitoring, controls, and laws” (Ebrahim, 2009, p. 890). The documentary evidence, such as periodic monitoring report elucidates this notion of monitoring in hierarchical accountability. The periodic monitoring form must be completed by the DWO when he/she undertakes periodic inspection of waqf properties.

This task is stated in the deskfiles of the DWO, conducted twice a year for each waqf property. The forms and accompanying written report is prepared by the DWO and sent to the head office. Among the information provided in this routinized process (Roberts, 1996, p.51) are; (i) current use of the land, (ii) the width of area used; (iii) the condition of the land; (iv) the manager of the land; and (v) any financial return from the use. This report is routinely submitted by the DWO to the head office where the DWO must put his/her signature. There are columns “prepared by” and “checked by” in the form. This is an indication that the DWO has discharged his/her responsibilities and duty of accountability upwardly to, first, his/her manager and later to the Deputy Secretary General. The Deputy Secretary General will then inform this matter to the WMC”. This echoes the ladder of accountability noted by Laughlin (2008) in that the lower level legal accountability is further refined by a higher level (of process accountability). In this instance, the WMC seems to act as the party monitoring the bureaucratic requirement (the process accountability) as well as the legal provision (legal accountability).

The notion of bureaucratic monitoring is characterised by the scrutiny faced by waqf officers in their meetings with the WMC. A waqf officer noted that,

“...I am queried [by the WMC]... Questions such as the risk of failure, and should the project fail what and how we should go about doing it..., the contingency plan, and the financial implications...” (BO2, waqf officer)

The above response illustrates an instance where a waqf officer presented his development plan to the WMC and then had to face scrutiny from the board members. This implies that the monitoring aspect of hierarchical accountability urges waqf officers to be extra careful in carrying out their responsibilities. Any anomaly will be queried and waqf officers will have to satisfy the requirements set by the WMC. This elucidates the characteristic of hierarchical accountability by which it ensures that waqf officers meet and comply with the WMC’s bureaucratic requirements (Hall et al., 2007, p. 407). Monitoring serves to correct errors and control quality (Ebrahim, 2005, p. 76). The Deputy Secretary of SRC A seems to agree that monitoring may have a positive effect on waqf officers, noting that:

“This, I think, is good. Monitoring requires us to work harder” (AO1, Deputy Secretary).

However, there is a sense that hierarchical accountability is seen, at minimum, as an extra chore and, worse, as an impediment to the way waqf officers carry out their duty. The enactment of hierarchical accountability appears to hinder the achievement of holistic accountability.

This appears to be reflected in the need to adhere to some legal provision prescribed in the NLC and local council regulations. A waqf officer noted:

“The law does not cater for waqf... the existing regulation does not facilitate the issues of waqf. This hampers our work here” (BO2, waqf officer)

“Although it is difficult, a rule is a rule... We still need to abide by it...” (AO4, waqf officer)

In the above two responses, the waqf officers illustrate their concern regarding hierarchical monitoring, which may impact on the achievement of the waqf objective. The procedure stipulated by the land office – which steadfastly adheres to the NLC – hinders the process of the development of waqf properties.

“When we would like to develop a waqf project, we have to consider every little procedure. This delays the progress of waqf projects. A lot of red tape everywhere in the process. This unnecessary process requires me to ‘climb’ up and down several times to government offices just to get an approval” (BO2, waqf officer)

The above shows how hierarchical accountability may negatively impact on the development of waqf properties. The need to follow procedures, i.e., legal accountability, seems to threaten the achievement of the waqf objective of assisting the beneficiaries and the public. O’Dwyer & Unerman (2008, p. 821) note that fulfilling the hierarchical form of accountability “may not necessarily yield improved mission achievement and could actually lead to a mission drift...”. This suggests that the emphasis on satisfying legal requirements – a form of hierarchical accountability – may actually divert attention and effort away from achieving the mission.

“If we follow the [legal] procedures, it may take up to three years to complete. An application for land takes three to four years. Imagine that... If that is the case, how can we be efficient? How can we be efficient in developing a project if the land approval itself takes three, four years?” (BO2, waqf officer)

“If this [legal issues] is not addressed, it is possible that the current problems remain for another 10 or 15 years...” (AO3, waqf officer)

By satisfying legal hierarchical accountability, the core accountability to beneficiaries may be sacrificed. The waqf officer feels that the hierarchical legal procedures should not be a cause for delay in the way the government office manages waqf properties. He noted that,

“... make [the process] easier. For example, if the project relates to a waqf project, simplify the process. After all, the benefit is towards the public and the beneficiaries...Not the SRC...” (BO2, waqf officer)

This seems to characterise the argument made by O’Dwyer & Unerman (2008, p. 811) that upward accountability crowds-out downward accountability. The effort spent in discharging hierarchical accountability set by the legal requirements has the tendency to hinder the way waqf officers carry out their responsibility and duty of accountability to the beneficiaries.

At minimum, satisfying hierarchical accountability is perceived as an extra chore, which is reluctantly carried out. The Deputy Secretary of SRC A notes that:

“The three months seem like a month... we have just had a meeting... and another meeting is coming...” (AO1, Deputy Secretary)

Hierarchical accountability is reflected in the need to prepare a report for the WMC. The Deputy Secretary seems to suggest that the meetings are too frequent. The impression that he gave me during the interview seemed to suggest that he did not have the time to breathe between waqf meetings. The effort to prepare for the meeting seemed to consume his time and the time of the waqf officers.

“I could not have provided the same report as in previous meeting, could I? We have this one member who always has something to comment...” (AO1, Deputy Secretary).

The requirement to prepare a report for the meeting seems to burden him (and his staff) with spending time on fulfilling hierarchical accountability. This “onerous reporting” (Ebrahim, 2005, p. 59) requirement seemed to divert the attention and effort away from achieving holistic accountability. Although satisfying hierarchical upward accountability may move us closer to achieving holistic accountability (as hierarchical is one of its components), the tendency to stress its operationalisation may retard the achievement of the other component, i.e., downward accountability – hence pulling us away from holistic accountability. If we agree that the objective of waqf is to assist the beneficiaries/public (and there is no reason not to), then any process/practice – and its effects – that may hinder the achievement of this objective should be removed or at least minimised. In this case, the effort to simplify the bureaucratic process, as highlighted by the waqf officer above, should be seriously considered, because, by making the process easier, the potential to achieve holistic accountability – especially downward accountability to the beneficiaries/public – is greater. To quote Unerman (2007, p. 97) – in a slightly different context<sup>39</sup> – any effort that can facilitate towards (and remove impediments from) the achievement of waqf objectives should move us closer to achieving holistic accountability.

The waqf officers perceived that the strict imposition of legal procedures and the regulations stipulated by government offices prevent the waqf properties from benefiting the public and the beneficiaries. In other words, the process of legal and bureaucratic hierarchical accountability of the NLC and government’s regulations respectively seems to hinder, rather than facilitate, the way waqf properties are managed. Hierarchical accountability prevents waqf officers from efficiently carrying out their responsibilities. By strictly following procedures, there is a tendency that the beneficiaries and the public may be unable to enjoy the service and facilities potentially provided by waqf properties.

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<sup>39</sup> Unerman (2007) discusses the role of consensus in moving the organisational objectives away from strictly profit-oriented motives.

### **8.3.4 Informal relationships in a hierarchical structure**

Hierarchical accountability is almost always associated with a formal approach. The uses of terminology, such as procedures, requirement, monitoring, oversight, control, seem to dominate the discussion on hierarchical accountability (Edwards and Hulme, 2002, Fry, 1995, Jordan and Tuijl, 2006). Hierarchical accountability is conceived as “a form of external supervision and control” (O'Dwyer and Unerman, 2008, p. 803). The use of supervision and control reflects the formality of approach in hierarchical accountability. Therefore, to argue that there is a sense of informality in hierarchical accountability seems peculiar because informality normally works better at “lower levels of organisation” (Roberts, 1991, p. 364). This suggests that the sense of informality seems to be suitable in operationalising downward accountability – a lower level – where learning and understanding takes precedence over monitoring and control in hierarchical upward accountability. Much empirical literature has offered some insights and understanding on how downward accountability operates at a lower field level where a participatory approach was employed (Agyemang et al., 2009, Callamard, 2006, Okwaare and Chapman, 2006).

However, the empirical insights from this thesis show that there is a sense of informality operating at a “higher level of organisation”. In SRC B, the waqf officer seems to enjoy an informal relationship with his superior. In other words, although the relationship between the waqf officer and his superior is hierarchically established, there seems to be space for the waqf officer to discharge his responsibility and duty of accountability in an informal way. It appears that the ability of the waqf officer to undertake the responsibility of developing waqf properties was partly attributed to this informal relationship. As explained in Chapter 7, the waqf officer discusses his initial ideas with the Deputy President even before deliberating them with officers from other departments during executive meetings. He seems to have already obtained a prior informal approval – a sort of blessing – from the Deputy President before presenting his case at the executive meeting. Since developing waqf properties is his formal responsibility, this implies that the discharge of a formal responsibility depends on an informal relationship.

This echoes the argument by Roberts (1991, p. 364) that the “formal depends upon the informal...”. This suggests that the hierarchical accountability concept can also be operated in an informal manner. This, as shown in later analysis (Section 8.5), facilitates the operationalisation of felt accountability. In SRC B, the waqf officer seems to be able to operationalise his felt accountability because he has already convinced the Deputy President of the SRC regarding his recommendations. The intense scrutiny during the process of hierarchical accountability (i.e., presenting his proposals at the WMC and executive meetings) is made more bearable and less harsh because he has obtained a ‘prior nod’ from the Deputy President. This informal hierarchical relationship “cushions [the waqf officer] from the impersonal harshness of hierarchy...” (Roberts, 1991, p. 364). The nature of the hierarchical accountability relationship between the waqf officer and the Deputy President helps with the operationalisation of felt accountability.

### **8.3.5 A positive perspective of hierarchical accountability?**

Based on the work of Roberts (1991), Lindkvist & Llewellyn (2003, p. 263) contended that hierarchical accountability generates a sense of selfishness as one tends to forget interdependence with others and focus on achieving individual goals. They viewed the notion of how one is seen by others – in the concept of hierarchical accountability – negatively as this requires individuals to meet the expectations and the requirements of a salient audience, albeit a higher authority who have the ability to advance or/and hinder one’s own self-development (Schlenker and Weigold, 1989, p. 24). A salient audience for example includes the employer, board of directors or/and a more transcendental audience such as God (Laughlin, 1996, Layder, 2006, Schlenker and Weigold, 1989). O’Dwyer & Unerman (2008, p. 803) similarly noted that hierarchical accountability can “instil a sense of anxiety and vulnerability” among officers. The presence of a salient audience appears to be negatively viewed as it restricts the freedom of the individual. Whilst the ability of the audience to hinder an individual from progressing up the career ladder (such as preventing the individual from being promoted) is appropriately viewed as negative, the advancement of self (such as being promoted to a higher position on the career ladder) is also viewed as such because the nature of progress is confined only to the audience’s definition of it. The evidence from

the analysis of the empirical findings in this thesis, however, suggests the possibility of a positive aspect on the impact of a salient audience on the individual's preoccupation with how he/she is seen.

Roberts' (1996, p. 46) argument suggests that the presence of a salient *human* audience creates an employee who constantly fears dismissal and craves recognition. This audience – and its legal, bureaucratic, economic means – holds the power to decide whether the actions/decisions of an employee are in accordance with their requirements, i.e., “the demands of others have become the lens through which one views oneself” (Roberts, 1996, p. 46). The consequences of approximating – or contradicting – the audience's requirements are tangible and immediate. In other words, the employee can enjoy the benefit of progressing up the hierarchy ladder through promotion (for approximating the requirements) or he/she can be penalised, demoted or dismissed (for contradicting them).

The empirical evidence in this thesis seems to suggest that the waqf officer faces a similar experience, i.e., being watched by a “salient audience” which has the power to “reward or punish” good and bad actions (Hall et al., 2007, p. 406). However, in the waqf setting and from the perspective of waqf officers, the salient audience is not made up of organisational participants who possess legal, bureaucratic or economic resources; neither are rewards and punishment immediately and/or tangibly received in this world. For waqf officers, the salient audience is the Supreme Being – God. Waqf officers from both SRCs noted that,

“if we realise that this is in fact a trust from God, then how do we approach our work?... We must feel responsible... *takleef* [personal accountability] if we have such awareness...” (AO2, waqf manager).

“This one (responsibility to God), we cannot run away from it... whatever we do, He (will ultimately) decide...” (BO2, waqf officer)

The waqf manager appears to suggest that once an individual realises that his/her work is actually a trust from God – the Supreme Being (Mawdudi, 1960, p. 11) – this changes his/her perspective and approach in carrying out his/her responsibility and duty of

accountability. This transcendental audience has also been observed by other scholars who refer to it as a “view from on high” (Layder, 2006), a “higher principal” (Laughlin, 1996), and the “Eye in the Sky” (Schlenker and Weigold, 1989, p. 37). Islamic values, which transpire in the concept of trusteeship and of human beings as vicegerents, informs the officer that the resources and the decision regarding their use is an important trust from God (Lewis, 2010, p. 48). This suggests that a waqf officer – as a deputy to God in this world (Abdul-Rahman and Goddard, 1998, p. 189) – is accountable for both the use of waqf resources and the decisions/approach regarding their use. This sets God as the ‘audience’ who assesses how His deputies perform their responsibilities and duties of accountability. These arguments are further discussed in section 8.5 where the impact of Islamic values on felt accountability is explained. They are discussed here to introduce the linkage between hierarchical accountability and felt accountability, which facilitate the achievement of holistic accountability in the waqf context.

### **8.3.6 Summary of analysis on hierarchical accountability**

The concept of hierarchical accountability – as one of the key components of holistic accountability – appears to be practiced in both SRCs. However, it does not exactly mirror the hierarchical accountability found by O’Dwyer & Unerman (2008). Particularly, there seems to be no monitoring from the donors nor an emphasis on meeting a predetermined performance target. However, the waqf officer seems to still be subject to a bureaucratic and legal scrutiny from the WMC and legal provisions. The overemphasis on legal and bureaucratic monitoring may prevent waqf officers from achieving holistic accountability, especially in SRC A. In addition, the notion of how one is seen in the concept of hierarchical accountability seems to be perceived positively by the waqf officers.

## **8.4 An analysis of downward accountability**

O’Dwyer & Unerman (2008, p. 804) contended that holistic accountability places greater emphasis on downward accountability. The holistic accountability theoretical framework in Figure 8.1 (page 251) highlights that downward accountability is

operationalised to incorporate the needs and aspirations of the beneficiaries/public rather than the bureaucratic, legal and economic requirements. Holistic accountability recognises the accountees regardless of their power (Unerman and Bennett, 2004). This is important because the achievement of holistic accountability partly rests on responding and prioritising issues encompassing their needs and aspirations (O'Dwyer and Unerman, 2008). The understanding of beneficiaries' needs can be manifested through the waqf officers' closeness to them and through the involvement of LSPs. These are discussed next.

#### **8.4.1 Achieving understanding through closeness**

Gray et al. (2006) contend that the degree of closeness may determine the form of accountability. The closer an accountant is to the accountee, the less need there is for formal accountability (Gray et al., 2006, p. 335). Their argument concerning the notion of closeness appears to be made from the perspective of the accountee, i.e., what type of accountability mechanism is required by the accountee and how it is discharged. It is the accountee who asks the accountant to be accountable.

The notion of closeness may also be argued from the perspective of the accountors, i.e., how can accountors discharge their accountability. From this perspective, it is the accountors who seek to understand the needs and aspirations of the accountees. The actual needs and aspirations of the beneficiaries/public can only be understood and met when the accountors are aware and sensitised towards them (O'Dwyer and Unerman, 2008, p. 805). This argues for the benefit of being closer to the beneficiaries/public as the degree of closeness allows greater opportunity for the accountant to learn directly from them regarding their needs. O'Dwyer (2007, p. 291) argues that the engagement with the stakeholders facilitates downward accountability because it provides the opportunity for the accountant to learn. This learning is then "fed back into, and allowed to influence... the decision making process".

Two examples of cases underlining the benefit of feeding back information regarding the beneficiaries' needs were highlighted in Chapter 7. The establishment of a health

clinic, which was initially proposed by a group of doctors, and the adjustment of the physical layout plan of a welfare home to accommodate married couples illustrate downward accountability in practice. In both cases, the waqf officer allowed the doctors – who arguably represented the public’s needs on health matters – and the beneficiaries; to offer insights and feedback into the matter that impacts them. These empirical insights show the importance for waqf officers to be open towards the involvement of the beneficiaries and/or their partners, such as the doctors (O'Dwyer and Unerman, 2008, p. 805). A waqf officer noted that the needs and aspirations of the public and the beneficiaries could be identified because he dealt with them directly:

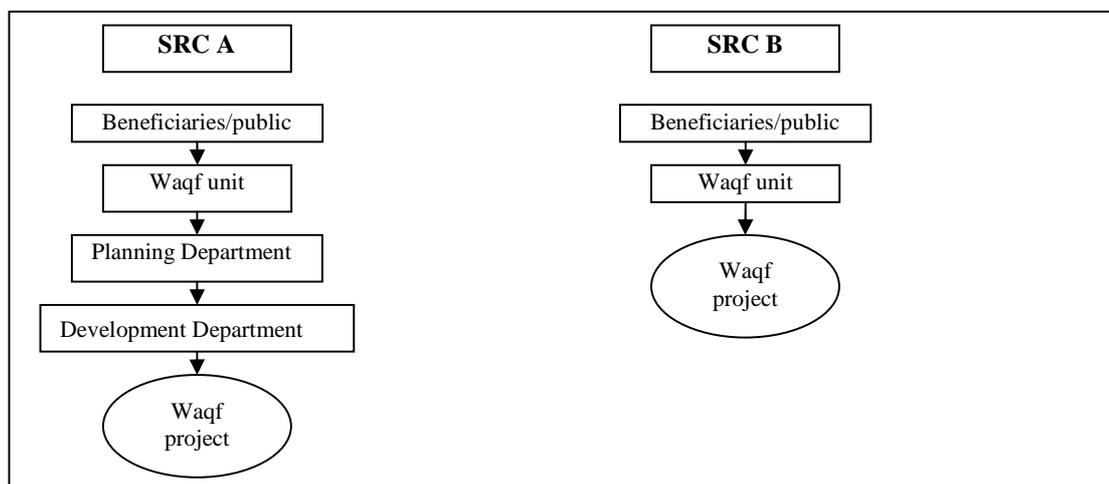
“For example, our welfare home, when poor people came to seek help from us, we realised that we did not have the facilities to house them. That’s why we built such a facility...” (BO2, waqf officer)

The above illustrates that the waqf officer had first hand experience in attending to the needs and aspirations of the beneficiaries. He was able to identify the public needs because he was closer to it, in that he was the point of contact when the public sought assistance. This was supported by the Deputy President:

“We develop waqf property so that the public can use it. It cannot be a white elephant. Our projects must be beneficial to the local community” (BO1, Deputy President)

The Deputy President realises that any project that the waqf officers undertake must not be a white elephant. He notes that by being sensitive to the needs of the local community and the beneficiaries, the chances of the project being wasteful can be avoided. The Deputy President compared the undertaking of SRC B with other government projects – through joint venture initiatives – where the decisions were made without sensitivity to the needs of the local community. The projects only benefited the contractors but the local community could not enjoy the services. He noted that the contractor “takes the cream and leaves us with the problem”. In the end, “they took all the profit, we lost our investment, the local community did not gain anything” (BO1, Deputy President). Therefore, the waqf officer highlighted that any waqf project must prioritise the concept that waqf properties “must have users”. This requires him to be more sensitised towards the needs of the local community and the beneficiaries.

The degree of closeness – and the sensitivity of the waqf officer – may be attributed to the minimal gap between the beneficiaries and the decision making process. This can be illustrated in the following figure between SRC A and SRC B.



**Figure 8.2: Gap differences between waqf project and beneficiaries in both SRCs**

In SRC B, the possibility that the sense of the beneficiaries’ needs and aspirations could be diluted can be avoided because the aspirations do not have to travel through several departments to be heard. As the waqf unit (and its officer) are also responsible for the whole management activities of waqf properties, this allows waqf officers to plan the development according to the needs of the beneficiaries and public. Therefore, there seems to be no gap between the beneficiaries/public and the waqf development project. In SRC A, the waqf development project has to go through at least three departments, i.e., the waqf unit, and the Planning and Development Departments. Therefore, the gap between the beneficiaries/public and the waqf project is wider.

This suggests that in a context where there is no wide gap between the beneficiaries/public and the decision making process regarding waqf projects – such as is the case in SRC B – the “original dream” seems to remain intact (Najam, 1996, p. 348) because the beneficiaries’ needs are only mediated by the waqf officers. Therefore, the needs and aspirations of the beneficiaries are taken on board while planning the waqf development project. However, in SRC A, the beneficiaries’ needs may not transpire in the waqf project as their needs were mediated by two additional departments. The officers from these two departments, who did not engage directly with the beneficiaries,

may not share the level of awareness of the waqf officer, as noted by a waqf officer while referring to officers from other departments “they may not feel what we feel” (AO3, waqf officer). Therefore, they may be less sensitised. Najam (1996, p. 348) argued that this is quite common when an organisation grows in size. Downward accountability to the beneficiaries appears to get gradually diluted as an organisation grows bigger and more bureaucratised (Najam, 1996, p. 349). This seems to characterise the management of waqf properties in SRC A when it was restructured in 2005, where waqf-related responsibilities (such as registration, planning, development and maintenance, daily management) were fragmented among different departments. Fragmentation of waqf responsibilities among functional lines/departments is a sign of the “creeping formalization ...and bureaucratization” and this has the tendency to numb the sensitivity towards the “original dream” (Najam, 1996, p. 349), i.e. the beneficiaries’ needs. The effect of fragmentation into functional departments of SRC A seems to be aggravated because these other departments are also responsible for non-waqf properties, such as the SRC’s own properties. The waqf manager of SRC A made an analogy regarding the difficulty faced by these departments:

“When we are responsible for many things we may not be able to focus ... it may be difficult to hold three cups in one hand. But if we are asked to hold only one cup, we could do it much easier and faster...” (AO2, waqf manager)

The waqf manager compared the responsibility of the officers from these departments to the task of holding cups. These officers have other responsibilities to discharge apart from those that are waqf-related. They are holding too many cups. Therefore, their level of attention may be different from one who just has to hold one cup. In other words, he seems to argue for the waqf-related responsibilities to be separated from others. These officers are potentially less sensitised and less aware of the beneficiaries’ needs, as a result of managing other non-waqf properties. This suggests that the gap between the beneficiaries and the waqf project needs to be as close as possible so that officers are more sensitised to the beneficiaries’ needs.

This deeper understanding, awareness and sensitivity may be difficult to achieve if the waqf officer is not directly involved with – and close to – the beneficiaries and the

public. The closeness to them and the willingness to engage and involve them may determine the extent to which downward accountability is discharged.

#### **8.4.2 Achieving understanding by engaging LSPs**

In addition to directly engaging the beneficiaries, holistic accountability also suggests that the effort to understand the beneficiaries' needs may benefit from the engagement with partners/LSPs (O'Dwyer and Unerman, 2008, p. 805). This was explained in Chapter 6 by the illustration of two cases, i.e., the way the orphan's needs were addressed and the ability to identify the root causes for absenteeism at an adult class in a retirement home.

The empirical insights from the case of the orphanage showed the sensitivity of the LSP manager towards the psychological needs of the orphans. Despite the presence of in-house rules and regulations regarding the discipline of the orphans, the LSP manager allowed (or rather did not forbid) them to sleep on the floor "like chickens in a shed" (ALO1, LSP manager). Meanwhile, in the retirement home, the LSP manager was initially disappointed because the attendance was getting lower, so he thought that the class was not sufficiently interesting. Upon engaging the retirees and understanding their problem, the root cause was addressed by providing transportation for the retirees to get to the class. The understanding of the beneficiaries' concerns fed the decision making process. In the first case, the in-house rule gave in to the psychological needs of the younger orphans who yearned for a familial environment while, in the second case, the LSP manager quickly realised that a logistical concern, rather than an uninteresting class, was the root cause of the absenteeism. In both cases, the needs of the beneficiaries were accommodated and addressed. This suggests that the needs and perspective of the beneficiaries is privileged to inform and improve the decision making process (O'Dwyer and Unerman, 2008, p. 820).

Despite a lack of direct influence from waqf officers specifically, and the SRC generally, I had the impression that the waqf officers felt proud when I mentioned the name of the LSPs to them.

“For me, this orphanage house is one of the icons of waqf. We can see it grow. The most important thing is how they manage the beneficiaries and how they use the waqf properties to benefit the beneficiaries. It keeps on growing” (AO3, waqf officer)

“She bought a property, donated it for waqf purposes and converted it to a retirement home to establish an activity centre for retirees. She did everything A to Z. I am very proud of this retirement home... She is really something...” (AO8, waqf officer)

I could see their enthusiasm when they talked about the waqf properties entrusted to the LSPs. There was a sense of satisfaction and pride when they mentioned the management of waqf properties by the LSPs.

The above two cases took place in SRC A, where the responsibility of waqf officers is limited by the hierarchical structure. This suggests that the restrictions, as a result of the divisive effect of hierarchical accountability, appear to encourage the waqf officers to seek other ways to operationalise downward accountability. The presence of LSPs seems to be one of the channels through which the waqf officers can perform downward accountability. Despite their lack of influence on the LSPs, the waqf officers seem to display a considerable sense of satisfaction when the names of the LSPs were mentioned. The LSPs – as parties closer to waqf officers and beneficiaries – offer a link for waqf officers to satisfy downward accountability. Therefore, the extent of the achievement of holistic accountability seems to depend on the role of the LSPs, including whether the LSPs were able to be operationalise downward accountability to the beneficiaries. However, relying on others, i.e., the LSPs, to discharge (downward) responsibility and duty of accountability may prove to be too risky in the effort to achieve holistic accountability. Downward accountability may, in fact, be attained by making use of the existing hierarchical structure, i.e., the proximity of the district waqf officer (DWO) to the beneficiaries at district level. This is discussed next.

### **8.4.3 Making use of the existing structure: an opportunity for downward accountability**

In the case of SRC A, despite the waqf officers' limited scope of authority in directly discharging their responsibilities and duties of downward accountability, their close proximity to the beneficiaries at district level may actually offer them an opportunity to operationalise downward accountability.

The waqf officers' existing responsibilities, such as registration and periodic inspections, require them to meet people where the waqf properties are located. This includes the local community, the LSPs and the beneficiaries. They have already developed a good rapport with the local community during the course of discharging their formal responsibilities. A waqf officer noted that,

“I drop by at the local mosque or sometimes at a stall just to have a chat with the local community” (AO8, waqf officer)

A waqf officer informally visited a mosque within his/her district to keep abreast of any development in the area with regard to waqf issues. The mosque was chosen because it was one of the main places to meet the elderly in a certain area:

“If we would like to meet local people, clergymen, local reps, heads of village, we normally visit a mosque and join them in performing prayers together. During this time, all local contemporary issues including waqf are discussed informally. Of course they do not have a specific meeting agenda. Sometimes, between jokes and jest, they touch on relevant issues (in the local area)... (AO4, district waqf)

The meeting was more of a chat, where they met after prayers sitting on a floor, outside the pray hall.

“It is just an informal meeting. Sometimes after prayers, we meet them. Ask them how things are... about the mosque. Just an informal chat, sitting outside the mosque. At the same time, we ask about the waqf land in the area. They know that we are from the waqf unit of the SRC” (AO3, waqf officer)

The information gleaned from the informal meetings is normally taken to a higher body, such as the waqf manager and the Deputy Secretary of SRC A (AO3, waqf officer). This suggests that in carrying out their formal responsibilities, the waqf officers enjoy an informal relationship with the local community. A waqf officer illustrated how these informal encounters assist him towards informing the Deputy Secretary regarding inconsistent rental charges of waqf properties in an area.

“They told us that there are other waqf houses within the area, which are cheaper and in better shape... [they] ask why his house is rented out at a higher rate (AO3, waqf officer).

The above passage illustrates an instance where an informal chat between the local community and the waqf officer turns out to be the channel for the local community to voice their concerns. In this instance, the waqf officers were not aware of the different rental levels as they had been decided by a different department. In the above scenario, the matter was raised rather incidentally during their casual conversation. It was not planned. This empirical insight shows that the closeness and rapport with the waqf officers allowed the local community to share waqf-related concerns more openly. The informal relationship enjoyed by the waqf officers allowed them to address the local community’s concern by raising this matter. In other words, the informal process offered the opportunity for the waqf officers and the SRC to understand the needs and concerns of the local community.

This seems to further support Roberts’ (1991, p. 364) phrase “the formal depends upon the informal” even though the role of the informal chat may not be officially recognised as a feedback channel. An informal relationship with the local community that entails a greater understanding of their concerns seems to assist waqf officers in carrying out their responsibility and duty of accountability beyond the scope of their formal job description. They assume an additional responsibility as a result of being close to the local community. Although this proximity was originally and formally intended to enquire upon the state of waqf properties – for the purpose of periodic inspection – they found that they were being ‘used’ as a channel to relay the local community’s voice upward to the Deputy Secretary and the WMC. Therefore, while the formal responsibility of waqf officers seems to be limited to being the agent of the SRC, their

informal responsibility appears to thrust them into being the agents of the local community. This suggests that the operationalisation of downward accountability appears to be achievable in the current hierarchical structure, where waqf officers already enjoy a good rapport with the local community. This informal relationship can be capitalised upon to achieve a greater understanding of the beneficiaries/public needs, which moves closer to the achievement of holistic accountability.

#### **8.4.4 Downward accountability depending on the personal qualities of waqf officers**

While much of the literature argues for the beneficiaries and public to have the decision authority (for example, Najam, 1996), on-the-ground realities may hamper this ideal practice of downward accountability. O'Dwyer & Unerman (2010, p. 468) noted that,

“they may have little choice but to locate and actively use more educated members of the communities in the attempts to deliver aids effectively”

The rural nature of State B, where the community is not well educated, seems to contribute towards their reliance on the waqf officer – as the more educated member of the community – to decide upon their needs. Although the waqf officer seems to interpret the needs of beneficiaries on his own, his qualities – as an “educated member” and his closeness, as previously discussed, may identify him as someone who understands their needs. The waqf officer’s interpretation is not purely his own. The task of interpreting the beneficiaries’ needs does not seem to be originally initiated by the waqf officer. He seems to draw inspiration from the beneficiaries/public. The final decision on the type of project may rest on his choice, but he draws the idea from his engagement with the beneficiaries and the local community. The waqf officer noted that:

“This is determined by the suitability of the location and what the local community needs. We ask them, then we decide. We have to consider all aspects...” (BO2, waqf officer)

This underlines the approach towards realising the beneficiaries’ needs. It appears that despite his acknowledgement that the decision to initiate a project is his, the decision

seems to be guided by the engagement with the beneficiaries and the local community. The beneficiaries and the local community seem to be engaged and their input is used as one of the bases in the decision making process. He noted:

“We must look at the use of the waqf project. Do we have a user?..” (BO2, waqf officer)

This suggests that the input from the beneficiaries and the local community plays some role in determining the needs of the beneficiaries and the public. The case of the welfare home, where the physical layout was adjusted as a result of engaging the potential beneficiaries, shows that the input from the beneficiaries was considered and reflected in the decision making process. This gives the impression that the beneficiaries’ needs, as interpreted by the waqf officer, may actually be mutually interpreted, although the waqf officer may have the advantage in the final say. Although he may not explicitly recognise their contribution, the notion of the beneficiaries’ needs appears to take on a shared meaning (Roberts, 1996, p. 57) not entirely created by the waqf officer. Roberts (1991, p. 363) notes that,

“...my own understanding is engaged and elaborated only through and in relation to others, so that understanding takes the form of “shared operation” of which no one is identifiably the author...”.

The waqf officer may claim that a waqf project is his “opus”<sup>40</sup> but his decision may be inspired, albeit unconsciously, by his understanding of the beneficiaries’ needs when he informally meets them. He noted the process of engagement, stating that,

“...We do not do it officially. We do it indirectly at any small food stall, meeting local people. That is how we do it. We go talking to people, asking their opinion...” (BO2, waqf officer)

This suggests that the informal engagement with the local people may contribute towards the waqf officer’s understanding of the beneficiaries’ needs. The actual interpretation of the beneficiaries’ needs seems to be mutually authored by both the waqf officer – as he claims – and the beneficiaries/public – from which he appears to draw his inspiration.

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<sup>40</sup> This is explained in greater detail in Section 8.5.3b

The above quote mentions small food stalls. The direct translation from the quote is actually coffee shops (from the Malay language *kedai kopi*). The term '*kedai kopi*' carries cultural meanings in the case of the Malaysian rural area. It normally refers to small shops or stalls or sheds providing drinks and Malaysian cookies for customers. They are similar to coffee houses (Starbucks comes into mind) but a much stripped down version of them with a rather laid back setting. They are frequented by the local community to talk about everything. Therefore, they are places to meet local people, such as the area's elders. The phrase "let us discuss this at the coffee shop" is a commonly heard phrase. This implies that coffee shops are important places to meet local people. They act as 'meeting points' as well as places to get to know 'who's who' in the area. In the context of downward accountability, these places offer an opportunity for the waqf officer to identify and understand the needs of the local community within the area.

The above argument, however, does not suggest that the task of identifying, recognising and understanding the beneficiaries' needs should rest on the waqf officer. The ideal situation would still be for the needs to be actually defined by the beneficiaries/public. There should be a conscious effort to engage the beneficiaries and the public in operationalising their needs. However, any effort or/and characteristic which may move the interpretation and definition of needs towards one that privileges the beneficiaries – albeit unconsciously carried out – should be lauded (Unerman, 2007). This should bring us closer to the achievement of holistic accountability with an emphasis on downward accountability.

#### **8.4.5 Summary of the analysis of downward accountability**

The two SRCs presented two cases where downward accountability was experienced in two seemingly opposite extremes of the continuum. The effect of the hierarchical structure seems to prevent an effective practice of downward accountability. The beneficiaries' needs and aspirations are susceptible to dilution as the gap between them and the decision makers becomes wider. However, this appears to be addressed partly by

the LSPs, who act as partners. At the other end of the continuum, downward accountability seems to rely, for its operationalisation, on the waqf officer. In both cases, the practice of downward accountability may facilitate or impede the achievement of holistic accountability. In SRC A, the presence of DWOs at district level can potentially be used to strengthen and galvanise the effort to experience a fuller sense of downward accountability. This can be accomplished within the current hierarchical structure with a few adjustments. The input from waqf officers, being the closest party to the beneficiaries, should be given extra attention in the decision making process and especially in the development of waqf properties. This should be carried out while maintaining a continuous effort to consciously engage beneficiaries/public. However, in a situation where the waqf officer assumes wider discretion, there should be some governance structure to mitigate the risk of downward accountability becoming a sham. Although no evidence of the waqf officer in SRC B misusing his wider discretion to deviate from acting in the interest of the beneficiaries/public was discovered – hence moving away from achieving holistic accountability – it appears to be too risky to depend entirely on the waqf officer to interpret and operationalise downward accountability without any checks and balances mechanism.

The findings in this section suggest that downward accountability requires a balanced approach between the tight concept of hierarchical accountability, the effect of which may hinder the achievement of downward accountability, and the wide discretion afforded to the waqf officer, which may lead to a self-determined interpretation of downward accountability.

### **8.5 Achieving holistic accountability through felt accountability**

Felt accountability depends on an individual's internalised values (Schlenker and Weigold, 1989, p. 36) to operate. It relies on the individual rather than the organisation to operationalise. Table 3.2 (Chapter 3) outlined the concept of felt accountability (and its similar notions) from literature from both an individual and an organisational perspective. This is re-presented below, separating the individual's and the organisation's perspectives of felt accountability. The organisation's perspective of the

individualised form of accountability discussed by Ebrahim (2003b) and Najam (1996) concerns how values are operationalised through the mission statement of an organisation, however, this thesis focuses on how values are operationalised through the felt accountability of individual waqf officers.

Study	Individualised accountability	Characteristics
<b>Individual perspective</b>		
Unerman & O'Dwyer (2006)	Identity accountability	Decides own scope of accountability. May feel no responsibility to others
Lindkvist & Llewellyn (2003)	Individual R/A <sup>41</sup> for values	Initiative, engage in imagining, decide own responsibility within set limit
Hall et al. (2003)	Felt accountability	Individualised subjective perception. Expectation of reward/punishment.
Sinclair (1995)	Personal accountability	Idiosyncratic. Powerful and binding.
Schlenker & Weigold (1989)	Self accountability	Conform less to other's expectation
Joas (1976)	'I' part of individual	Initiative and creative.
<b>Organisation perspective</b>		
Ebrahim (2003b)	Accountability to mission	Mission statement links values and conduct.
Najam (1996)	Accountability to themselves	Stay true to original dream/vision

**Table 8.1: Classification of individualised forms of accountability**

### 8.5.1 Nature of felt accountability

Hall et al. (2003) define felt accountability from the perspective of the individual. They argued that the reason for felt accountability being more powerful than the imposed form of accountability is due to the fact that the individual is more responsive to his/her "subjective perceptions" than to "objective realities" (Hall et al., 2003, p. 32). This perception, which can be drawn from "personal religious or moral values" (Hall et al., 2007, p. 412) drives his/her decisions and actions. This suggests that the way felt accountability operates appears to rely heavily on the values held by the individual. For example, if the 'voice' of the values informs an individual to pursue the beneficiaries' interest, this felt accountability would correspond to downward accountability (Kilby, 2006). If, however, the values encourage an individual to achieve instrumental objectives, such as profit targets, it follows that felt accountability coincides with hierarchical accountability (Lindkvist and Llewellyn, 2003, p. 264). This understanding offers two insights, i.e., first, values, which may be drawn from religious beliefs and personal experience, guide felt accountability; and, second, different values may channel

<sup>41</sup> Responsibility/accountability

an individual’s felt accountability towards achieving different forms of accountability – purely hierarchical or purely downward or both (i.e., holistic) or neither. The above two insights concerning the operationalisation of felt accountability are incorporated into the theoretical macro view of holistic accountability highlighted in Chapter 4.

In both SRCs, the felt accountability plays the role of operationalising both hierarchical upward and downward accountability. This is conceptualised in the following figure.

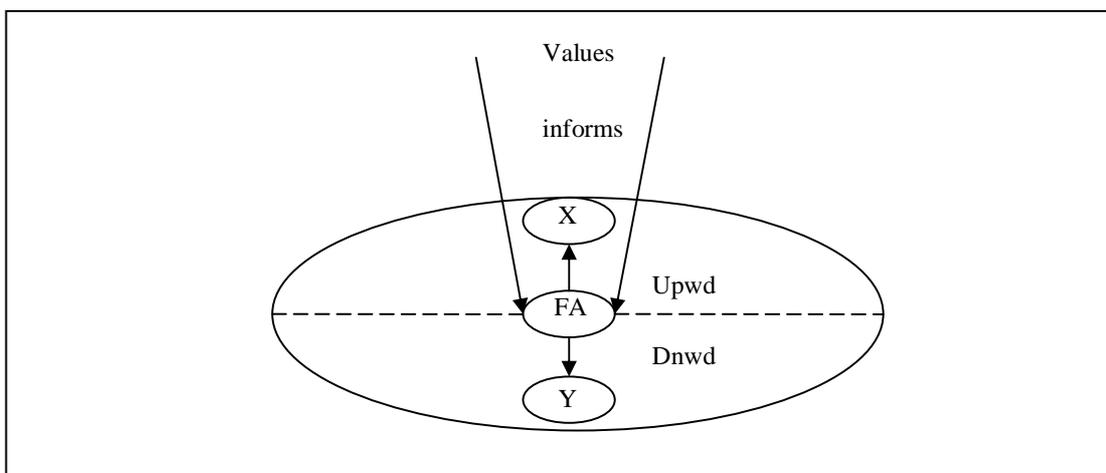


Figure 8.3: Macro view of holistic accountability

In the above figure, Islamic values theoretically influence the felt accountability of waqf officers (denoted as FA) to operate holistic accountability both upwardly towards authority (X) and downwardly towards the beneficiaries/public (Y). Islamic values motivate the waqf officers’ felt accountability to enact hierarchical upward accountability and to experience downward accountability. This notion was captured in a response from the waqf manager:

“Whatever we do... our reporting to the board, our dialogue with the people, resolving unregistered waqf properties, undertaking periodic inspections... if we consider that as a normal job, we can dilly dally doing it... [but] If we realise that we are going to be asked later... our misuse, our procrastination... that we are accountable to Allah, I am sure that we will undertake our job to the best of our ability...” (AO2, waqf manager).

The reporting to the board and the periodic inspections reflect the discharge of hierarchical accountability, while the dialogue and resolving unregistered waqf property

issues (i.e., carrying the old, frail donor) characterise the discharge of downward accountability. Felt accountability seems to influence both hierarchical upward and downward accountabilities.

However, the operationalisation of felt accountability may also be restricted by the effect of hierarchical accountability. Hierarchical accountability induces a separation of responsibilities into fragmented departments (Lindkvist and Llewellyn, 2003). Felt accountability is influenced by (the effect of) hierarchical accountability. This suggests that the effectiveness of felt accountability depends on the (effect of) hierarchical accountability. By fragmenting waqf responsibilities and entrusting them to several departments, hierarchical accountability prevents the waqf officers from operationalising their felt accountability. This then hinders the ability of waqf officers to discharge their downward accountability.

“We cannot do anything because our responsibility goes up to a certain point only”  
(AO3, waqf officer)

At the other end of the continuum, entrusting a wider autonomy to waqf officers – especially when there is only a sole waqf officer – may jeopardise the chance of achieving holistic accountability. The waqf officer may disregard other people’s opinions – including the beneficiaries/public – in discharging his/her responsibilities and duties of accountability. He who “demarcates the extent of [his] own responsibility” (Lindkvist and Llewellyn, 2003), may define the “beneficiaries’ needs” according to his own interpretation. A waqf officer noted that:

“The people do not need this mosque... they can build it themselves... But this kind of project... they cannot do...” (BO2, waqf officer)

The waqf officer had decided by himself that the local people did not need a mosque in the area. He had decided upon the needs of local people. He may have his reasons to support his argument (there was already a mosque in a nearby area or there was no access road or the cost of developing was higher than the cost of the land<sup>42</sup>), but what he perceives to be in the interest of the local community “may differ substantially from

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<sup>42</sup> These were all the reasons given by the waqf officer.

[their] perceptions of their own interests” (Unerman and Bennett, 2004, p. 690). While the level and extent can be debated, this suggests that any decision regarding the needs of the beneficiaries/public should be undertaken by engaging them.

This suggests that the achievement of holistic accountability depends on the felt accountability of waqf officers who are responsible for managing waqf properties. This felt accountability is theoretically informed by the waqf officers’ values. This insight puts the waqf officers at the centre of attention as they – and their values – are the party who can influence – positively or negatively – the achievement of holistic accountability. However the empirical findings from both SRCs seem to suggest that there are other factors – in addition to Islamic values – that influence the way waqf officers carry out their responsibilities and duties of accountability, such as the way waqf responsibility is structured. The waqf officers are restricted or given wider autonomy to discharge their responsibilities and duties of accountability. The extent of the influence of Islamic values on the felt accountability of waqf officers appears to be limited if the structure of waqf responsibility is not seen as enabling. These two drivers of felt accountability, i.e., Islamic values and the structure of organisation (restricting or enabling) are discussed in the next two sections as the drivers and the obstacles of felt accountability.

### **8.5.2 Drivers of felt accountability**

There are two main factors driving the felt accountability – Islamic values and autonomy. These are discussed in turn.

#### **8.5.2a Islamic values as the main driver**

The main driver of felt accountability in both SRCs seems to be the adherence to Islamic values. Values guide the direction of felt accountability. Scholars such as Lissner (1977, p. 74) and Schweiker (1993, p. 239) contended that values can be drawn from religious beliefs and personal experience. The felt accountability that is drawn from Islamic values – specifically, the understanding of the unity of God and the Day of Judgement – appears to offer two seemingly opposite effects, i.e., an individual is both free and

restricted. The constant state of awareness – that God is watching and takes account of everything – seems to restrict the waqf officer but the intangible and ‘delayed’ rewards/punishment allow him a measure of freedom. This extends our understanding of the individualising effect of hierarchical accountability. This was illustrated by a waqf officer:

“...we may be able to avoid punishment in this world [should we not undertake our responsibilities]. But we still have to face our reckoning in the Hereafter” (BO2, waqf officer)

This quote illustrates the influence of Islamic values on his felt accountability. He explains that a waqf officer may be able to avoid punishment or/and monitoring from a superior such as the WMC, perhaps by coming up with credible excuses. However, he/she realises that the failure or/and the absence of any attempt to discharge his/her responsibilities will be assessed again in the Hereafter, which he/she will not be able to avoid. Ansari (2001, p. 328) notes that every single detail of action or/and inaction will be accounted for on the Day of Judgement. This is noted in the Qur’an verse 17:13-14:

“Read your record. Today, there need be none but yourself to make out an account against you”.

Despite their ability to avoid query, scrutiny and punishment, waqf officers know that this action (of avoiding undertaking responsibility) will not bear any significance in the Hereafter as it will be still be recorded and accounted for. This felt accountability – that his/her success in the Hereafter will depend on his/her performance in this world (Lewis, 2001, p. 113) – motivates him/her to carry out his/her responsibilities. This suggests that waqf officers are aware that they are expected to accomplish their responsibility and that this expectation is not of ‘human’ origin. It comes from a “higher principal” (Laughlin, 1996). This was expressed by waqf officers from both SRCs,

“If they cannot enjoy the benefit of waqf properties, how can we feel comfortable with our job... God will ask us... ” (AO2, waqf manager)

“Tomorrow, when God will ask ‘have you developed the properties?’. [And my answer will be] ‘I’ve tried my best but I failed’... God willing, He may accept my

failure. But if I do not even try [to develop]...well, I don't know... it's difficult..."  
(BO2, waqf officer)

In both occasions, the waqf officers mention that God will be asking them about their responsibilities. They acknowledge that the 'accountable meeting', i.e., the day God will ask about their responsibilities, will happen in the Hereafter, in the words "Tomorrow when God will ask...". The use of the words 'tomorrow' and 'when' (instead of 'if') implies their belief that the 'meeting' will definitely happen in the future. Ahmad (1999b, p. 32) notes that "a new world will be resurrected. It will be in this life-after-death that man will be rewarded or punished for his deeds and misdeeds". This suggests that they consider God as the 'ultimate audience' who 'evaluates' and 'decides' on their action/inaction and will 'reward' or/and 'punish' them accordingly in the Hereafter. This language seem to resonate the definition of felt accountability offered by Hall et al. (2003, p. 33), i.e.:

"an implicit or explicit expectation that one's decisions or actions will be subject to evaluation by some salient audience(s) with the belief that there exists the potential for one to receive either rewards or sanction based on this expected evaluation"

Their belief in God as the sole salient audience, as discussed earlier in the chapter, and the Hereafter as the place where rewards and sanction will be given, resonate with the concept of unity (Ansari, 2001, p. 157, Lewis, 2005, p. 16, Maali et al., 2006, p. 271) and the concept of the Day of Judgement as the final accountability (Haniffa and Hudaib, 2010, p. 6, Smith and Haddad, 2002, p. 2). The belief in the unity of God and the Day of Judgement are two of the six articles of Islamic faith. (Mawdudi, 1960, p. 85) This suggests that the felt accountability of waqf officers, i.e., their "individualised subjective perception of accountability" (Hall et al., 2003, p. 32) appears to draw heavily from Islamic values.

While the hierarchal relationship between waqf officers and their God results in individuals who are fearful of God, at the same time, the absence of immediate and tangible benefit/harm gives them freedom to carry out (or shirk) their responsibilities and duties of accountability. Mawdudi (1960, pp. 98-99) notes that, as a result of this understanding:

“His vision is enlarged, his intellectual horizon widens, and his outlook becomes liberal and as boundless as is the Kingdom of God... [he/she is] indifferent to, and independent and fearless of, all powers other than those of God. He never bows his head in homage to any of God’s creatures, nor does he stretch his hand before anyone else”.

This suggests that an Islamic-drawn felt accountability can change the perspective of how one perceives one’s responsibility. The felt accountability seemed to expand – rather than dampen – the perspective of waqf officers to carry out their responsibilities and duties of accountability. Taking God as the audience, as opposed to other human beings, offers a positive perspective on the individualising effect of hierarchical accountability. The preoccupation with how one is seen is regarded as a source of motivation instead of a source of anxiety (Schlenker and Weigold, 1989, p. 28). Felt accountability can develop a sense of “fear, vulnerability and fealty” (Sinclair, 1995, p. 233). However, for waqf officers who hold strong Islamic values, the perspective changes in that the fear of God, their vulnerability in God’s eyes, and the fealty to Islamic values contribute towards their felt accountability. Haniffa & Hudaib (2010, pp. 6-7) suggest that:

“The fear of God in private and in public should help in establishing justice and... deter those entrusted with power from abusing their position...”

The felt accountability, which is drawn from the fear of God, encourages waqf officers to establish justice and warns them against violating their trust and position – as God’s servants and waqf officers – by carrying out their responsibilities and duties of accountability. This felt accountability, despite its arcane characteristics, may be very forceful in determining the actions and the decisions of waqf officers. It becomes an “unassailable principle” (Sinclair, 1995, p. 232), “powerful and binding” (Sinclair, 1995, p. 230).

As a result of having felt accountability, the waqf officers seem to take more initiative, and be more creative and imaginative (Lindkvist and Llewellyn, 2003, p. 256). This can be seen from the attitude of waqf officers’ from both SRCs, where their efforts exceed the limits written in the desk files. A waqf officer noted that:

“So we have to rely on ourselves, work our socks off, find ways and means to do things simply because we cannot just ignore that waqf donated from people goes undeveloped” (BO2, waqf officer)

The waqf officer seemed to highlight his hardworking nature (work our socks off) and his initiative taking attitude (find ways and means). Lindkvist & Llewellyn (2003) see an individual with a strong felt accountability as a creative being. He/she takes initiatives and “engages in imagination, finding ways and means to somehow discharge his/her felt accountability. The individual establishes his/her own scope of responsibilities based on what he/she feels to be right. This was similarly noted in SRC A, where waqf officers are willing to go the extra mile in ensuring that the registration process is complete.

“...I arrange for the land officer to come to the donor’s house so that the donor can sign the 14a form at home [rather than at the land office]... After the process is done, I send the land officer back... (AO3, waqf officer)

“in some cases, the donors are too old, frail and immobile. In this case, we will fetch them at their home and bring them to the land office ... even carrying them... and send them back home... so as the sole trustee, we must assist them...” (AO2, waqf manager).

The above quotes illustrated two cases where the felt accountability of waqf officers required them to go beyond the scope of bureaucratic procedures. The first case was special because of the status of the land officer. It is very rare to see a land officer go to a private house for the purpose of signing a land document – to effect a process of ownership transfer. The land officer is normally a well-respected person at district level, and the fact that the waqf officer managed to arrange his/her visit implies that he had carried out his responsibilities and duties of accountability beyond the scope of stipulated bureaucratic procedures. Meanwhile, the second case is to be considered special because of the waqf manager ‘carrying’ the donor. The word “carrying” is translated from a Malay word ‘*dukung*’. The word is normally used in the context of carrying a baby, where the baby is held close to the chest of the carrier/mother. It means that the waqf officer had to physically lift the donor and carry him/her from his/her house to a car, which, in this case, was parked at some distance because the house was not easily accessible by car (AO2, waqf manager).

The above two examples highlight the extent to which waqf officers are taking initiatives in carrying out their responsibilities beyond bureaucratic requirements. The formal hierarchical responsibilities and duties of accountability, which are stated in the desk files, do not require them to go to such an extent. The empirical insights seem to suggest that the motivation for carrying out the responsibilities lie beyond their hierarchical responsibility. In other words, they would not be held accountable if they did not undertake such responsibilities because they are not stated in their desk files.

“If I were to follow the bureaucratic procedures, this is not my responsibility. It is not there in my desk file... (AO3, waqf officer)

“...A lot of red tape everywhere in the process. This requires me to ‘climb’ up and down several times to government offices just to get an approval” (BO2, waqf officer)

This suggests the extent to which the waqf officers are willing to both defy the conventional steps of desk files and stretch beyond bureaucratic procedures. This is noted by Fry (1995, pp. 188-9), who argues that:

“This sense of accountability extends beyond what would normally be seen as a job or role boundary...Thus, the accountability becomes nurturing and enabling, and the responsibility is truly felt”

He argued that, when a responsibility is not dictated by a formal job scope, accountability has an impact that is enabling and empowering. When a waqf officer is willing to go beyond complying with hierarchical responsibilities and duties of accountability, it indicates that he has already internalised his/her responsibility. As he/she is “less imprisoned by the hierarchy of system” (Lindkvist and Llewellyn, 2003, p. 257), it appears that felt accountability motivates him/her to carry out his/her responsibilities. Waqf officers are not ‘feelingless’ and mindless automatons following hierarchical orders (Willmott, 1996, p. 32) – they are able to think of the interests of others (Lindkvist and Llewellyn, 2003) concerning what is the best way to ensure that their responsibilities are discharged. “The real work” (Fry, 1995, p. 185) involves more than what is prescribed in the desk files. For example, their desk files only stipulate that they must register all waqf properties into the SRC’s name. However, the details on how to accomplish this registration process appear to rely on the interpretation of the

individual waqf officer. Faced with different situations and donor conditions, waqf officers need to be creative in carrying out their responsibilities. It seems that the urge to satisfy the objective that all waqf properties be registered under the SRC, despite a lack of tangible rewards – “our bonus will still be one month (BO1)” – motivates them to think beyond bureaucratic boundaries. In the case of SRC B, the initiative taking attitude of the waqf officer seems to allow him to pursue several different waqf projects.

“This is my own initiative. The clinic, the welfare home, the hospital, the plantation. All of them from nothing to something...” (BO2, waqf officer)

In SRC B, initiative and the creativity appear to be attributable to his personal experience as a bank manager. Lissner (1977, p. 74) notes that personal experience can underpin the value system of an individual. Based on their values system, derived from their “entire life/world background”, waqf officers engage in “an internal dialogue” to determine the proper scope and content of their responsibilities” (Lindkvist and Llewellyn, 2003, p. 265). The waqf officer notes that it is “like a journey... creating something from nothing”. His experience working in a private sector setting gives him a different perspective on how to undertake certain responsibilities. There was no “detailed instructions on how to carry out your duty”. Therefore, “how to be creative is not in the job description” (BO2). This way of undertaking responsibilities seems to be embedded in him. He had seen how his bank customers were able to build factories/shop lots and he was heavily involved in the process. This inspired him to do the same, noting that, “if they can be successful with loan money, why not the SRC... we are very liquid. We do not have gearing...” (BO2). In this instance, the waqf officers felt that they would have let the donors down if they had not done anything with the funds and the property donated to the SRC (for waqf purposes). A waqf officer noted that:

“We need to have a forward thinking mindset. That’s why those who cannot read my mind, claim that I am wasting the SRC’s money...” (BO2, waqf officer)

The above passage elucidates that the scope of the waqf officers’ responsibility lies in their creative mind. Their way of thinking and the way in which they undertake their responsibilities and duties of responsibility are not bound by a hierarchical structure. It

seems to be motivated by their felt accountability, which encourages them to be more creative and imaginative, and show initiative in their actions.

However, the waqf officers in SRC A are relatively young and inexperienced individuals. They do not have a similar experience to the waqf officer in SRC B but they seem to be very passionate and enthusiastic. They seem to be very eager to assume more responsibilities than what are stipulated in their desk files. They are willing to go beyond a “certain point” (AO3) indicating that they do not have any problem working beyond their written scope of responsibility, as long as it will benefit the beneficiaries/public. Their enthusiasm and willingness to “take responsibility” (Ebrahim, 2005, p. 59) and to assume greater responsibilities are noted in their response; that they would like to be involved “from A to Z” (AO3 and AO4).

Being aware that donors count on them to develop beneficial projects may contribute towards their relentless efforts to carry the frail donor, to bring the respected land officer and to climb up government office stairs beyond bureaucratic procedures. These issues – creativity, initiative and imagination – are not apparent in the concept of felt accountability suggested by Hall et al. (2003). While, it is discussed by Lindkvist & Llewellyn (2003), they do not offer any empirical evidence to support their conceptual argument.

#### **8.5.2b Autonomy as an enabling driver for felt accountability**

In addition to values, another driver enabling operationalisation of felt accountability is the autonomy of the waqf officer. Lindkvist & Llewellyn (2003) argued that being a creative and imaginative individual who shows initiative does not imply that one can randomly follow his/her own impulses at will. This person is entrusted to,

“think and act both wisely and in the interest of the organization” (Lindkvist and Llewellyn, 2003, p. 256).

Being creative, taking initiative and engaging one's imagination sits between the external rule and the inner impulse (Joas, 1998, p. 13). That is where autonomy is achieved (Joas, 1998, p. 13). Lindkvist & Llewellyn (2003, p. 257) noted that:

“Creative imagination is thus the key to autonomy...”

The waqf officer in SRC B seems able to create something – to be creative – as he enjoys a relatively wide autonomy in the management of waqf properties. He noted that,

“I am given freedom by my boss who is willing to take risks and try new things. He dares to take risks. As long as I can prove that the waqf properties benefit the public, he will support me” (AO2, waqf officer)

This echoes the argument made by Lindkvist & Llewellyn (2003, p. 267) when they argued that “the individual is trusted and given considerable discretion within set limits”. This illustrates that the waqf officer is given freedom subject to “the interest of the organisation”, which is monitored by his superior. This “boss” appears to represent the ‘external rule’ (Joas, 1998), which broadly governs the way the waqf officer carries out his responsibilities. The waqf officer is given some conditional freedom in his responsibilities to the extent that his waqf projects benefit the public, i.e., “all waqf properties must have users” (AO1, Deputy President). This suggests that the waqf officer in SRC B who seems to enjoy taking initiative and enjoys the support of his superior (hence some autonomy) is able to operationalise his felt accountability. As discussed in Chapter 7, all waqf related processes are carried out by him, from registration, to planning, to development and maintenance. This wider autonomy seems to facilitate him in operationalising his felt accountability beyond formal hierarchical responsibility. Felt accountability encourages the waqf officer to strive towards developing waqf properties “from nothing to something” in order that they will benefit the beneficiaries and the public. This responsibility is self created out of his ability – autonomy – and his willingness – creativity, initiative taking. Lindkvist & Llewellyn (2003, p. 256) argued that:

“Instead of being subordinated to systems of accountability, the individuals here must engage in an internal dialogue in which, given their own judgements of duties and their

capabilities, they question themselves as to the proper scope and content of their responsibilities” (Lindkvist and Llewellyn, 2003, p. 256)

When I interviewed the waqf officer, BO2, in SRC B, he exuded a strong sense of determination. Despite some pessimistic views and queries from officers of other departments and scrutiny from the WMC, he seemed to be determined to ensure that his waqf projects materialised. He noted, “that’s why those who cannot read my mind claim that I am wasting the SRC’s money...” (BO2, waqf officer). The waqf officer relies strongly on himself, engaging in internal dialogue on whether a project should be carried out or not. A waqf officer with a strong felt accountability considers his responsibilities and duties of accountability – real/written or/and felt/unwritten – as a challenge for him to be creative and persistent, and show initiative (Schlenker and Weigold, 1989, p. 37).

### **8.5.3 Obstacles and problems in operationalising felt accountability**

Despite the existence of the drivers, there are several obstacles and problems that can impede the extent of its operationalisation, i.e., the divisive effect of hierarchical structure and the waqf officers own interpretation of beneficiaries’ needs.

#### **8.5.3a Suppression through the divisive effect of hierarchical accountability**

O’Dwyer & Unerman (2008) argued that the emphasis on the hierarchical form of accountability may have an adverse effect on the achievement of holistic accountability. It is the ‘form’ of accountability that affects holistic accountability. However, in a waqf setting, it appears that the effect of hierarchical accountability – in addition to its form – influences the achievement of holistic accountability. Hierarchical accountability may project a divisive effect in the way it organises responsibilities and duties of accountability. The division of waqf responsibilities is illustrated by the Deputy Secretary of SRC A:

“A donor comes to meet our district waqf officer to do waqf. After our waqf unit deals with the land office, we can develop or use the properties straight away, depending on the type of properties. We have the Planning Department and the Development

Department to do this. Then, if the properties need maintenance, we have the Maintenance Department. To draft a legal document for a rental agreement we have the Legal Department. We have the Accounting Department to account for the revenue and we have the Audit Department to check our activities...” (AO1, Deputy Secretary)

The above comment demonstrates that the way waqf properties are managed is spread over several departments. The three core processes – registration, planning and development/maintenance – are carried out by three different departments. This is the effect of hierarchical accountability, where the responsibility of managing waqf properties is fragmented. Drawing from Foucault, Roberts (1991, p. 359) notes that hierarchical accountability has an effect in terms of the way it “compares, differentiates, hierarchizes, homogenizes, excludes”. Responsibilities are partitioned and separated as solidly as possible (Roberts, 1996, p. 47). This is further expanded on by Lindkvist & Llewellyn (2003, p. 263) who state that hierarchical accountability creates a fragmented work responsibility. Attributing this divisive effect to bureaucratic accountability, they note that an individual is separated from his/her co-workers into offices and carries out his/her own responsibility according to ‘rules and plans’. The discharge of responsibility and duty of accountability is accomplished when each one in his/her respective offices performs a designated responsibility which is hierarchically decided by the top management (Lindkvist and Llewellyn, 2003, p. 265). The effect of hierarchical accountability “...constitutes a coherent body of response... displaying action sequences [through] division of labour...”

However, the effect of hierarchical accountability seems to limit the potential of felt accountability.

“We would like to see all the work processes done by us, the waqf unit. We should do everything from A – Z... What happens now is that some of the tasks are not under our responsibility. Our responsibility is limited to registration and inspection only. After that, we cannot do anything further” (AO3, waqf officer)

The above comment characterises the limited scope of responsibility experienced by waqf officers. The waqf officer feels that his current responsibility of registration and inspection does not allow him to fulfil the objectives of waqf. He feels that leaving other responsibilities – such as the development of waqf properties – to other departments may not result in the best interest of the beneficiaries and the public. Najam (1996, p. 348)

states that the ‘original dream’ of an individual may not be shared by another, especially if the latter is not involved in the field. In the context of waqf, officers from other departments may not share the same dream of the waqf officer. The original dream – that a waqf property should be used to benefit the beneficiaries and the public – may be diluted as the task of managing waqf properties is transferred to different departments. In other words, the degree of felt accountability may differ between waqf officers and others. The waqf officer noted that officers from other departments do not deal directly with the public and the beneficiaries:

“But they [people from other departments] do not deal directly with local people. They do not feel what we feel. This is perhaps why there is no development of waqf properties” (AO3, waqf officer)

As a result, the waqf officer seems to crave for more responsibility and autonomy so that he/she could put into effect the ‘development’ that he/she feels suits the needs of the beneficiaries and the public.

“We leave it to the Property Development Department because development and provision of services and facilities are their responsibility...” (AO4, waqf officer)

The above two quotes from the waqf officer appear to suggest that the lack of development and provision of services and facilities is attributable to transferring waqf-related responsibilities to other departments. Stated differently, they seem to suggest that waqf-related responsibilities should be handled by the waqf unit “from A to Z”. Another waqf officer noted:

“If this approach to the management waqf properties remains, I don’t think we can achieve the objectives of waqf...” (AO4, waqf officer)

In the above response, the approach mentioned by the waqf officer refers to excluding waqf officers from development matters. The tone of his reply was quite sombre yet assertive enough to suggest that he really believes that the way waqf properties are managed should change, where the views of waqf officers must be taken into consideration in the development of waqf properties.

### 8.5.3b Idiosyncrasy: self-interpreting the beneficiaries' needs

Some studies, such as Kamat (2004) and Peruzzotti (2006), argued that beneficiaries' needs ought to be defined by the affected beneficiaries themselves rather than other people. In other words, downward accountability is best operationalised by understanding the actual needs and aspirations of the beneficiaries through their own accounts. In waqf settings, especially in SRC B, the empirical insights show that the beneficiaries' needs seem to be determined by the waqf officer. He noted:

“This is my opus, my creativity... then I make my recommendation to the WMC...”  
(BO2, waqf officer)

In the above quote, the word opus was translated from the Malay word '*karya*'. This is normally used in conjunction with artistic work. The conventional translation of '*karya*' would be 'work' but to refer to it simply as 'work' seems insufficient because the word *karya* contains a sense of creativity. The English word 'work' does not seem to capture the essence of the Malay word "*karya*". Hence, the word 'opus' was used instead. This gives the impression that the waqf officer seems to own his 'opus' – the waqf project. Thus, he interprets the needs of the beneficiaries and the public. The waqf officer relies on himself to decide what he deems to be best for the people. This seems to be a risky approach because there is a possibility that his interpretation of the beneficiaries' needs may not correspond to their actual ones (Najam, 1996, p. 347). In this case, downward accountability to the beneficiaries/public seems to be vulnerable to a “sham of accountability” (Najam, 1996, p. 346). He may ignore the opinion of others – including the beneficiaries – in arriving at his definition of the beneficiaries' needs because an individual with strong felt accountability conforms less to the expectation of others (Schlenker and Weigold, 1989, p. 36). This is noted from the response of the waqf officer,

“The question of whether other officers like the way I work is not important... I do not work for them...” (BO2, waqf officer)

This highlights the idiosyncratic nature of an individual with a strong felt accountability. The waqf officer seems determined to push through with his waqf projects. Although he

is still bound by the hierarchical structure, there is a sense of a strong determination for him to undertake his responsibilities and duties of accountability, as he deems appropriate. He may choose to disregard other people's opinions as long as he feels that what he does is right – arguably guided by his Islamic values. He noted that:

“The most important thing is that the project must benefit the public. Whatever they say, I just listen. If their opinion merits response, I will explain. If not, I just have to accept it and let it go. Because in the end, the waqf project speaks for itself” (BO2, waqf officer)

In the above passage, the waqf officer highlights an instance in a typical meeting where he is queried about his project. Despite the need to still ‘listen’ and ‘explain’ in the meeting – a notion of hierarchical accountability – he is determined to ensure that his felt accountability is discharged through the realisation of the waqf project. Unerman & O’Dwyer (2006, p. 356) call this an ‘identity accountability’, where,

“individuals... may... feel a ‘responsibility’ to be accountable or answerable to themselves in the form of their values, missions and culture... [but] may equally feel no such responsibility to be accountable to many other stakeholders...”

In the above response, the waqf officer might feel more accountable to the public, i.e., ‘the project must benefit the public’ than the board of the meeting. Based on this felt accountability, he will ensure that the waqf project is pursued. Sinclair (1995, p. 231) noted that:

“Those who exhibit personal accountability are regarded as difficult to manage. In other words, they won’t do what’s required of them, if they think it’s required for the wrong reasons”

Based on the analysis by Sinclair (1995), the waqf officer of SRC B seems to possess some characteristics of being difficult to manage. Although he may still have to be accountable to the WMC, the legal requirements, and to his desk files, these hierarchical accountabilities do not seem to satisfy his felt accountability. The scope of felt accountability seems to extend beyond hierarchical accountability.

This argues that felt accountability may hold its risks and opportunities. This idiosyncratic nature of felt accountability may result in an individual with a strong sense of initiative who demarcates his/her own scope of responsibility. This is the active part of an individual – the ‘I’ part – which is more liberating than the ‘me’ part, which is constricting because an individual is ‘nervously preoccupied’ with how he/she is seen (Roberts, 1991). However, felt accountability can metastasise into dangerous accountability risks if it is left unchecked, the risk of privileging his/her own views and values at the expense of other people’s.

### **8.5.3 Summary of the analysis of felt accountability**

The empirical findings show that despite their strong influence on waqf officers, Islamic values alone appear to be insufficient to operationalise felt accountability. There are other factors that facilitate or impede its operationalisation. In addition to values, the impact of felt accountability is determined by the presence of drivers, such as structure of organisation and the obstacles and problems associated with the structure. Particularly, the autonomy accorded to the waqf officer seem to facilitate the operationalisation while the divisive effect of hierarchical structure and waqf officer’s own interpretation of the needs of beneficiaries has the tendency to impede the achievement of downward accountability. The waqf officers in SRC A have shown that they were only able to operationalise their felt accountability within their hierarchical restriction. Insights from the empirical findings suggest that they are not given sufficient autonomy to fully operationalise their felt accountability although they do not seem to be short of creativity. In contrast, the waqf officer in SRC B is able to operationalise his felt accountability because he possesses both the main driver (Islamic values) and the enabling driver (autonomy) despite its attendant risks. The closeness of the waqf officer to the beneficiaries and his personal qualities seems to allow him to appropriately interpret the needs of the beneficiaries.

## **8.6 Conclusion: holistic accountability in a waqf setting**

As a practice inspired by Islamic belief, waqf offers an opportunity for values to inform the practice of accountability. Using the concept of holistic accountability, Islamic values are conceptualised to influence the way holistic accountability is experienced and enacted. Hierarchical upward and downward accountabilities are potentially operationalised by the felt accountability of waqf officers. The empirical findings suggest that the extent to which holistic accountability operates and the factors influencing its operationalisation seem to be affected by more than just Islamic values. While empirical findings suggest that Islamic values embrace both hierarchical upward and downward accountabilities, there are other factors which facilitate such as autonomy or impede (e.g., divisive effect and self-interpreted beneficiaries' need) the achievement of holistic accountability.

Felt accountability turns waqf officers into creative and imaginative individuals. This seems to facilitate the achievement of holistic accountability. To realise their full impact however, waqf officers need to be given some autonomy. Confining their responsibility – either by segmenting waqf duties into fragmented tasks or insisting on the compliance with bureaucratic procedures – may frustrate them and reduce their chances of achieving holistic accountability. It creates a sense of frustration because the waqf officers are almost helpless in satisfying their holistic responsibilities. Fragmentation of responsibilities can serve to enact hierarchical accountability, as that is arguably the objective of fragmentation (Lindkvist and Llewellyn, 2003). It impedes the ability of waqf officers to discharge their downward accountability. Waqf officers were prevented from taking part and/or given little scope in the decision making process, which impacts on the beneficiaries/public. Where they fail to satisfactorily operationalise their felt accountability, they turn to waqf partners, i.e., LSPs, which are closer to beneficiaries, to assist them in channelling their felt accountability. This, however, requires that the LSPs share the same objective or/and values, which seems to be the case so far. However, should the LSPs' objective be different (such as the establishment of a retirement house to enhance the patron's image), this may not only deny the realisation of their felt accountability, it may also jeopardise their chance to achieve holistic accountability.

At the other end of the continuum, there is also the danger of leaving waqf officers solely responsible for the managing of waqf properties, especially when there is a sole officer. His definition of downward accountability may be drawn from his perception of the beneficiaries' need. He defines what he perceives to be the beneficiaries' needs, which could be substantially different from their actual ones, and, in turn, fail in the discharge of downward accountability.

Felt accountability has great potential as a means to achieve holistic accountability. While Islamic values can be used to provide the theoretical lens for felt accountability to achieve holistic accountability, their practical operationalisation seems to depend on many factors such as taking initiative, attitude, autonomy, experience and knowledge, the existing hierarchical structure and the presence of partners (and their values). These internal and external factors should be kept in balance to avoid the tendency of any dominating factor to hinder the potential of felt accountability to achieve holistic accountability.

## CHAPTER 9 : CONCLUSION

### 9.0 Introduction

The purpose of this chapter is to review the findings of the thesis and to reflect on the theoretical framework. This chapter comprises six sections. It starts by drawing and summarising the conclusions from each previous chapter. In the second section, it draws the main conclusions, which are linked to the research objective of the thesis and considers their implication on the policy. The third section discusses the contribution to literature on waqf, accountability and its implications for the theoretical framework. Section four considers the limitations of the research and possible areas for future research; section five reflects on the theoretical framework. Section six offers closing comments.

### 9.1 Summary of the arguments within the chapters

The introductory chapter explained that the aim of the study was to examine how accountability may inform and improve the way waqf properties are managed by State Religious Councils (SRCs) in Malaysia. Based on this aim, three research objectives were identified: first, to examine the way in which accountability is experienced and enacted in the waqf setting in Malaysia; second, to assess the extent of holistic accountability in such a setting; and, finally, to analyse the factors facilitating or/and impeding the operationalisation of holistic accountability.

The review of waqf literature in Chapter 2 showed that there is increasing attention given to waqf issues as waqf properties are argued not to sufficiently benefit the public and the beneficiaries. In response to this concern, the way waqf properties are managed has undergone several changes; from an individually managed setting to a government managed one to the involvement of private businesses. The trends and the study of improving the way waqf properties are managed is inclined towards involving business entities and their financial tools (but see Cajee, 2007, Kahf, 2007b). There was no

conscious effort or study proposing to get the public and the beneficiaries involved and engaged as the means to inform and improve the way waqf properties are managed. It is rather ironic because the very people whose lives are impacted by waqf properties are not engaged in any capacity.

In Chapter 3, the theoretical literature on accountability was reviewed with particular attention on holistic and hierarchical accountability (O'Dwyer and Unerman, 2008). The notion of accountability to a narrow group of (powerful) people, i.e., hierarchical accountability, vis-à-vis accountability to multiple stakeholders, i.e., holistic accountability, were widely researched across public, private and nongovernmental organisations (Bovens, 2007, Dubnick, 2005, Ebrahim, 2003b, Edwards and Hulme, 2002, Gray et al., 1997, O'Dwyer and Unerman, 2008, Unerman, 2007). However, there is a dearth of studies regarding accountability in the waqf setting (but see Sait and Lim, 2006). Therefore, the chapter considers the nature of the accountability relationship, specifically exploring hierarchical and holistic accountabilities and the extent to which they can inform and improve the way waqf properties are managed. In addition, as the practice of waqf is highly recommended in Islam (Kahf, 2007b, Laldin et al., 2006, Nik Hassan, 1999) and widely researched in Islamic history (Baer, 1997, Hoexter, 2002), there is a potential that Islamic values could have an influence on the way accountability is operationalised. These values are conceptualised through the felt accountability of the individuals who have responsibilities and duties of accountability on how waqf properties are managed.

Chapter 4 continues from Chapter 3 by developing the theoretical framework. Based on the work by O'Dwyer & Unerman (2008), the theoretical framework of accountability in the waqf setting was developed incorporating hierarchical upward and downward accountabilities – collectively known as holistic accountability. Holistic accountability is characterised by an experience of accountability emphasising a wider view of stakeholders. This is contrasted against hierarchical accountability, which emphasises reporting to those in power – upward accountability. Therefore, while holistic accountability emphasises the views of various stakeholders, the views of the less powerful, i.e., the public and the beneficiaries, are prioritised (O'Dwyer and Unerman,

2008). However, in the waqf setting, the understanding of Islamic values is conceptualised to influence the way holistic accountability is experienced and enacted from both the macro and the micro perspectives. In the macro perspective, Islam, as a worldview, offers a broad guideline for the understanding of accountability in relation to eschatology. In the micro perspective, the values transpire through the felt accountability of the waqf officers who have the responsibility to be accountable upwardly to those in authority, and downwardly to the beneficiaries/public. Therefore, the theoretical framework of holistic accountability in waqf settings was argued to include elements of values transpiring through the form of felt accountability.

Chapter 5 explained the research methodology of Middle Range Thinking employed in the present study (Laughlin, 1995, 2004). MRT uses both prior theory – a key element of positivism – and empirical investigation – an element of interpretivism – to undertake a research. In other words, a skeletal theory is used to frame the research in question and an empirical flesh serves to complete the understanding. Hence, MRT enjoys the benefits of positivism, in employing a prior theory, and of interpretivism, in privileging empirical richness; it relishes the “possibility of learning from other situations through theoretical insights” and “respects for detail of actual situations” (Laughlin, 1995, p. 83). However, in contrast to positivism, the theory is not used to confirm or disprove the prior theory and, unlike interpretivism, the findings are not purely contextual and devoid of learning. In this thesis, the theoretical framework of holistic accountability provides the skeletal theory guiding the research process, which is fleshed out through the empirical details drawn from interviews, observation and documentary evidence.

This chapter also described the data collection methods of semi-structured interviews, observation and documentary evidence. Due to anonymity agreements, two waqf settings were introduced as SRC A and SRC B. A total of 34 interviews were made, including 11 made during the pilot study. The interview data were transcribed and some of it, due to its relevance, was translated into English. The data were analysed using NVivo. The aim of the interview was to draw out the officers’ perceptions on how accountability is experienced and enacted, and factors facilitating/impeding them during the course of discharging their responsibilities in managing waqf properties.

Chapters 6 and 7 presented the empirical sites of the present study, i.e., the SRC A and SRC B. SRC A is located in a more developed area compared to SRC B. This influences the structure and the way waqf properties are managed, such as the fragmentation of waqf responsibilities into several departments. In this study, the segregation of waqf responsibilities is a key element of hierarchical accountability in SRC A. This functional fragmentation results in distancing the waqf officers – who are closer to the beneficiaries and the public – from other waqf related responsibilities, such as the development of waqf properties, which has a direct effect on the beneficiaries and the public. As a result, although the waqf officers feel frustrated, this frustration is partly assuaged by working through the activities of local service provider (LSP) managers whom the waqf officers periodically meet during twice-yearly inspections of waqf properties. The LSP managers, who are close to the beneficiaries, share the same objective or/and values as the waqf officers. This allows the waqf officers to feel ‘relieved’ in knowing that their ‘unfulfilled’ felt accountabilities are being discharged by the LSP managers.

In contrast, SRC B is smaller in terms of size and number of staff and located in a more rural area compared to SRC A. Waqf responsibilities are not fragmented into several departments; instead, they are exclusively entrusted to a waqf department, which only has one waqf officer. Unlike the waqf officers in SRC A whose education background is in Islamic studies, the waqf officer in SRC B has experience and knowledge in calculative sciences – financing and project management. He also maintains an informal relationship with his superior. These factors – a wider autonomy, experience and knowledge/skills, and the informal relationship – allow him to be more creative and show initiative in discharging his responsibilities and duties of accountability.

Chapter 8 addressed the three research objectives. There are some similarities and differences in the way accountability is experienced in both SRCs. Waqf officers from both SRCs hold strong Islamic values, which manifest themselves into felt accountability, which, in turn, influence the operationalisation of holistic accountability. In both SRCs, the waqf officers acknowledged the importance of carrying out formal responsibilities, i.e., carrying out responsibilities as required in their desk files or/and by

their superiors or/and by the law – bureaucratic and legal accountability. They regard that these responsibilities are entrusted upon them by virtue of both being in the position of waqf officers and being God’s vicegerents. They acknowledge that Islamic values influence them in carrying out formal hierarchical accountability. Waqf officers do not perceive Islamic values as encouraging them to be idiosyncratic – disregarding formal hierarchical accountability. Instead, they spur them to discharge the responsibilities and duties of accountability as requested by ‘upward’ authority.

However, the waqf officers also feel that discharging hierarchical responsibilities and duties of accountability are not effective. They have a clear idea of what waqf properties should do and how they should benefit the beneficiaries and the public; this does not seem to be sufficiently undertaken. This inspires them to delineate their own scope of responsibilities – the responsibilities that they feel should be carried out. The question of whether they are able to discharge these felt responsibilities and duties of accountability depends on their formal scope of responsibility. This is where the difference lies between the two SRCs. The waqf officers of SRC A are not able to discharge their felt accountability because their formal scope of responsibility is limited, while SRC B’s waqf officer is given wider autonomy and responsibility, and, hence, is able to carry out his felt accountability beyond the scope of the predetermined desk files. In other words, the effect of the hierarchical structure limits the ability of SRC A’s waqf officers to exercise their felt responsibility, while his autonomy allows SRC B’s waqf officer to be creative and take initiative in ensuring felt accountability is discharged.

Both cases present risks and opportunities in the management of waqf properties. In SRC A, the inability to fulfil their felt accountability turns the waqf officers into frustrated individuals. Frustrated individuals can, at best, be mediocre officers (Behn, 2001, p. 30), working only towards fulfilling predetermined procedures – turning them into “mindless” and feelingless automatons (Willmott, 1996, p. 32). At worst, frustrated individuals could become uncontrollable. Behn (2001, p. 30) notes that “rule-obsessed organizations turn... the bold into outlaws”. This suggests that the overemphasis on satisfying hierarchical accountability could turn frustrated individuals into uncontrollable staff, who choose to go against predetermined procedures just to satisfy

their felt accountability. As felt accountability is conceptualised as the channel through which downward accountability is realised, the obtrusive effect of hierarchical accountability may hinder and/or delay its achievement. An uncontrollable staff characterises the “abyss” of felt accountability (Sinclair, 1995, p. 232).

However, in SRC B, felt accountability has turned the waqf officer into a creative and individual who shows initiative. As he is accorded wider autonomy, he is able to discharge his felt accountability. Felt accountability can turn individual officers into noble staff. Their sensitivity towards the beneficiaries/public can bring them towards the achievement of holistic accountability. A noble staff characterises the “oasis” of felt accountability (Sinclair, 1995, p. 232). This suggests that there are at least two sides to felt accountability. The tendency to become uncontrollable or noble seems to depend on the values held by the waqf officers and the extent of the hierarchical effect. The achievement of holistic accountability relies on the ‘noble’ side of felt accountability. The empirical insights from this study show that strong Islamic values – particularly the concept of unity of God and the belief in the Day of Judgement, as discussed in Chapter 3.5 – and a wider autonomy granted to waqf officers/units offer the opportunity for felt accountability to tread a ‘noble’ path, i.e., to achieve holistic accountability.

## **9.2 Concluding discussions and policy implications**

The research objectives of the study are represented below:

- (i) To examine the ways in which accountability is experienced and enacted in waqf settings in Malaysia.
- (ii) To assess the extent of holistic accountability within waqf settings.
- (iii) To analyse the factors that facilitate/impede holistic accountability in waqf settings.

A brief response to the above points is that holistic accountability is influenced by Islamic values; and the extent of its operationalisation depends on the felt accountability of waqf officers and the hierarchical structure of waqf management. The factors that

facilitate or impede the operationalisation of holistic accountability are both personal and structural. Personal in that they depend on the creativity, initiative, hard work, awareness, skills and knowledge of waqf officers. Structurally, the responsibility may need to be put under one unit – preferably not one single officer – which can combine the awareness of the beneficiaries’/public’s needs with the initiative to realise downward accountability – and, eventually, holistic accountability. This is elaborated upon next, in accordance with the three research objectives.

### **9.2.1 Examining the experience and enactment of holistic accountability**

Waqf settings offer an opportunity to study holistic accountability in an organisation influenced by Islamic values, i.e., the SRCs.

Although hierarchical upward accountability is theoretically monitored by legal provisions (legal), the WMC (bureaucratic) and donors (performance) – as “ladders of accountability” (Laughlin, 2008, Stewart, 1984); the empirical findings found that donors do not play the monitoring role normally argued in hierarchical accountability literature (Bendell and Cox, 2006, Edwards and Hulme, 2002). Donors seem to focus more on adhering to their religious values.<sup>43</sup> Therefore, the aspect of hierarchical accountability associated with donor monitoring, i.e., performance accountability (Laughlin, 2008) appears to be less emphasised. This seems to be contributed by the motivation of the donor to undertake waqf. The donor believes that his/her action is religiously motivated. This is an act encouraged in Islam where performing it will be rewarded in the Hereafter. Therefore, they do not really give serious consideration about monitoring the uses of the properties. For the donor, once they undertake waqf, they feel that they have discharged their religious responsibility and duties of accountability. Hence, the notion of donor monitoring seems to be less important in this waqf setting. Kilby (2006, p. 953) similarly argues that accountability to *weltanschauung* values (such as Islam in this study) is more powerful than accountability to “terminal values”<sup>44</sup> normally proposed in a charitable organization. Therefore, the absence of donor

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<sup>43</sup> This is not to argue that there is no possibility that the donation will accrue to the beneficiaries/public.

<sup>44</sup> Kilby (2006, p. 953; Table I) notes that terminal values is “the end point to be reached” giving examples of ending the poverty and universal education.

monitoring, especially individual donors, seems to be the “default setting” rather than being seen as a weakness. This is not to argue that donor monitoring is not needed. It argues that donor monitoring is absent because the donor is more concerned about fulfilling religious responsibilities and duties of accountabilities to Allah. This is illustrated in the macro view of holistic accountability in Figure 4.1 where every human’s action is ultimately answerable to Allah, i.e., the concept of Oneness of God.

This monitoring role of performance accountability appears to be delegated to the waqf management committee (WMC). However, this aspect of hierarchical accountability does not seem to be greatly emphasised, as the WMC also monitors the legal and bureaucratic aspects of hierarchical accountability, i.e., that waqf officers undertake their responsibilities and duties of accountability in accordance with relevant legal requirements (such as the National Land Code and government’s department regulations); and according to bureaucratic procedures (desk files, scope of responsibility). Stated differently, waqf officers are hierarchically accountable to the WMC in all three aspects – legal, bureaucratic and, to a lesser extent, performance related.

Meanwhile, the experience of downward accountability is more nebulous. There are no formal procedures to require the SRC or/and the waqf officers to be downwardly accountable to the beneficiaries/public, unlike those found in ActionAid International (see Okwaare and Chapman, 2006) or Humanitarian Accountability Partnership (HAP) (see Callamard, 2006) or Development Cooperation Ireland (DCI) (O’Dwyer and Unerman, 2007). These organisations<sup>45</sup> seem to develop a formal strategy/procedure to enact downward accountability. There is no such arrangement in waqf settings, i.e., one formally undertaken by the SRCs.

To care for the community is a religious duty espoused in Islam for everybody. A waqf officer in SRC B noted that:

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<sup>45</sup> ActionAid is known for its ALPS (accountability, learning, planning system) approach, HAP for its HAP framework, and DCI for its MAPS (multi-annual programme scheme) scheme.

“When we accepted the job as waqf officer, we accepted the responsibility to look after the community. If we do not do that, I do not know how can we answer to Allah later (in the Hereafter)” (BO2, waqf officer).

Furthermore, Maali et al. (2006, p.272) argued that accountability to beneficiaries is accountability to Allah. In other words, when and if a waqf officer discharges his/her responsibilities and duties of (downward) accountabilities to beneficiaries, he/she automatically discharges his/her duty to God because the act of waqf is an act encouraged by God. Following God’s order, i.e., ensuring that the benefit of waqf properties accrues to beneficiaries, indicates that downward accountability to the beneficiary is discharged.

Similarly, Gray et al. (2006, p.336) elucidate that a formality in accountability arrangement seems to be less important in a religious setting where epistemic closeness, such as closeness derived from values, such as belief in the Day of Judgement interplays. This strong and deep realization that God is watching aspires him/her to undertake his downward accountability to beneficiaries/society (Kilby, 2006). Therefore, the formal arrangement of downward accountability is deemed to be less important in a waqf setting. Sinclair (1995, p.230) noted that this deeply held realization is powerful because it is psychologically enforced rather than externally imposed.

The nebulous nature of arrangements in waqf settings implies that downward accountability depends on individuals – the experience, skills/knowledge, and values held by waqf officers, rather than by the organisation, i.e., the SRCs. This forms the basis of felt accountability; that actions/decisions are undertaken because waqf officers ‘feel’ that they are the right decisions/actions (Hall et al., 2003, p. 32). In other words, the definition of ‘right’ is guided by their experience, skills/knowledge and values (Lissner, 1977, p. 74, Schlenker and Weigold, 1989, p. 36, Sinclair, 1995, p. 231). The subjective perception of the waqf officers plays a key role in determining the operationalisation of downward accountability (Kilby, 2006, p. 952).

This suggests that, in waqf settings, while hierarchical upward accountability can be formalised and enacted according to legal and bureaucratic requirements, downward

accountability relies heavily on the felt accountability of waqf officers. While the empirical findings – on legal requirements and bureaucratic procedures – support the findings by O’Dwyer & Unerman (2008) regarding the use of formal mechanisms in enacting hierarchical upward accountability, there is a clear lack of donor monitoring in waqf settings. The empirical findings also show that the way accountability is experienced and enacted is influenced by the personal values of waqf officers, especially in operationalising downward accountability. This puts the waqf officers (and their responsibilities) at the centre of attention, as the main actors/participants in the thesis.

### **9.2.2 Assessing the extent of holistic accountability in waqf settings**

In waqf settings, felt accountability conceptualises that discharging formal responsibilities and duties of hierarchical accountability is as important as carrying out downward responsibility (Lewis, 2010, p. 48). The feeling of accountability teaches waqf officers that they are responsible for their actions/decisions; and they are accountable for them on the Day of Judgement (Haniffa and Hudaib, 2010, p. 6). The concept of vicegerency and *takleef* (accountability according to capacity) (Abdul-Rahman and Goddard, 1998, Ibrahim, 2000) emphasises that discharging one’s responsibilities – both those formally enacted and those internally driven – is encouraged as long as it does not contradict Islamic teachings.

The empirical evidence shows that the extent of operationalisation of holistic accountability depends on the accountability relationships of the waqf officers – upwardly to the WMC and downwardly to the beneficiaries – and their mutual influences.

#### **9.2.2a The extent of downward accountability**

In general, the experience of downward accountability is rather limited. In SRC B, downward accountability is sporadically experienced. It is experienced when (and if) the waqf officer is sensitised. The decision to focus on the health and welfare sector showed an instance where public opinion was taken into account during the formulation of the

policy.<sup>46</sup> Similarly, the physical layout of the welfare house was adjusted quite extensively after the waqf officer's engagement with the potential beneficiaries. The provision of Magnetic Resonance Imaging (MRI) and haemodialysis machines also offered instances of the beneficiaries' engagement. In these three instances, there was no proper policy/framework as to when, where and how the waqf officer should listen and respond to the beneficiaries' needs – hence the sporadic nature of the engagement. For example, in developing a welfare home, potential beneficiaries could be engaged in choosing the area, or/and the type of facilities or/and the way it should be managed or/and the activities that should be conducted or/and the beneficiaries qualified to live there and many others. The upshot of this observation, however, reveals two important insights. First, and more immediate, that despite its sporadic nature, downward accountability actually happened. Second, and related to felt accountability, the operationalisation of downward accountability relies on the ability and the willingness of the waqf officer to identify and respond to the needs of the beneficiaries and the public. Should the waqf officer fail, either intentionally or unintentionally, to recognise these (physical layout adjustment, provision of MRI and haemodialysis) as beneficiaries' needs, this would threaten the operationalisation of downward accountability, hence the achievement of holistic accountability. The extent of the achievement of holistic accountability depends on the felt accountability of the waqf officer, i.e., the ability to become sensitised and aware of the beneficiaries'/public's needs and to respond to them (O'Dwyer and Unerman, 2008, p. 805).

In SRC A, the experience of downward accountability is even more limited. The fragmentation of waqf responsibility leaves the waqf officers being in-charge of rather 'trivial' matters, such as registration and inspection of waqf properties. These responsibilities do not seem to have a direct impact on the beneficiaries/public, compared to development responsibilities. Stated differently, the Development Department has a greater influence on whether a waqf property can benefit the beneficiaries/public, and, hence, has a greater opportunity to operationalise downward accountability. This, however, raises the question of whether other departments, such as the Development Department, are not downwardly accountable to beneficiaries. The

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<sup>46</sup> Based on the response from the public, the waqf officer developed three broad sectors in which waqf properties should be developed, i.e., health, welfare and plantation.

empirical and theoretical evidence seems to provide some insights. The empirical insights show that these other departments are preoccupied with managing non-waqf properties, which seems to prevent them from focusing on developing waqf properties. In addition, most waqf projects are developed by LSPs and this appears to make the waqf officers “very proud” (AO8) of the LSPs’ achievements. This suggests that the waqf officers are more proud of the work undertaken outside the SRC (by the LSPs) than of that undertaken by the SRC itself (e.g., the Development Department). From a theoretical point of view, these other departments may not share the “original dreams” (Najam, 1996, p. 348) of the local community where the waqf property is located. These departments are detached from “on-the-ground realities” (O’Dwyer & Unerman (2010, p. 468) and the decisions made appear not to reflect the needs of the beneficiaries/public. Unfortunately, the waqf officers, who share the beneficiaries/public “original dreams”, do not have a strong influence in the decision making process.

The above empirical findings from both SRCs, however, share a similar theme regarding the degree of closeness (Gray et al., 2006, p. 335) between the waqf officers and the beneficiaries/public in their accountability relationship. The achievement of holistic accountability is partly attributable to the ability to become sensitised, which relies on the closeness of the relationship between the waqf officers and the beneficiaries/public. In SRC A, the gap created between the beneficiaries and these other departments makes the latter less sensitised towards the “original dream” – the aspirations and needs of the beneficiaries/public (Najam, 1996, p. 348). They do not seem to develop the same level of sensitivity experienced by the waqf officers, who deal directly with the beneficiaries/public (AO3). The experience of the waqf officers (during the registration and inspection processes) shows that the potential for engaging the beneficiaries/public<sup>47</sup> in discharging their formal responsibilities and duties of accountability depends on their relationship with the beneficiaries/public, who have local knowledge. This suggests that “closeness” can provide assistance to the waqf officers in carrying out their responsibilities. In this case, the waqf officers could not satisfactorily carry out these responsibilities without engaging and involving the beneficiaries/public. This implies

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<sup>47</sup> The beneficiaries/public are engaged because they have local knowledge regarding the physical location of old unregistered waqf properties and they also may know (or have an idea regarding who may know) the original owners – or their descendants – of waqf properties.

that the degree of closeness could facilitate or hinder the achievement of holistic accountability depending on whether the waqf officers were more or less sensitised towards the on-the-ground realities.

Meanwhile, in SRC B, all waqf-related responsibilities are carried out by the waqf department. Registration, planning, development, daily management and maintenance seem to be managed, to a great extent, by the waqf department. This allows the sole waqf officer of the waqf department to translate the beneficiaries'/public's needs gauged during the planning process into development. In other words, the beneficiaries'/public's needs filter through the development process although they may not be consciously acknowledged (Roberts, 1996, p. 50). It may not be stated explicitly but the end result (such as the physical layout of the welfare house) is modified because of this engagement. Downward accountability is experienced through the direct engagement with the beneficiaries/public. The waqf officer's closeness to them sensitises him towards their needs.

The argument so far suggests that the extent to which holistic accountability can be achieved appears to depend upon the accountability relationship between the waqf officers and the beneficiaries/public. The sensitivity of the waqf officers to the beneficiaries'/public's needs and aspirations which is drawn from the closeness of their relationship influences the effort toward achieving holistic accountability. However, to leave the operationalisation of downward accountability to chance events is very risky. Since downward accountability is rather sporadic, i.e., that there is no motivation other than the waqf officers' felt accountability, there is also the possibility that downward accountability might be ignored, either intentionally or unintentionally.

### **9.2.2b The extent of hierarchical upward accountability**

The empirical findings from this study resonate with the argument made in other studies (Dubnick, 2003, Ebrahim, 2005, Edwards and Hulme, 2002, Erkkila, 2007, O'Dwyer, 2007, O'Dwyer and Unerman, 2008) in that hierarchical accountability is enacted in the presence of legal requirements and/or bureaucratic procedures. Following a predefined

procedure – for example, logical framework analysis (LFA) (Ebrahim, 2003a, p. 817) – gives the impression that (hierarchical) accountability is being discharged. Satisfying NLC and waqf enactments and following the procedures in the desk files or/and instructions set out by WMC is sometimes viewed by waqf officers as impeding the development of waqf properties. Tedious and costly registration processes characterise the hindering nature of discharging hierarchical accountability. The effort, time and money, which should be spent to ensure that the benefit of waqf properties accrue to the beneficiaries/public is instead spent on fulfilling legal accountability. This argues that fulfilling hierarchical accountability moves waqf officers away from achieving holistic accountability.

### **9.2.3 Factors facilitating/impeding the achievement of holistic accountability**

Holistic accountability is experienced differently by waqf officers from either SRC. Despite both sets of waqf officers experiencing felt accountability, there are other factors that influence the achievement of holistic accountability, particularly downward accountability. The achievement of holistic accountability in SRC A depends on the role of independent LSPs while, in SRC B, its achievement relies on the role of the sole waqf officer. There are three major factors that seem to influence the achievement of holistic accountability. First, the autonomy of the waqf officers, second, the divisive effect of hierarchical structure, and, third, the role of the LSPs. These can become the factors that either facilitate or hinder the achievement of holistic accountability.

#### **9.2.3a Creativity without autonomy**

The literature discussing felt accountability and its associated notions (Hall et al., 2003, Lindkvist and Llewellyn, 2003, Schlenker and Weigold, 1989, Sinclair, 1995) seems to suggest that an individual with a strong felt accountability is creative, uses their initiative, is imaginative and enjoys some level of autonomy. However, the experience of felt accountability seems to be different between the SRCs. Waqf officers from both SRCs seem to be creative and are able to take initiative in carrying out their formal responsibilities. However, in SRC B, the waqf officer is given a wider discretion, hence

providing him with more opportunities to satisfactorily discharge his responsibilities and duties of accountability. He does not have to rely very much on others to undertake his responsibilities, as he is responsible for all the waqf-related ones (registration, planning, development and management). He has the autonomy to recommend what type of waqf project should be proposed to the WMC. This autonomy seems sufficient for the waqf officer to undertake his responsibilities and duties of accountability. His felt accountability can be operationalised because he enjoys a certain level of autonomy. In contrast, the waqf officers of SRC A do not seem to enjoy the same degree of autonomy although they do demonstrate creativity and initiative. Their responsibilities are restricted because of the hierarchical structure.

This suggests that felt accountability not only relies on the creativity and initiative of waqf officers, some degree of autonomy is also required to fully realise and satisfy its operationalisation. Felt accountability is more effective if individuals are given space/autonomy to express their creativity (Lindkvist and Llewellyn, 2003, p. 267). Autonomous waqf officers recognise that they have formal responsibilities that must be discharged. However, at the same time, they engage in an “internal dialogue” to respond to their felt accountability, which informs them on whether discharging formal responsibility is sufficient. Autonomy facilitates felt accountability towards achieving holistic accountability. Autonomy is not unlimited (Lindkvist and Llewellyn, 2003) but sufficient for the waqf officers to satisfy their responsibilities and duties of accountability without worrying too much about fulfilling hierarchically imposed accountability. This autonomy allows waqf officers to think and act wisely (Lindkvist and Llewellyn, 2003, p. 256) in the interest of the SRC and the beneficiaries/public. Autonomy does not imply waqf officers being free to undertake whatever action/decision they deem appropriate (Joas, 1998, p. 13). Inherent in the notion of autonomy is “discretion within set limits” (Lindkvist and Llewellyn, 2003, p. 267). Autonomous waqf officers are created when they are able to relate their individualised perceptions with the perceptions of the beneficiaries/public. In other words, autonomy denotes a balancing act between the “inner impulses” of the waqf officers and the “external requirements” of the beneficiaries/public (Joas, 1998, p. 13). While Islamic

values offer a strong motivation, waqf officers seem to require autonomy to operationalise felt accountability.

### **9.2.3b Hierarchical structure hindering holistic accountability**

In SRC A, the waqf officers' creativity is limited by their scope of responsibility. They show that they are willing to go beyond desk file requirements to satisfy their formal responsibility (such as carrying "*dukung*" the old donor, bringing the well-respected land officer to the village, engaging in informal chats with the beneficiaries at the "coffee house"). However, they are still not satisfied because the hierarchical structure prevents them from realising their felt accountability. The fragmenting of responsibilities, originally designed to coordinate their operationalisation (Munro and Hatherly, 1993, p. 377) in order that all officers and departments could easily identify their responsibilities and duties of accountability, appears to have suppressed the creativity of the waqf officers. This distribution of responsibilities into departments, according to Lindkvist & Llewellyn (2003, p. 264) characterises the effect of hierarchical accountability because it encourages individuals to follow rules, such as "strategies, central plans displaying action sequences and division of labour". These officers, including young, enthusiastic ones, display a sense of frustration and loneliness (Roberts, 1991) because they are unable to fully satisfy their felt accountability.

The divisive effect of hierarchical accountability appears to not only develop a sense of frustration in waqf officers but, more importantly, seems to retard the achievement of holistic accountability. The original intention of strengthening (hierarchical) accountability by functionally distributing responsibilities appears to threaten the achievement of holistic accountability.

### **9.2.3c Channelling downward accountability through LSPs**

Finally, the empirical evidence also shows that the presence of LSPs can facilitate the achievement of holistic accountability. O'Dwyer & Unerman (2008, p. 805) note the importance of engaging partners/LSPs, especially when discharging downward

accountability. However, the way LSPs are engaged is experienced differently in either SRC. In SRC A, downward accountability is discharged almost exclusively by LSPs without any intervention from the SRC and/or the waqf officers. The waqf officers only “share” their pride on seeing this. However, in SRC B, the waqf officer is able to exert his influence because the LSPs are effectively put under SRC monitoring. This argues that the form taken by the LSPs, i.e., established by the SRCs or independently established/managed, influences downward accountability. The form of LSP seems to be influenced by the location of the SRC, i.e., urban or rural, in that, in an urban state, such as State A, there are more independently managed LSPs while, in a rural state, such as State B, the beneficiaries/public rely on the SRC to initiate LSPs.

We were informed, in the previous section, that the waqf officers in SRC A feel frustrated because of the divisive effect of hierarchical accountability. However, the existence of LSPs seems to address this frustration. LSPs become the waqf officers’ channel through which to satisfy their unfulfilled felt accountability. Although waqf officers do not have the authority to instruct LSP managers on how LSPs should be managed – as these are independently operated – the waqf officers who were interviewed displayed a strong sense of pride (and perhaps relief) when they talked about any waqf project established/operated by independent LSPs. They praised the efforts of LSP founders who worked relentlessly to establish an orphanage or/and a retirement home. It seemed that the sense of pride in the work of the LSPs demonstrated by the waqf officers stemmed from their own sense of frustration because of their inability to actualise downward accountability. They seem to have found “solace” in knowing that their unfulfilled felt accountability is being discharged by the LSPs. The two contrasting emotions displayed by the waqf officers – pride and frustration – would be difficult to be felt unless there was a strong sense of felt accountability. These feelings – as noted by Sinclair (1995, p. 232) as “attachment and anguish” – arise because the waqf officers see that they (and the SRC as a whole) do not fully operationalise downward accountability. Felt accountability generates both a sense of pride and of frustration. Merely satisfying hierarchical accountability may not instigate such a sense as it views accountability as “an objectified feature” relying on “non-emotive language” to understand the way things work (Sinclair, 1995, p. 232).

This highlights the importance (for waqf officers) of having partners in realising downward accountability, as noted by O'Dwyer & Unerman (2008, p. 805). The LSPs act as an important conduit for waqf officers, especially when they are prevented from directly discharging their responsibilities and duties of accountability. The independent nature of the LSPs prevent the SRC from imposing its hierarchical power upon them; the same way it 'prevents' waqf officers from being directly accountable to the beneficiaries by fragmenting waqf responsibilities. As described by one waqf officer "they're even better because they are not tied up by SRC procedures..." (AO3).

#### **9.2.4 Summary of research objectives**

To summarise the argument so far, the micro view of holistic accountability framework conceptualises that felt accountability influences waqf officers to be holistically accountable. However, it appears that hierarchical accountability impedes felt accountability from achieving holistic accountability. In instances where hierarchical accountability is still tolerable, waqf officers can rely on their creativity and autonomy to operationalise their felt accountability. In instances where hierarchical accountability risks becoming too obtrusive, hence threatening the achievement of holistic accountability, felt accountability is satisfied by channelling it through the work of LSPs. LSPs are able to respond to the needs of the beneficiaries and the public because they deal directly with them. In those cases where waqf officers, enjoying greater autonomy, are able to influence the LSPs (such as in SRC B), the former can directly operationalise their felt accountability, although this depends on them being sensitised towards beneficiaries. This results in two different experiences of holistic accountability, especially regarding the experience of downward accountability. Due to their limited functions and the nature of independent LSPs, the waqf officers in SRC A rely on LSPs to operationalise their downward accountability, while, in SRC B, downward accountability depends heavily on the sensitivity and creativity of one dominant waqf officer.

Both approaches are inherently risky but, at the same time, both seem to suit their respective SRCs' existing situations. In SRC A, the urban nature of the public sensitises them to establish independent LSPs, hence providing the opportunity for waqf officers to satisfy their felt accountability. Meanwhile, the rural environment of SRC B does not seem to inspire the public to establish independent LSPs, and, hence, depends on the creativity and imagination of the waqf officer – as an educated member of society (O'Dwyer and Unerman, 2010, p. 468) – to initiate and operate them. Should the conditions be reversed, i.e., a dominant and autonomous waqf officer working in SRC A and the divisive structure of hierarchical accountability being emplaced in SRC B, there would be a tendency for downward accountability to be experienced differently or not to be experienced at all. In these reversed conditions, the most adverse effect would be experienced in SRC B, where waqf officers would be restricted to limited responsibilities. While still experiencing a sense of frustration, they could not rely on independent LSPs to discharge downward accountability because the public depends on the SRC/waqf officers to establish LSPs. Hence, holistic accountability would remain a distant dream. The other reversed condition – in SRC A – could be more favourable because the “collaboration” between a dominant and autonomous waqf officer and independently established LSPs could result in better opportunities for achieving holistic accountability. Therefore, the empirical evidence shows that there is an element of ‘positive coincidence’ in both SRCs in terms of the autonomy (the way waqf responsibility is arranged) and the nature of the LSPs' establishment. The risks associated with the approaches of both SRCs and the element of ‘positive coincidence’ can have an impact on the achievement of holistic accountability. This is discussed next in terms of policy implications.

### **9.2.5 Implications for policy.**

Several implications on the policy may be gleaned as a result of the findings and the analysis, which may contribute towards the management of waqf properties, specifically, and the waqf industry, generally.

First, the research shows that there is a need for the entity managing waqf properties to be given wider autonomy. This suggests that all waqf related responsibility should be placed under one entity. This means that the registration, the planning, the development and the maintenance of waqf properties should be placed under one entity, separate from non-waqf responsibilities. In the current organisational structure, such as practised in SRC A, the Planning Department, the Property Development Department and the Maintenance Department would only be responsible for non-waqf properties. These departments would relinquish their waqf-related functions and transfer them to a new waqf entity. This suggests the establishment of a Waqf Board/Agency. This Waqf Board is incorporated as a separate entity from the SRC. This Waqf Board will only focus on waqf-related matters. The findings from the thesis suggest that the waqf-related responsibilities carried out by other departments may not be given sufficient attention because they have other properties to take care of. As described by one waqf manager, these departments cannot focus on waqf because they are “holding too many cups” (AO2). Since there is a legal constraint in the Federal Constitution and the general enactment of Islamic administration in that all waqf matter is the responsibility of the SRC, this waqf board could be set up as an entity under the SRC, similar to a current Zakat Board/Agency. They are only informing their activities to the SRC main board without having to deliberate extensively.

Second, and, consequently, the Waqf Board would need to be staffed with a range of officers from different backgrounds. There must be an officer or group of officers with finance, accounting and risk management backgrounds. These officers are responsible in the assessment of the viability of any project undertaken by either the Waqf Board of the LSP. This would allow the new entity and its officers to be more involved in the project, rather than only relying on joint venture efforts in which the SRC plays a ‘sleeping partner’ role. The role of passive joint venture partner may not serve the interests of the beneficiaries/public as the partners may “take advantage of our incompetence” (BO1) by “taking the cream” and “leaving us with the problem” (BO2). The experience of SRC B shows the need for the SRC to control the management of waqf properties and facilities by placing the partners/LSPs as units under the SRC or establishing them as separate entities over which the SRC has a majority control. This is to ensure that the objectives

of waqf properties are constantly upheld. At the same time, the process of recruiting these officers must take into account their understanding on the concept of waqf and its importance in the society. Their understanding that the waqf board is a unique entity should assist them to put beneficiaries/society as the party that they should focus on in addition of concern on narrow financial accountability. Meanwhile, a religiously educated officer may have a strong felt accountability as a result of their strong understanding of Islamic values such as Oneness of God and belief in the Day of Judgement. They should also undergo some training in finance and accounting. Therefore, the way waqf properties are managed in Waqf Board should be in the form of a team rather than an individual officer. This allows for both finance- and religious-educated staff to contribute their ideas without sacrificing the notion of values in the waqf concept.

Third, the development and management of waqf properties should be undertaken in a team form rather than individual, i.e., waqf development team. In other words, the process of generating an idea for a particular waqf property comes from a discussion within the team. It should not be decided by one single officer or officers within economic/property department only. This process should provide a checks and balances mechanism so that no one person/group could become too powerful in exerting their influence. Despite genuine noble reasons – that privilege the needs and aspirations of the beneficiaries/public – there could be a tendency for a breakdown should the over-influential person leave. By establishing a team, the resignation and/or retirement of an officer would not severely affect the management and development of waqf properties as the responsibilities are shared or at least known by each member of the team. The remaining members still “know what needs to be done” (AO6) despite the resignation of one member.

The formation of the team could mitigate risks of changes in values upheld by an officer if the task of development and management is entrusted to just one officer. The establishment of a ‘waqf team’ could deter the tendency for mismanagement by an individual officer. In other words, should the waqf officer shift his/her values towards prioritising self (or/and SRC) interest at the expense of the beneficiaries/public, the

presence of the waqf team could prevent or at least mitigate the resulting impact. In this context, hierarchical rules could help the waqf entity to achieve downward accountability in the event that an inappropriate set of values should be followed. Roberts (1996, p. 51) notes that,

“an impersonal order of hierarchical rules offers various forms of protection for both the individual and the wider organization”

However, the existence of a waqf team should not be designed to hinder the creativity and initiative of the waqf officers. Waqf officers need “to be given flexibility to operate outside the bounds of strict hierarchical accountability requirements” (O'Dwyer and Unerman, 2008, p. 821).

Fourth, there should be a waqf officer at the district level, as practiced by SRC A. This should perhaps be considered for application in all SRCs in Malaysia – with a few modifications. As demonstrated in SRC A, the district waqf officer (DWO) has a very close relationship with the local community as a result of carrying out his/her existing formal responsibility. The DWOs could act as a sounding board, working in the interest of the local community in which they are situated. The close relationship between the local community and the DWO allows the former to be more open, thus allowing the latter to understand and learn about their concerns, and identify and respond to their needs.

In addition, there should be some mechanism to ensure that the views of the DWOs were given due attention. Should the concerns of the DWOs not be heard, “then the trend [of privileging hierarchical accountability] may continue unabated” (O'Dwyer and Unerman, 2008, p. 821). This would require their direct involvement in the area of matters, such as the development of waqf properties so that the views that they represent, i.e., the local community's, would not be dissipated in the midst of or/and on the way toward the policy making exercise.

Finally, the waqf team should hold a regular dialogue with the beneficiaries and community as the mechanism to operationalise downward accountability. The team

should hold the dialogue at least once every half-year. This could replace the periodic inspection as currently undertaken by the waqf officers in SRC A. This is not a formal one-way communication as in a briefing. This may involve two sessions, i.e., one with the management of the LSP, if the LSP is independently operated (such as in the case of SRC A); and another session exclusively with the beneficiaries without the presence of the management of LSP. This effort,

“emphasises the use of participatory approaches to assessing [an agency’s] effectiveness that centrally involve the beneficiaries, and/or their representatives, in determining [the agency’s] priorities and assessing the outcomes of [the agency’s] activities from the perspective of the beneficiaries” (O’Dwyer and Unerman, 2010, p. 451)

The waqf officer and/or waqf team must go to each and every LSP to listen to the beneficiaries’ story. Thus, this is a team effort in collecting and collating understanding. The dialogue session with beneficiaries could be held in an informal setting where the beneficiaries feel more comfortable. For example, in a retirement house setting, the waqf team could organise a “kenduri” (a sort of feast where everybody helps with the preparation of food), where understanding is acquired during the preparation of the “kenduri”.<sup>48</sup> The ‘kenduri’ preparation normally takes 5 to 6 hours. Therefore, this is a one-day event including the feast, i.e., the eating. Thus, the ‘preparatory and eating phase’ should give the waqf team some idea concerning the needs and the aspirations of the beneficiaries in the LSP. Meanwhile, for the younger beneficiaries, such as an orphanage home, the waqf team with the cooperation of LSP could organise a sport’s day as the means to elicit their understanding. The two instances above should be included in the deskfiles of the waqf officer, i.e., that this dialogue is necessary. The ‘kenduri’ and ‘sports day’ only illustrates an example of how this can be undertaken.

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<sup>48</sup> In a kenduri, the community collectively prepare, cook and eat the food together. This normally involves slaughtering cows, cleaning it, cutting them into a dice-size shape and cooking it in a big wok, i.e., 4 feet diameter. The wok is normally placed in an open area and cooked using wood naturally secured within the surrounding area. This is just for one menu. There are at least 3 menus, not including the drink and the dessert. Kenduri is very much a collective informal gathering.

The above is in addition to an informal and impromptu visit by the district waqf officer to the LSP. The district waqf officer can maintain their informal visit to the LSP, such as performing prayer together (AO2, waqf manager) with the community and beneficiaries.

### **9.3 Contribution to the literature**

The thesis contributes to the literature on holistic accountability and felt accountability, theoretically and empirically. To reiterate the call by O'Dwyer & Unerman (2008, p. 819), gaining a better understanding of the nature of accountability requires the researcher to examine it "in context... in specific organisational settings". In the present study, the accountability is examined in waqf settings.

This thesis contributes to the theoretical literature by expanding the holistic accountability framework to include felt accountability. In settings where values are apparent, such as waqf, felt accountability plays an important role in binding together the two elements of holistic accountability. This study adds to O'Dwyer & Unerman (2008) by considering the influence of felt accountability and the extent to which it may affect and underpin the experience and the enactment of accountability. In both SRCs, this felt accountability chains hierarchical upward and downward accountabilities together to achieve holistic accountability. Because felt accountability is the binding agent of holistic accountability, having appropriate values suitable to the context is important. An example from Unerman & O'Dwyer (2006, p. 356) regarding 'identity accountability' may clarify this argument. They argue that FOREST (Freedom Organization for the Right to Enjoy Smoking Tobacco), an NGO advocating smokers' rights may feel responsible and accountable towards itself – a form of felt accountability. However, the values that it upholds may drive its felt accountability to achieve a narrower, non-holistic accountability. Therefore, in the context of waqf settings, the present study argues that Islamic values drive the felt accountability of waqf officers towards achieving holistic accountability. Employing values that do not correspond to context can drive felt accountability towards non-holistic accountability.

The study also contributes towards a deeper understanding of hierarchical accountability. As hierarchical upward accountability forms one of the elements of holistic accountability, any effort towards achieving hierarchical accountability would logically lead towards achieving holistic accountability. However, the empirical insights show that diverting more effort into achieving hierarchical upward accountability could mean less effort available for the achievement of downward accountability. More effort in preparing and presenting reports to the WMC may affect the time spent on having informal chats with the beneficiaries/public. Since hierarchical upward accountability is here to stay (Willmott, 1996, p. 33) – for better or/and for worse – it is the effort towards downward accountability that should always be emphasised. In a crude sense, there is no need to enact hierarchical upward accountability because it will exist by default (Peruzzotti, 2006, p. 55) as long as law (legal), money (economic) and power (bureaucratic) exist. Therefore, any effort to achieve holistic accountability must be focused on operationalising downward accountability, either by formalising the effort (monthly dialogue) or/and informally engage through chatting, as currently undertaken by waqf officers in SRC A. Any effort that can facilitate a shift towards downward accountability – either by strengthening felt accountability or/and reducing the adverse effect of hierarchical accountability – should help towards the achievement of holistic accountability (Unerman, 2007, p. 97).

The study also offers a greater theoretical understanding of the nature of felt accountability in two ways. First, felt accountability is a form of guided accountability informed by values and enabled by creativity and autonomy. If any of these qualities is absent or/and prevented from working, the full effect of felt accountability cannot be realised. While felt accountability may be driven by values, its operationalisation requires an individual to be creative and autonomous. We saw that the effect of felt accountability was rather limited when waqf officers were not given sufficient autonomy despite their creativity. We have also seen the way felt accountability operationalises when creativity is facilitated by autonomy, as in the case of SRC B (despite its attendant risks). This suggests that values alone may not be sufficient.

Second, the understanding of felt accountability presented in this study offers a positive view into the rather negative perspective of the concept of hierarchical accountability (Lindkvist and Llewellyn, 2003). Many studies separate the individual perspective of accountability – in hierarchical accountability concept – into a dichotomy of ‘positive’ and ‘negative’ as shown in Table 3.1 in chapter 3. The negative perspective – such as “passive accountability” (Bovens, 1998), “individuals R/A for result” (Lindkvist and Llewellyn, 2003), “holding responsibility” (Ebrahim, 2005), “accountability-as-threat” (Schlenker and Weigold, 1989) and the “me” part of the individual (Joas, 1998) – stem from the understanding that the individual is “nervously preoccupied with how one is seen”. These studies then offer a positive side, i.e., “active accountability”, “individual R/A for values”, “taking responsibility”, “accountability-as-motivation”, and the “I” part of the individual. However, the current thesis argues within the “negative” side of the individual perspective of accountability.

Felt accountability embraces the “sense of anxiety” created by this perspective. It shares some similarities with Roberts’ (1991) notion of individualising accountability, i.e., the preoccupation with how one is seen, in that,

“individuals are held (or hold themselves) in a constant state of preoccupation with how the self and its activities will be seen and judged by others” (Roberts, 1996, p. 46).

The notion of constantly being on guard, the fear of negative and craving for positive sanctions (Roberts, 1991, p. 361), and the preoccupation with being judged share similar qualities with the Islamic understanding of eschatology. The felt accountability of waqf officers inculcates both senses of “fear and crave”. The one difference with Roberts’ notion – that the researcher can think of – is that the one seeing and judging is God or, as Laughlin (1996) puts it, the ‘higher principal’, rather than human being. This offers a different perspective on the understanding of “negative and positive sanctions”. In addition to its implication in the workplace, it has a final implication in the Hereafter. In other words, even if one undertakes – or neglects – his responsibilities and duties of accountability without being seen by others, one still knows that God is always watching. A waqf officer said:

“People may not know who is responsible for this project. And that is not important. The important thing is Allah knows” (BO2, waqf officer)

In this instance, the positive and negative sanctions are still applicable to the officers/managers except that, now, the implication extends into the Hereafter. Despite the difficulty in grasping this understanding, it provides a powerful force motivating waqf officers to undertake their responsibilities and duties of accountability (Lissner, 1977, p. 74, Sinclair, 1995, p. 230, Willmott, 1996, p. 35). This argument contributes towards the understanding of felt accountability in that it possesses a transcendental dimension which, despite its nebulous character, is “powerful and binding” (Sinclair, 1995, p. 230). The “negative” perspective of individual accountability is not all bad after all.

The thesis also provides additional empirical support to the argument by O’Dwyer & Unerman (2008) regarding the importance of the role played by partners, i.e., the LSPs. The LSPs become the channel through which downward accountability is operationalised. Whether the LSPs are independently managed or SRC-controlled, the needs and the aspirations of the beneficiaries and the public can be effectively identified and addressed when the LSPs engage with them.

The study also offers an empirical contribution towards Lindkvist & Llewellyn (2003). They conceptually argue for the importance of felt accountability – which they call ‘individual responsibility/accountability for values’. However, they do not provide any empirical evidence supporting their argument. This thesis extends their study by providing empirical evidence regarding the effect of felt accountability on the way individuals carry out their responsibilities and duties of accountability.

There is also an ancillary contribution in the process of gathering empirical evidence. There is the common perception that it may be difficult – although not impossible – to get cooperation for interviews in the Malaysian context, especially for academic research,<sup>49</sup> if you do not already know the interviewee beforehand. However, there

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<sup>49</sup> Interviewees may be eager to be interviewed if you are a journalist as it will enhance their image – provided that there are no negative issues.

seems to be the possibility of the interviewees being receptive towards academic interviews despite the absence of prior contact through families, relatives and friends. This, however, must be analysed in context. There may be various reasons for them being willing to be interviewed as they may be numerous reasons for the perception that the interview method may be difficult in Malaysia. I can only speculate. First, the choice of setting, i.e., waqf, may have influenced the warm reception. All interviewees were influenced by Islamic values, i.e., the way they dressed, the way they talked, the language and terms used. I wondered whether I would have received the same treatment had I been interviewing people from the private sector who were busy 'making money'. Having religiously aware interviewees may have helped the cause. Second, the majority of the interviewees were quite young, i.e., between 25 to 40 years old. They seemed to be very receptive to the idea of encouraging more research in the area of waqf although I could not ascertain the actual reasons for such receptiveness. The willingness of the Deputy Secretary to allow me to attend a gathering/meeting with the public regarding waqf issues; the time, money and effort spent by two waqf officers in bringing me to meet the LSPs, donors and beneficiaries, and the time set aside by a member of the SRC main board for an interview, despite his busy schedule, implies that the earlier (mis)perception may be context-specific. I did not have any acquaintances inside either SRC prior to undertaking the research. First contact was made only through emails with a lot of pessimism knowing the chances of getting a reply were remote. However, this thesis suggests that, in the case of the SRCs, the interviewees were more than willing to share their story.

#### **9.4 Limitations of the thesis and areas for future research**

The focus of the thesis is on the experience and the enactment of accountability in waqf settings. The aim of the study is to discover the way in which accountability may inform and improve the management of waqf properties by waqf officers. This indicates that choices have been made, which may, at the same time, be considered as the limitations of the study.

First, the study examines the accountability relationship between the waqf officers and the people they deal with – from the point of view of the waqf officers. This sets the waqf officers as the ones who interpret the accountability relationship. This tightly defined perception may be construed as presenting an imbalanced view as there may be many other views from the ‘downward’ people, such as the beneficiaries, and/or from the ‘upward’ people, such as the board members of the SRC. For example, in this thesis, the concept of downward accountability was examined from the perspective of the waqf officers or/and the LSP. Future studies may devote their attention on taking views exclusively from the beneficiaries and the local community in which the waqf properties are located.

Second, the theoretical framework of the study specifically focuses on accountability as the lens through which the management of waqf properties may be informed and improved. However, the accountability theme did not particularly focus on the possible accountability relationships between waqf officers and other officers in the SRCs, i.e., a lateral, “sideways” form of accountability (Cordery et al., 2010). A particular consideration of these relationships may inform the dynamic of accountability relationships between waqf officers and other stakeholders. Future studies may pay particular attention to these lateral, ‘sideways’ relationships.

Third, the examination of accountability relationships from the perception of the waqf officer of SRC B may be viewed as a one-man show in which he is the dominant character. There were no district officers nor other officers in charge of waqf related responsibilities. This may have resulted in the empirical insights coming from his perspective only. Future studies may be undertaken to understand the reason for such an arrangement and to understand the complicated nature of accountability in those instances in which waqf responsibilities are similarly arranged.

Fourth, the different way waqf responsibilities are structured in the two SRCs may make the comparison an uneven exercise. SRC A is seen as a modern organisation with different functional departments. Annual reports, leaflets, websites are produced and managed by dedicated staff. The information regarding the activities and the waqf

properties is easily accessible. Meanwhile, SRC B is characterised by a more traditional entity, where there is less publicly available information. There are no annual reports and the available financial reports are only presented to the WMC as and when required. There is no department in charge of producing leaflets, bulletins, magazines and other public information. Therefore, the documentary evidence collected from SRC B is small, compared to SRC A. These constraints in the documentary evidence may have influenced the interpretations and the conclusions of the thesis.

Fifth, due to the focus of the study on the waqf officers, the role of the LSPs was not sufficiently explored in either SRC. The study highlights the relationship between waqf officers and LSPs mostly from the perspective of the former. The study of both SRCs has shown two different ways in which LSPs are managed; independently-managed LSPs in SRC A and SRC-controlled LSPs in SRC B. There may be other variations in LSP management in other SRCs. A study of the accountability relationship faced by specific LSPs may present a different side of the story. Future studies may compare two or more LSPs in the context of accountability relationship.

Finally, the nature of the use of the waqf properties is not exclusively for charitable purposes. For example, although there are properties developed to directly benefit the beneficiaries, such as the cases of the welfare home and the orphanage, there are also properties that are used for business purposes the proceeds of which accrue to the beneficiaries. A focus on the different uses of waqf properties may present an additional understanding of how accountability works in different settings. Future studies may want to distinguish between waqf properties used for charitable purposes and those used for business purposes.

## **9.5 Reflection on the theoretical framework**

Drawing from O'Dwyer & Unerman (2008), this thesis uses the theoretical framework of holistic accountability to examine the way in which waqf management may be informed and improved. This theoretical framework was adjusted earlier in the study to include the influence of values-drawn felt accountability as the waqf context offers a

possibility for values to interplay. The framework provides a sufficient skeletal understanding in the context of Middle Range Thinking (1995, 2004), where it serves to inform and be informed by the empirical effort.

In this study, the theoretical framework benefits in several ways. First, it provides possible themes on which the study can start to focus on. The concept and the understanding of holistic, hierarchical, upward and downward are derived from the theoretical understanding of the literature surrounding holistic accountability. This understanding guides the structure of the study and how the thesis is organised.

Second, having a skeletal framework allows the thesis to develop. In this case, it provides another layer of understanding in the form of the felt accountability derived from Islamic values. The understanding of felt accountability affects holistic accountability; hence, it adds another dimension to the skeletal theory. In other words, the original understanding of holistic accountability provides the base, a place to start with, from which further understanding may branch out.

The theoretical framework also provides the language on which the study can focus on and employ within the thesis. For example, it does not dictate the direction of the relationship, i.e., that the waqf officer must be responsible to the WMC only. The accountability relationship is much more complex; to frame a study into a one directional relationship is to demean the extent of the relationship and why the relationship occurs as such. Each of the accountabilities in the study can affect and be affected by others in more than one way. For example, the study argues that felt accountability drives both upward hierarchical and downward accountability. At the same time, there are elements of hierarchical accountability that may hinder the effectiveness of downward accountability. Therefore, felt accountability can impact and be impacted by hierarchical accountability. However, the theoretical framework provides sufficient concepts to discuss the accountability relationship between the two. Stated differently, rather than imprisoning the understanding into a one directional relationship, it allows the relationship to develop by facilitating it with suitable concepts.

## 9.6 Closing comments

The self-proclaimed objective of waqf properties is to benefit the beneficiaries and the public. The way in which this can be accomplished depends on the party managing the properties, which, in the case of Malaysia, is the SRC, generally, and the waqf officers, specifically. If the management of waqf wishes to realise the objectives of waqf, as illustrated by a waqf officer:

“If possible we would like waqf to take care of every stage of human life, from the cradle to the grave” (BO2, waqf officer)

It is imperative that the waqf management take heed of the experience of the waqf officers at the lower level. They are to be given some degree of flexibility to be creative as long as such creativity is intended towards assisting the beneficiaries – although some activities, such as listening, may not entail tangible and immediate benefits. A greater awareness of the beneficiaries and the public and an effort towards identifying and responding to their needs – in addition to the existing effort of strengthening the structure of waqf management as reflected in hierarchical accountability – is needed. Hierarchical upward accountability or/and its effect should still be emphasised as long as its enactment does not retard the achievement of holistic accountability.

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## APPENDICES

### Appendix 1: Sample of interview guide

The followings are some interview guides on what the research attempts to discover. As you might be able to see, it is not a rigid questionnaire-type survey questions. Rather, it is quite a general question, which the purpose is to allow interviewees to express their opinion, experience, perceptions, thought within the scope. Certainly, there is no wrong answer in this exercise. The guides fall under 4 themes of (i) general responsibility, (ii) current responsibility to beneficiaries, (iii) responsibility and accountability to others.

#### 1. Guide on matters related to management and responsibility

- (i) The role, duty and responsibility of the interviewees in relation to waqf activity.
- (ii) General challenges and impediments arise from the waqf-related duties/responsibility
- (iii) How do you address the problem and why do you manage the way you did.

#### 2. Specific guide on responsibility related to beneficiaries

- (iv) The role, duty and responsibility of the interviewees towards waqf beneficiaries and some examples.
- (v) Ways/forms/mechanism/approach currently in practice (e.g. performance measurement, benchmark, reports, financial account etc) to indicate how you
  - a. identify and;
  - b. discharge;your responsibility to beneficiaries (the how)
- (vi) Reasons for the use of such ways/forms/mechanism/approach (the why)

#### 3. Interview guide on relationship with other parties

- (vii) Influence of legal enactment on accountability and how it affects your relationship with beneficiaries
- (viii) Linking responsibility/accountability and the multiple accountability relationship to accountability to Allah.
- (ix) Influence of your relationship with other parties had on beneficiaries.

- (x) The nature of accountability relationship (including the reason/motivation) with these other parties, who has some influence on your accountability relationship with beneficiaries.
- (xi) Perceived challenges and impediments faced by other stakeholders

Some notes on interview approach:

- (i) Identity of interviewees and the organisation are going to be anonymous. Nobody should know the identity of interviewees and his/her entity except interviewees and interviewer.
- (ii) There is no right or wrong answer and interviewees are free to air his/her view.
- (iii) Interviewees are the expert in this field, NOT the interviewer
- (iv) As the interview might be recorded (for research purposes only), interviewees are free to stop the interview or amend the interview transcript or even to not allow the interview being recorded, or allow some part to be off-record. In other words, the authority is in interviewee's hand.

Appendix 2: Documentary evidence of SRC A (publicly available)

Document name	Description
Directory of Service	A booklet listing down the service provided by SRC A and the contact point
Code of ethics	A small booklet
Customer feedback form	
Cash Waqf – 3 different versions	A pamphlet outlining the benefit of participating in waqf
Magazine of SRC A	A monthly 20 pages full coloured magazine with glossy paper. This outlines the main channel of information to public. Downloadable from website.
Waqf Edition	A 4 pages bulletin specifically meant for waqf highlighting the activities of waqf unit, the collection and the use of fund
A paper file filled with waqf information regarding briefing to government officers	Consists of papers presented by academician regarding waqf
Annual report of SRC A	From 2005-2009. Downloadable from website
Waqf enactment	A book requirement governing waqf matter in the state A
Board of council	Small booklet highlighting the particulars of the members of council (2009-2011)
Short information on SRC A	A small 6 pages foldable pamphlet highlighting the vision, mission, organisational structure and contact of SRC A
Various information on other services provided by SRC A (pamphlets and posters)	Apart from waqf, SRC A also provides services such as inheritance, gift, unclaimed money etc.
Enactment on the administration of Islamic matter in State A	A statutory book.

### Appendix 3: Documentary evidence of SRC A (internal document)

Document name	Description
Computer print screen (SISDATA)	Few pages of print screen showing the information regarding the latest IT application on waqf land. The application software acts as a database for waqf properties in the state A where the particulars of land, donor, beneficiaries and picture of the properties are collected.
Register of waqf land	A few photocopy pages of waqf register book. The purpose of this register is similar to the IT application SISDATA. It is still being used as SISDATA is not fully functional yet.
Correspondence between waqf unit and donor	Several copies of letter highlighting the different type of letter sent to donor informing the status of their waqf application.
Correspondence between waqf unit and land office	Regarding converting private land into waqf land
Correspondence between waqf unit and beneficiaries	Informing the intention of a donor to donate a property to a community. This is normally sent to mosque committee.
Land title	A photocopy of land title showing how the word 'waqf' was applied in legal document. This is the issue because national land code does not allow any changes on the title name.
Waqf application form	Highlighting the information and document required for the application to go through.
Application form for participating in cash waqf	Application form to donate cash waqf through salary deduction
Site investigation form	A report to be filled by district waqf officer when he first visits the donated waqf property to see the condition of the property (together with donor). To include photo of the area.
Periodic monitoring form	Similar form to site investigation form but the monitoring is done every half yearly (at least).

#### Appendix 4: Documentary evidence of SRC B

Document name	Description
Enactment on Administration of Islam 1991	Photocopy
Proposal paper submitted to SRC board on cash waqf	A copy of working paper presented to SRC board to form a basis for decision whether cash waqf should be introduced
Procedures on doing waqf	A complete guideline on undertaking waqf in State B
Waqf application form	An application form detailing the information needed to undertake waqf donation
Poster on cash waqf	

Appendix 5: Reflection note after observation (sample)



REFLECTION:

Suren AT-Fahm Telole Puhis

- This is the first of a ~~series~~ series of meetings.
- Vst Hakim stated that next, as the agreement has been drawn up, it'll go to tenant house one-by-one and discuss the acceptability of agreement.
- This indicate that voice is given to tenant (But not bene?).
- In this case bene was the mgr. However, tenant was become a bit too authoritative & couldn't cooperate about mgr/bene as it was not a full-time job.
- The mgr now, upon request by bene, was happy to cooperate.
- It seems that in order for mgr not to be able to bene, they need to address the tenant.
- Many wants to make sure that bene being receive the benefit, the role of mgr is transfered from bene to mgr.
- This seems to be in reverse.
- What I hope to see is power is transfered from mgr to bene.
- Instead I found bene had its power to manage to mgr & mgr - why?
- Because, mgr & tenant was not handled effectively by bene - itself.
- Still I feel there is ~~the~~ authority issue w/ regards to tenant.
- Legal advice (agreement) helps to provide the f/w.
- That is, however the fact that dialogue ~~from~~ <sup>to</sup> mgr, new dialogue?
- As PR?



# REFLECTION

- ~~was~~ Accountable is "any effort that open yourself to being criticised, feedbacked, exposing yourself to comment, being vulnerable" → that's the indication that you're accountable OR prepared to be accountable OR prepared to be subject to accountable.
- Bulun way of self is an effort to show activity on the part to MKIS / way of mgd.
- He's reluctant to talk about because because
- Talk about curcai quite a lot how he was very happy fruit curcai was reduced.