

## A Waqf Performance Index to Enhance Waqf Governance

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### ARTICLE INFO

#### Keywords

Islamic Social Finance; Waqf Governance; Waqf Performance Index

#### Article history

Received: 29 April 2025

Revised: 30 November 2025

Accepted: 11 December 2025

Available online: 22 January 2026

#### To cite in APA style

Afriyanti, N. & Herawati, M. (2025). A waqf performance index to enhance waqf governance. *Shirkah: Journal of Economics and Business*, 10(3), 470-486.

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### ABSTRACT

The effective governance of waqf institutions remains a persistent challenge in Indonesia, particularly at the regional level where standardized and context-sensitive performance measurement instruments are limited. This study aims to develop a Regional Waqf Performance Index (WPI) as a governance evaluation tool for waqf institutions in Bengkulu Province, adapted from and extending the National Waqf Index framework. Employing a qualitative research design, the study integrates a literature review with Focus Group Discussions (FGDs) involving five experts representing regulators, academics, and waqf practitioners. The Analytical Hierarchy Process (AHP) is applied to determine the priority weights of governance dimensions and indicators. The findings reveal that result/outcome is the most influential dimension of waqf governance performance, particularly the productive waqf ratio, followed by the impact dimension, which reflects socio-economic benefits such as infrastructure development and community welfare. Institutional capacity, operational processes, governance systems, and regulatory support function as critical enabling factors but are not perceived as ultimate indicators of governance success. Based on these results, the study formulates an integrated WPI Governance Model that illustrates the causal relationship between governance enablers, productive outcomes, and socio-economic impacts. The proposed WPI provides a structured, measurable, and policy-ready framework that supports evidence-based decision-making, enables performance monitoring, and strengthens the accountability and developmental role of waqf institutions at the regional level.

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## Introduction

Waqf is a philanthropic instrument rooted in Islamic economic principles that plays a strategic role in the Islamic social finance ecosystem, particularly in supporting sustainable socio-economic development. Its distinctive feature lies in the perpetuity of benefits generated from endowed assets, such as land, cash, or infrastructure, enabling long-term social impact rather than short-term relief (Ismail et al., 2025). In the Indonesian context, waqf has been increasingly recognized as a potential driver for achieving the Sustainable Development Goals (SDGs), including poverty alleviation (SDG 1), education development (SDG 4), and employment generation (SDG 8). Empirical studies demonstrate that waqf can support poverty reduction initiatives (Doods et al., 2016), strengthen access to education and vocational training (Balnc, 2015), and contribute to sustainable economic empowerment (Zafar & Jafar, 2025) when managed productively. Despite this strategic potential, the performance of waqf institutions in Indonesia remains uneven, particularly at the regional level (Maretaniandini et al., 2025; Shofiatin et al., 2025). Many waqf assets remain idle or underutilized, limiting their contribution to socio-economic development (Misbah & Johari, 2025). These conditions highlight a critical governance problem: the absence of systematic mechanisms to assess how effectively waqf institutions transform endowed assets into sustainable social benefits.

This study addresses the governance performance of waqf institutions through the development of a Waqf Performance Index (WPI) tailored to the regional context of Bengkulu Province. Governance performance in this research is conceptualized as a multidimensional construct that extends beyond financial indicators and encompasses institutional quality, operational processes, governance systems, and socio-economic outcomes. Previous assessments of waqf performance have relied predominantly on financial reporting and economic indicators, which are insufficient to capture governance effectiveness, transparency, and social impact (Dipi & Husaen, 2025; Lestari et al., 2023; Kadji & Aulia, 2025; Noordin et al., 2017). Therefore, this study adopts a broader analytical framework that integrates six key dimensions of waqf governance: regulation, institution, process, system, results, and impact. These variables are operationalized through specific criteria and sub-criteria that reflect managerial capacity, accountability mechanisms, sharia compliance, and outcome orientation. By structuring these variables into a composite index, the study provides a systematic approach to measuring governance performance, particularly for cash waqf management at the regional level.

The urgency of this research is strongly reflected in the substantial gap between the potential and realization of waqf in Indonesia. According to data from the Indonesian Waqf Agency, the estimated annual potential of cash waqf reaches IDR 180 trillion; however, the realized accumulation of cash waqf remains limited, amounting to only IDR 819.36 billion. In addition, Indonesia possesses more than 57,263 hectares of waqf land spread across hundreds of thousands of locations, many of which have not been managed productively. At the regional level including Bengkulu Province, according to the preliminary research, data on cash waqf performance are not collected or published systematically, indicating weaknesses in accountability and reporting mechanisms. Without standardized performance measurement instruments, governance deficiencies remain unidentified, hindering institutional learning and policy improvement. Furthermore, because the socio-economic impacts of waqf are inherently local, national-level indicators are often unable to

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capture regional governance dynamics. This condition underscores the urgent need for a localized performance index that can reflect regional realities and support evidence-based governance reform.

Existing literature on waqf governance emphasizes the importance of institutional accountability, transparency, and performance measurement. Studies on waqf performance evaluation systems argue that effective governance requires comprehensive indicators that go beyond financial performance and incorporate managerial quality and institutional processes (Maulida, 2025; Noordin et al., 2017; Widiyanti et al., 2024). Similarly, research on governance measurement highlights that reliance on partial or fragmented indicators limits the ability of stakeholders to assess organizational effectiveness and strategic alignment (Girgenti et al., 2020; Ibrahim et al., 2026; Setiawan et al., 2025). In response to these challenges, the Indonesian Waqf Board introduced the National Waqf Index as a macro-level instrument to evaluate waqf performance and strengthen governance practices (Adinugraha et al., 2024; Lestari et al., 2023). The index provides standardized benchmarks for assessing waqf management efficiency, transparency, and effectiveness at the national level.

Although national-level indices represent a significant advancement in waqf governance evaluation, prior studies indicate that such frameworks have limitations when applied to regional contexts. National indicators often fail to capture disparities in institutional capacity, governance practices, and socio-economic conditions across provinces (Maulida, 2025; Uula, 2022). Furthermore, the focus on aggregate data limits the diagnostic usefulness of performance assessments for regional policymakers and waqf managers. Studies also note that governance effectiveness is shaped by localized institutional arrangements and operational realities, which require context-sensitive evaluation tools (Girgenti et al., 2020; Hassan et al., 2022; Lestari et al., 2023). As a result, there is a growing consensus in the literature that waqf performance measurement must be adapted to regional implementation levels to ensure relevance and policy applicability (Laallam et al., 2022; Yusgiantoro et al., 2024). However, empirical studies developing such regionalized performance indices, particularly for cash waqf governance, remain scarce.

Despite the growing body of literature on waqf governance and performance measurement, significant gaps remain, particularly at the regional level. Existing studies predominantly focus on national-level assessments or emphasize limited governance dimensions such as regulation, financial reporting, or institutional compliance (Handayani et al., 2025; Lestari et al., 2023; Noordin et al., 2017). While the National Waqf Index represents an important advancement in standardizing waqf performance evaluation, its macro-level orientation restricts its applicability for diagnosing localized governance challenges faced by provincial waqf institutions. Moreover, prior research has largely treated waqf governance as a regulatory or administrative issue, with insufficient integration of outcome- and impact-based dimensions that reflect the real socio-economic contributions of waqf to local communities (Girgenti et al., 2020). This limitation is particularly evident in regions such as Bengkulu Province, where data on cash waqf performance are not systematically recorded or published, obscuring institutional weaknesses related to accountability and reporting. Consequently, there is a clear research gap in the development of a localized, multidimensional performance measurement framework that captures governance structures, managerial processes, and socio-economic outcomes simultaneously. The novelty of this study lies in addressing this gap by adapting

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and extending existing national frameworks into a region-specific Waqf Performance Index that reflects local governance realities.

The primary purpose of this study is to develop a regional Waqf Performance Index (WPI) that can systematically measure and enhance the governance performance of waqf institutions in Bengkulu Province. By employing the Analytical Hierarchy Process (AHP) and incorporating expert judgment from regulators, academics, and practitioners, this research provides a structured and context-sensitive governance evaluation tool. The potential contribution of this study is twofold. Theoretically, it enriches the literature on Islamic social finance by shifting the focus of waqf governance assessment from regulatory compliance toward outcome- and impact-oriented performance, thereby reinforcing the conceptualization of waqf as a productive social investment instrument rather than merely a charitable mechanism (Noordin et al., 2017; Lestari et al., 2023). Practically, the WPI offers policymakers and waqf managers an evidence-based tool to identify governance weaknesses, prioritize institutional reforms, and improve transparency and accountability. The uniqueness of this research lies in its regional focus, multidimensional framework, and practical orientation, which together enable more accurate performance diagnosis and support the alignment of waqf governance with local development priorities and socio-economic needs.

## Method

### *Research Design and Rationale*

This study employed a qualitative research design using the Analytical Hierarchy Process (AHP) as the primary methodological approach to develop a regional Waqf Performance Index (WPI) for Bengkulu Province. A qualitative AHP design was selected because the research objective emphasizes governance assessment, priority setting, and expert judgment rather than statistical generalization. According to Radović-Marković (2023), qualitative research is particularly appropriate for exploring complex institutional phenomena where contextual understanding and expert interpretation are essential. The AHP method allows researchers to structure complex decision problems into hierarchical components and systematically evaluate the relative importance of multiple criteria. In the context of waqf governance, performance is multidimensional and cannot be adequately captured through single indicators or purely quantitative measures. Therefore, AHP provides a logical and transparent mechanism for integrating normative judgments from key stakeholders into a structured evaluation model. This design is especially relevant for regional waqf institutions, where governance practices, institutional capacity, and socio-economic contexts vary significantly. The overall research process, from problem identification to index formulation and weighting, is illustrated in Figure 1, which outlines the sequential stages used to construct the regional Waqf Performance Index in this study.

### *Data, Data Sources, and Data Collection*

The data used in this study consisted of primary and secondary sources. Primary data were obtained through Focus Group Discussions (FGDs) and structured interviews with five expert participants representing regulators, academics, and practitioners directly involved in waqf governance in Bengkulu Province. These experts included the Chairman

of the Indonesian Waqf Board (BWI) of Bengkulu Province, the Chairman of the Indonesian Ulema Council (MUI), the Chairman of Dompet Dhuafa Bengkulu, the Head of the Zakat and Waqf Division of the Ministry of Religious Affairs of Bengkulu Province, and the Chairman of iWakaf Bengkulu Province. The selection of participants followed a purposive sampling approach, emphasizing expertise, institutional authority, and practical experience in waqf management (Nufian & Weda, 2018). Secondary data were collected through a comprehensive literature review of waqf governance frameworks, national policy documents, and the structure of the National Waqf Index. The FGDs were used to identify, refine, and validate governance criteria and sub-criteria, while interviews supported deeper clarification of institutional practices. The data collection stages followed the structured process presented in [Figure 1](#), ensuring methodological consistency and transparency.

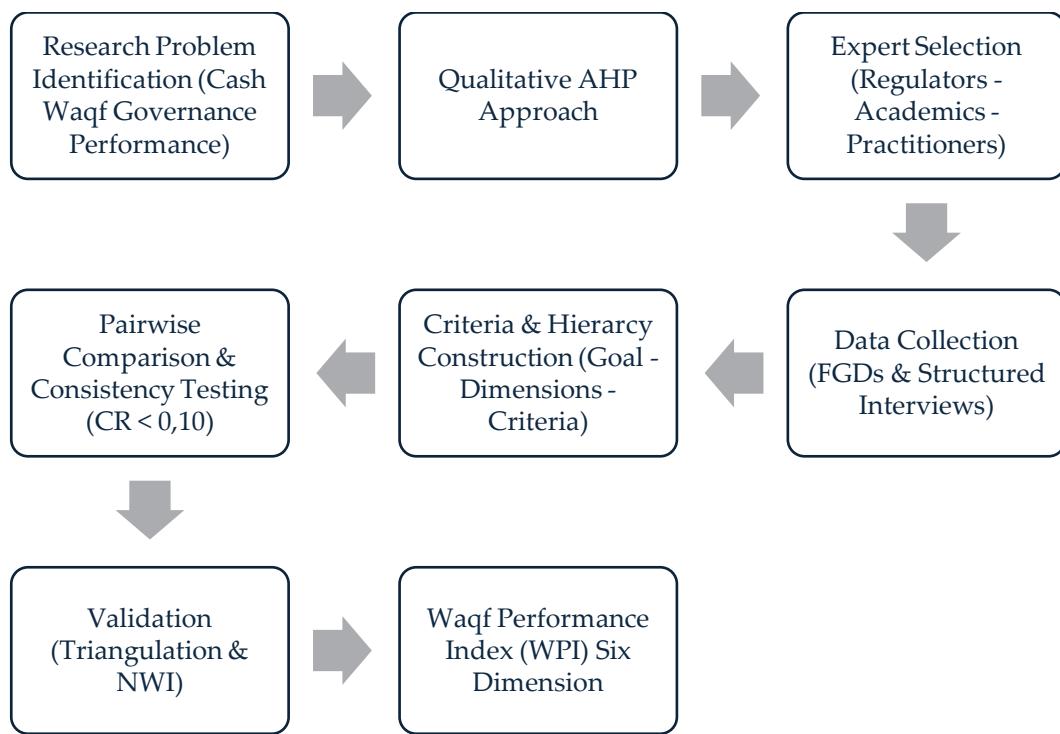


Figure 1. The Research Procedures

### Data Analysis

Data analysis was conducted using the Analytical Hierarchy Process (AHP) with the assistance of Expert Choice 11 software (Khan & Ali, 2020). The analysis followed standard AHP procedures, including hierarchy construction, pairwise comparison using Saaty's 1–9 scale, priority weight calculation, and consistency ratio testing to ensure logical coherence of expert judgments. A consistency ratio (CR) value of less than 0.1 was used as the threshold for acceptable judgment consistency. To enhance validity, triangulation was applied by comparing expert inputs, relevant literature, and the structural dimensions of the National Waqf Index framework (Lestari et al., 2023). Reliability was supported through repeated clarification during FGDs to minimize subjective bias and ensure shared understanding among participants. Ethical considerations were addressed by obtaining informed consent

from all participants, ensuring confidentiality of responses, and limiting data use strictly for academic purposes. The structured analytical flow presented in [Figure 1](#) reflects these validity, reliability, and ethical safeguards throughout the research process.

## Results

### *AHP-Based Weighting of Waqf Governance Performance*

Waqf, particularly cash waqf, is widely recognized by stakeholders as a strategic Islamic philanthropic instrument that enables the transformation of donated funds into sustainable social benefits. Returns generated from cash waqf investments are typically allocated to education, poverty alleviation, and community development programs, reinforcing its role within the Islamic social finance ecosystem ([Ali et al., 2019](#); [Hamza, 2017](#)). However, empirical findings from this study indicate that the effectiveness of such contributions is highly dependent on governance quality. The chairman of Indonesian Waqf Board of Bengkulu Province emphasized this issue by stating, *"The challenge is not in collecting waqf funds, but in ensuring transparent management that convinces the public to participate continuously."* This statement reflects a shared concern among respondents that governance, rather than fundraising capacity, represents the main constraint facing waqf institutions. As such, governance performance emerges as a critical prerequisite for sustaining public trust and ensuring the long-term viability of waqf programs. These insights justify the need for a structured evaluation framework capable of capturing the multiple dimensions of waqf governance performance.

To systematically assess governance performance, this study adopts the National Waqf Index framework, which categorizes waqf governance into six interrelated dimensions: regulation, institution, process, system, outcome, and impact ([Lestari et al., 2023](#)). As presented in [Table 1](#), each dimension is further operationalized through specific sub-factors that reflect regulatory support, institutional capacity, operational practices, and socio-economic outcomes. Participants consistently acknowledged the relevance of this multidimensional structure. The head of Zakat and Waqf Division of the Ministry of Religious Affairs of Bengkulu Province noted, *"Waqf governance cannot be judged from one aspect only; regulation, management, and social impact must be assessed together."* This perspective highlights the suitability of the IWN framework as an analytical benchmark for regional waqf evaluation. By applying these six dimensions, the study ensures that governance performance is not reduced to administrative compliance alone, but encompasses broader managerial and societal considerations relevant to Bengkulu Province.

The regulation and institutional dimensions in [Table 1](#) capture the foundational governance environment of waqf institutions. Regulatory sub-factors include regulatory support, government budget support, and coaching support by authorities, reflecting the role of public institutions in enabling waqf development. Respondents emphasized that regulatory clarity and active guidance are essential for institutional stability. As an expert of the Ministry of Religious Affairs of Bengkulu province stated, *"Rules already exist, but continuous coaching is needed so that naqir understand and implement them properly."* Meanwhile, the institutional dimension focuses on the quality of *naqir* management and *naqir* status, underscoring professionalism and legitimacy. Participants highlighted that competent and

credible *nazir* are central to governance effectiveness. One practitioner explained, “*People trust institutions when nazir are professional and certified; otherwise, waqf will not grow.*” These findings indicate that regulation and institutional capacity form the governance foundation upon which effective waqf management is built.

The process, system, outcome, and impact dimensions further elaborate how governance translates into tangible performance, as outlined in **Table 1**. Process sub-factors include fundraising, management, distribution, and reporting, with reporting frequently emphasized by participants as a critical accountability mechanism. One respondent from Dompet Dhuafa of Bengkulu province remarked, “*Transparent reporting is the key to showing donors that waqf funds are managed responsibly.*” The system dimension highlights legality, sharia compliance, and public information management, reflecting institutional credibility and compliance. Beyond governance mechanisms, the outcome dimension, measured through productive waqf ratios and the scope of *mauquf alaih*, captures the effectiveness of waqf utilization. Finally, the impact dimension assesses broader socio-economic contributions using indicators such as the CIBEST Index, modified HDI, independence index, and infrastructure development. As one participant summarized, “*The real success of waqf is seen when communities feel the benefits, not only when procedures are fulfilled.*” Together, these dimensions provide a comprehensive descriptive foundation for evaluating waqf governance performance in Bengkulu Province.

Table 1. National Factor and Sub-factor of Waqf Index

Primary criteria	Sub criteria
Regulation criteria	Regulatory support Government budget support Coaching support by the authorities
Institution criteria	Consist of <i>nadzir</i> management quality <i>Nadzir</i> status
Process criteria	Collection Management Distribution Reporting
Operational system criteria	Legality of waqf ratio
Outcome criteria	Productive waqf quota The scope of <i>mauquf alaih</i>
Impact criteria	CIBEST Index HDI modification Independence index Infrastructure

The Analytical Hierarchy Process (AHP) analysis using Expert Choice 11 demonstrates that the result/outcome factor is the most influential dimension in determining the success of waqf governance in Bengkulu Province, with a priority weight

of 0.215 (21.5%), as shown in [Table 2](#). This finding indicates that stakeholders perceive governance effectiveness primarily through tangible outputs rather than procedural compliance alone. Within this dimension, the productive waqf ratio emerges as the most dominant sub-factor, carrying a substantial weight of 0.754 (75.4%), followed by the scope of *mauqaf 'alaih* (0.246). These results suggest that the ability of waqf institutions to generate sustainable returns from endowed assets and distribute benefits widely is regarded as the clearest indicator of governance success. This emphasis was reflected in participant insights, as one *nāzir* from Indonesian Waqf Board of Bengkulu province stated, "*Our success is visible when waqf funds start producing benefits that people can feel, not just when the reports are complete.*" Such evidence highlights a strong outcome-oriented governance perspective among practitioners and reinforces the centrality of productivity in waqf performance evaluation.

Table 2. Weight and Ranking of Bengkulu Province Waqf Performance Index

Factor	Weight	Rank	Sub-Factor	Weight	Rank
Regulation Factor	0,123	6	Regulatory Support	0,163	3
			Government Budget Support	0,297	2
			Coaching Support by the Authority	0,540	1
Institutional Factor	0,163	3	Quality of Nazir Management	0,685	1
			Nazir Status	0,315	2
Process Factor	0,161	4	Fundraising Management	0,205	3
			Distribution	0,237	2
			Reporting	0,159	4
				0,399	1
System Factor	0,137	5	Legality of Waqf Ratio	0,119	3
			Shariah Compliance	0,531	1
			Public Information Management	0,349	2
Result/Outcome Factor	0,215	1	Productive Waqf Ratio	0,754	1
			Scope of <i>Mauqaf 'alaih</i>	0,246	2
Impact Factor	0,200	2	CIBEST Index	0,239	2
			Modification HDI	0,176	3
			Independence Index	0,175	4
			Infrastructure	0,410	1

The impact factor ranks second, with a priority weight of 0.200 (20%), underscoring the importance of broader socio-economic contributions generated by waqf management. Among its sub-factors, infrastructure development holds the highest weight (0.410), followed by the CIBEST Index (0.239), modified HDI (0.176), and independence index (0.175). This ranking pattern indicates that waqf governance is expected to translate into concrete improvements in public facilities, welfare conditions, and community self-reliance.

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Stakeholders clearly value visible and measurable community-level benefits, particularly those that enhance quality of life and reduce poverty. The prioritization of infrastructure and welfare-related indicators suggests that waqf institutions are increasingly viewed not merely as custodians of religious endowments, but as agents of socio-economic development whose performance must be assessed through their real-world impact on communities.

The institutional factor occupies the third rank with a weight of 0.163 (16.3%), highlighting the importance of internal organizational capacity in supporting effective governance. Within this dimension, *nāzir* management quality is identified as the most critical sub-factor (0.685), surpassing *nāzir* status (0.315). This finding emphasizes that professionalism, competence, and integrity of waqf managers are more decisive than formal designation alone. As one expert from the Ministry of Religious Affairs explained, "*Training and certifying nāzir are essential to build professionalism and trust in waqf management.*" The process factor (0.161) and system factor (0.137) further support governance effectiveness, particularly through reporting (0.399) and sharia compliance (0.531). These sub-factors underline the importance of transparent disclosure and adherence to Islamic principles as foundational elements of institutional credibility.

Finally, the regulatory factor ranks lowest, with a priority weight of 0.123 (12.3%), suggesting that while legal and policy frameworks remain necessary, their influence on daily waqf performance is perceived as less direct compared to outcome- and institution-based dimensions. Nevertheless, coaching support by authorities emerges as the most important regulatory sub-factor (0.540), indicating that active guidance and capacity-building from government bodies continue to play a meaningful role. Overall, the results in **Table 2** reveal a consistent pattern: stakeholders in Bengkulu Province prioritize productive outcomes and socio-economic impacts over formal regulatory compliance when evaluating waqf governance success. This pattern reflects the contextual nature of waqf governance, where effectiveness is ultimately judged by the extent to which waqf assets are transformed into sustainable benefits that empower communities and support long-term development.

Overall, the findings presented in **Table 2** demonstrate a clear hierarchical logic of waqf governance performance in Bengkulu Province, in which effectiveness is primarily assessed through results and impacts rather than formal compliance alone. The dominance of the result/outcome and impact dimensions indicates that stakeholders perceive successful waqf governance as the ability to transform endowed assets into productive resources that generate tangible socio-economic benefits for the community. Institutional capacity, operational processes, and governance systems function as critical enabling mechanisms, while regulatory frameworks provide supportive, but not determinative, conditions. This pattern suggests a shift from rule-based to performance-based governance evaluation, reflecting the contextual realities of regional waqf management. By empirically establishing this hierarchy, the study confirms that waqf governance performance must be assessed holistically, with priority given to productivity, beneficiary reach, and welfare outcomes. These results provide a robust empirical foundation for the development of the Regional Waqf Performance Index (WPI) and set the stage for deeper discussion on how outcome- and impact-oriented governance frameworks can enhance the sustainability, accountability, and developmental role of waqf institutions.

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### ***The Regional Waqf Performance Index (WPI) Governance Model***

The Regional Waqf Performance Index (WPI) Governance Model presented in [Figure 2](#) illustrates a hierarchical and outcome-oriented framework for evaluating waqf governance performance at the regional level. The model is structured around three interrelated layers: governance enabling systems, result/outcome, and impact. This structure reflects the empirical finding that waqf governance effectiveness is not determined solely by regulatory compliance or institutional arrangements, but by the extent to which governance mechanisms successfully translate waqf resources into productive outputs and measurable socio-economic benefits. The model positions regulation, institution, process, and system as foundational enablers that create the necessary capacity for waqf management. These enabling systems provide legal certainty, managerial competence, operational efficiency, and sharia compliance, which together form the backbone of waqf governance. However, the model clearly emphasizes that these elements are not end goals; rather, they serve as instruments to support productive performance and social value creation.

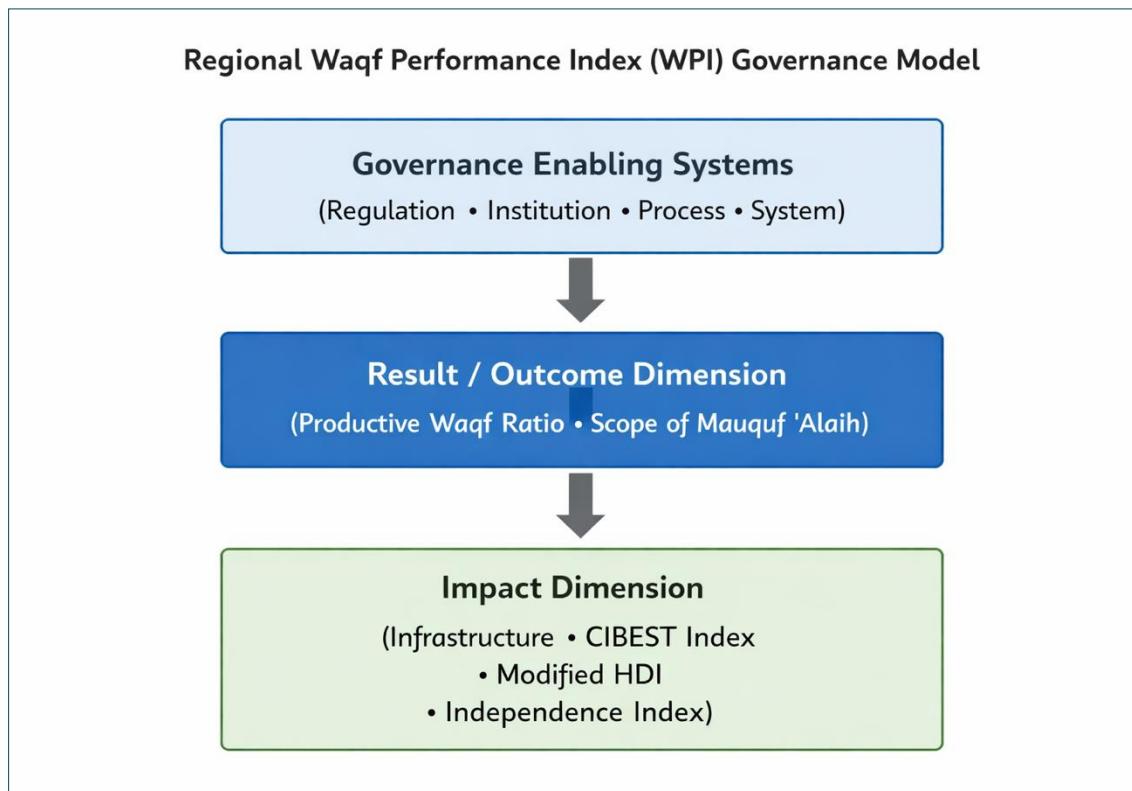


Figure 2. The Waqf Performance Index Model

Philosophically, the WPI Governance Model is grounded in a performance-based and impact-driven understanding of waqf. It reflects a shift from rule-based governance toward value-oriented governance, where effectiveness is judged by outcomes and impacts rather than administrative formality alone. The central placement of the result/outcome dimension highlights the normative assumption that waqf governance succeeds only when endowed assets are managed productively and benefits are distributed broadly to *mauquf 'alaih*. The impact dimension, positioned as the final stage of the model, represents the ultimate

purpose of waqf as an Islamic social finance instrument, namely, improving welfare, strengthening community independence, and supporting long-term development. Through this framework, the WPI model integrates religious, managerial, and socio-economic rationales into a single evaluative structure that balances compliance with performance and accountability with social justice.

From a practical policy perspective, the WPI Governance Model provides government institutions with a structured diagnostic tool for managing and supervising waqf at the regional level. By disaggregating governance performance into enabling systems, outcomes, and impacts, policymakers can identify precisely where governance failures occur. For example, weak outcomes despite strong regulatory frameworks may indicate deficiencies in institutional capacity or operational processes, while limited impact despite productive outcomes may suggest misalignment between waqf programs and community needs. This layered structure enables government agencies to move beyond generalized assessments and adopt targeted policy interventions. Rather than focusing solely on regulatory enforcement, authorities can prioritize capacity building, *nāzir* training, reporting standardization, or program redesign depending on the dimension that underperforms.

Furthermore, the model serves as a strategic policy instrument for planning, monitoring, and evaluation. Government agencies can use the WPI as a performance monitoring framework by setting benchmarks for each dimension and tracking progress over time. The emphasis on outcome and impact dimensions allows waqf performance to be linked directly to regional development indicators such as infrastructure provision, poverty reduction, and welfare improvement. This alignment strengthens the integration of waqf governance into broader public policy agendas and ensures that waqf contributes meaningfully to socio-economic development rather than operating in isolation. For waqf regulators and local governments, the model also facilitates coordination among stakeholders by providing a common language and framework for evaluating performance, allocating resources, and prioritizing reforms.

Beyond its regional application, the WPI Governance Model has strong potential to be adopted at the national level as a complementary instrument to existing waqf performance frameworks. While national indices provide macro-level benchmarks, the WPI model offers a scalable and adaptable structure that can accommodate regional diversity while maintaining conceptual consistency. By standardizing governance logic, enablers leading to outcomes and impacts, the model can be replicated across provinces to enable comparative analysis and national aggregation. This adaptability positions the WPI as a bridge between regional implementation and national policy oversight. If adopted nationally, the model could strengthen evidence-based waqf governance, enhance accountability, and reposition waqf as a credible, performance-driven instrument of Islamic social finance capable of supporting inclusive and sustainable development across Indonesia.

## Discussion

The findings of this study demonstrate that the governance performance of waqf institutions can be systematically evaluated through six interrelated factors: regulation, institution, process, system, result/outcome, and impact. Among these dimensions, the result/outcome factor emerges as the most decisive determinant of governance effectiveness, indicating a strong preference for performance-based evaluation over procedural

compliance. This finding aligns with [Hakim et al. \(2021\)](#) and [Ash-Shiddiqy et al. \(2024\)](#), who reported that effective waqf management contributes significantly, up to 91.3%, to socio-economic improvement. However, this outcome-oriented emphasis contrasts with the National Waqf Index framework and previous study [Lestari et al. \(2023\)](#), which prioritize regulatory factors as the cornerstone of waqf governance success. While regulation undoubtedly plays a critical role in ensuring institutional sustainability and legal certainty ([Hassan et al., 2022](#); [Setiawan et al., 2025](#)), the present findings suggest that regulatory compliance alone is insufficient to guarantee effective governance at the operational level. Instead, governance effectiveness is ultimately judged by whether waqf institutions are able to generate productive outputs and deliver tangible benefits to communities, reflecting a more pragmatic and context-sensitive understanding of waqf performance.

A closer examination of the result/outcome factor reveals that the productive waqf ratio and the scope of *mauquf 'alaiah* are central to governance success. This finding points out the argument that maximizing productive waqf utilization is essential for ensuring that waqf management produces visible and meaningful socio-economic outcomes ([Maulida, 2025](#); [Widiyanti et al., 2024](#)). Productive waqf enables waqf institutions to move beyond static asset preservation toward dynamic value creation, thereby enhancing their relevance in contemporary development contexts. This finding is consistent with [Firdaus et al. \(2022\)](#) and [Ibrahim et al., 2026](#), who argue that properly managed productive waqf has strong potential to improve community welfare, and with [Oktarina and Asnaini \(2018\)](#), who demonstrate that productive waqf-based business development positively affects local economic activity. Collectively, these studies reinforce the notion that waqf should be understood not merely as a charitable mechanism but as a social investment instrument capable of generating sustainable returns. By emphasizing productive outcomes, this study challenges governance models that overemphasize administrative procedures while underestimating the importance of socio-economic performance and beneficiary reach.

Beyond outcomes, the impact factor emerges as the second most influential dimension in waqf governance, highlighting the importance of translating productive performance into broader welfare improvements. The prioritization of infrastructure, followed by the CIBEST Index, modified HDI, and self-reliance indicators, reflects stakeholder expectations that waqf should directly contribute to improving quality of life. This finding resonates with [Munawar and Mufraini \(2021\)](#), who demonstrate that immovable waqf has played a significant role in developing public facilities such as hospitals, schools, mosques, and water infrastructure. Infrastructure development, in particular, serves as a foundational driver of long-term welfare by improving access to essential services. Consistent with this perspective, [Ash-Shiddiqy et al. \(2024\)](#) highlight waqf's contribution to education through scholarship and investment-based programs, while [Sulistiyowati et al. \(2022\)](#) document waqf's role in strengthening healthcare provision. Additional evidence from [Hasan et al. \(2019\)](#), [Herianingrum and Widiasuti \(2016\)](#), and [Huq and Khan \(2017\)](#) further confirms waqf's strategic contribution to educational development, particularly in Islamic higher education.

The institutional factor ranks third in determining governance performance, emphasizing the critical role of managerial professionalism and organizational credibility. The dominance of *nāzir* management quality over formal *nāzir* status indicates that competence, integrity, and accountability are more influential than institutional labels alone. This finding is supported by survey evidence from the Indonesian Ministry of Religious

Affairs, which shows that 45% of waqif choose waqf institutions based on transparency, accountability, and access to information. These results suggest that public trust in waqf institutions is closely tied to institutional behavior rather than formal authority. Consequently, governance reforms should prioritize capacity building, certification, and continuous professional development for *nāzir*, alongside transparent reporting mechanisms and external audits. Without strengthening institutional quality, even well-designed regulatory frameworks and productive programs may fail to gain public confidence, limiting the long-term sustainability of waqf institutions (Kadji & Aulia, 2025; Maretaniandini et al., 2025).

The process and system factors further reinforce the importance of operational effectiveness and governance infrastructure in supporting waqf performance. The process factor, encompassing collection, management, distribution, and reporting, serves as a direct determinant of efficiency and public trust, as also emphasized by Lestari et al. (2023). Transparent reporting, in particular, functions as a critical link between institutional operations and stakeholder confidence (Handayani et al., 2025). Similarly, the system factor, supported by legality, sharia compliance, and public information management, ensures that waqf governance adheres to both legal and religious principles. Although the regulatory factor ranks lowest in this study, it remains an essential enabling condition for waqf development. Regulatory support, government budget allocation, and coaching by authorities reflect state commitment to waqf governance (Ali et al., 2019). As argued by Listiana et al. (2026), effective regulation enhances public trust and encourages waqf participation. In Indonesia, this commitment is further institutionalized through UU No. 41/2004 and PP No. 42/2006, which provide a formal legal foundation for waqf implementation.

Overall, the findings of this study highlight the urgent need to reorient waqf governance evaluation toward outcome- and impact-based performance frameworks, particularly in regions such as Bengkulu Province where waqf potential remains underutilized. The dominance of result/outcome and impact factors indicates that governance effectiveness can no longer be assessed solely through regulatory compliance or administrative completeness. Instead, waqf institutions must be evaluated based on their capacity to transform endowed assets into productive resources that generate tangible socio-economic benefits, including improved infrastructure, education, healthcare, and community self-reliance. Without such a shift, waqf risks remaining symbolic rather than strategic, limiting its contribution to long-term development. The multi-dimensional framework identified in this study underscores the necessity of integrated governance reforms across institutional, process, system, and regulatory dimensions. In this context, the Waqf Performance Index (WPI) offers a practical and urgent governance tool to diagnose weaknesses, prioritize interventions, and monitor performance, thereby repositioning waqf as a credible, accountable, and impactful instrument of Islamic social finance.

## Conclusion

This study develops and applies a Waqf Performance Index (WPI) as a localized and systematic instrument for evaluating the governance performance of waqf institutions in Bengkulu Province. The findings demonstrate that the result/outcome dimension, particularly the ratio of productive waqf assets, constitutes the most strategic determinant

of governance effectiveness. This highlights that waqf governance success is primarily reflected in the ability of institutions to transform endowed assets into productive resources that generate tangible benefits for beneficiaries. The impact dimension, which captures improvements in community welfare, infrastructure, and socio-economic conditions, further reinforces the developmental role of waqf beyond administrative or regulatory compliance. While institutional capacity, operational processes, governance systems, and regulatory support remain essential enabling factors, the study underscores that regulations alone are insufficient to ensure effective waqf management. Meaningful progress depends on coordinated collaboration among government agencies, Islamic financial institutions, and philanthropic organizations to strengthen transparency, accountability, and performance-oriented management. In this sense, waqf must be governed not only as a religious endowment, but as a strategic social investment capable of supporting sustainable regional development.

From an academic and policy perspective, this study contributes to the waqf governance literature by introducing a region-specific performance index that bridges policy frameworks, managerial practice, and community welfare outcomes, an approach that remains underexplored at the provincial level. The WPI offers a practical diagnostic tool that enables policymakers and waqf managers to identify governance weaknesses, prioritize institutional reforms, and monitor performance over time. Future research is encouraged to extend this framework by integrating digital monitoring systems, longitudinal data, and inter-provincial comparisons to enhance the robustness and scalability of the index. Such developments would enable more comprehensive benchmarking and support evidence-based policymaking at both regional and national levels. By institutionalizing performance measurement through tools such as the WPI, waqf governance can be strengthened, public trust enhanced, and the role of waqf reaffirmed as a credible and impactful instrument of Islamic social finance that contributes meaningfully to inclusive and sustainable development.

## Authors' Declaration

The authors play a crucial role in developing the idea and designing the study framework. The authors are responsible for analyzing the data, interpreting the findings, and carefully discussing the results. Additionally, the authors thoroughly review and approve the final version of the paper.

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