

# PRIVATE TAHFIZ INSTITUTION GOVERNANCE: A PROPOSED TRANSFORMATION VIA SOCIAL ENTREPRENEURSHIP MODEL

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## ABSTRACT

*The governance of Private Tahfiz Institutions (hereinafter referred to as PTI) in Malaysia has faced numerous challenges. Poor and insufficient infrastructure and facilities, unstandardized and inappropriate management are amongst the emerging difficulties due to fully dependent on government supports and charitable endowment (waqf). Accountability issue in crowd fundraising and donation, lack of financial resources are another demerit associated with Private Tahfiz Institutions. This paper, therefore, aims to firstly describe the concept of Social Entrepreneurship from the Islamic Perspective and its integration in the PTI governance to further embark the Tahfizpreneur Model. This study seeks to highlight three key elements in the proposed formation of Tahfizpreneur Model namely: (i) the actual problems of PTI (ii) The ITS's administrators' knowledge on the Islamic Entrepreneurship (iii) Effective marketing strategies on the Private Tahfiz entrepreneurship products. These three essential elements need to be collectively integrated and holistically embraced to produce Tahfizpreneur Models applicable throughout PTI in Malaysia. Hence, in an attempt to transform the existing governance of PTI, this study further suggests that this endeavour should gain full support and requires the cooperation from various authoritative bodies. Mainly, the Stakeholders Tahfiz in Malaysia through the Department of Islamic Development Malaysia (JAKIM), National Institute of Entrepreneurship (INSKEN), Higher Education Institutions (IPT) and State Islamic Religious Council (MAIN) are the core government agencies who should effectively joint effort and increasingly work together to achieve the ultimate goal of the National Tahfiz Education Policy (DPTN) in strengthening Tahfiz Institution in this country.*

**Keywords:** Private Tahfiz Institution, Transformation, Social Entrepreneurship.

## INTRODUCTION

Social entrepreneurship refers to entrepreneurship activities with the social objectives (Kadir & Sarif, 2016) which enable to transform the daily life of human especially the poor and marginalized people around the world. This terminology is used responding to certain societal factors influencing Social entrepreneurship development which include: (i) the increasing interest to solve social problems has led to continuous efforts to achieve effective solutions, innovative and sustainable strategies to deal with the complexity of social problems such as unemployment, inequality in access to health care and social services, (ii) Concern over the wide range of services that are not properly addressed by the public sector and

received lack of interest by the private sector and (iii) appreciation among business entrepreneurs or commercial use and their participation in the social sector with the aim to increase the social wealth and wealth of society around the world. Rather, this concept is synonymous with entrepreneurial business which has been increasingly recognized as an important contributor to economic growth and social well-being as well. According to Kadir & Sarif (2015) in his case studies conducted in few selected private Islamic schools that operate under the company's social model, reveals that, to ensure their sustainability in its operation, these institutions need to find a mechanism to generate the source of funds, developing systematic facility/facilities, capable to maintain the workforce and ultimately deliver their products or services to customers efficiently.

## LITERATURE REVIEW

Following this, it appears that the concept of social entrepreneurship is very significant and closely interconnected with the Islamic approach to Islam. A study by Athan & Sarif (2017) further highlight on this stressing that Islamic social entrepreneurship has embedded the element of "tawhidic *paradigm*" framework in the context of social character itself with the primary goals to produce a balanced society in terms of faith (*aqidah*), *worship (I'badah)*, *syariah* and ethics (*akhlaq*). The elements of *Tawhidic paradigm* is based on a few pre-requisites concepts namely knowledge, certainty, sincerity, truth, adherence, acceptance and faith which reflects the roles and duties of capable Muslim individual to discharge and execute their entrepreneurship activities in line with Islamic values. Furthermore, the practice of this comprehensive *tawhidic paradigm* framework into the organisational policy and management companies emphasized that profit maximisation is not the sole goal of the business. Beyond that, its primary aim is to obtain blessing and seek pleasure from Allah SWT from doing good deeds in fulfilling the requirements of *fardh' kifayah* (Communally obligatory). The same view has also been shared by Talatappeh & Tavalee (2016) who summarize the underlying principles of Islamic Entrepreneurship are derived from the understanding of entrepreneurship, individual, organization, social and moral whereas Muin & Bahari (2015) further outline eight concepts of Islamic Entrepreneurship namely (i) Following the Islamic framework (*Aqidah, Syariah & Akhlaq*), (ii) *Tauhidic* concept (Pillars of *Iman*, Pillars of *Islam* and *Ihsan*), (iii) Khalifah (vicegerency) concept, (iv) Concept of Welfare (v) *Jihad* in Economics (vi) Concept of Justice (*al-adalah*) (vii) Concept of *Al-falah* (Success in the worldly life and Hereafter) (viii) Concept of *Zakat & Waqf*. These approach has also been supported by Aydin (2015) stressing that these significant elements allow us to build a sustainable society (*ummah*) and more importantly reinforces the *jihad* in economics for the sake of producing benefits to individual human and society.

Yasoa et al. (2017) & Hoque et al. (2014) have listed 18 criterions of entrepreneurship according to Islamic perspectives. The novel characteristics incorporates amongst others; knowledge, initiatives, risk management, customer's orientation, employment workforce, strategic thinking, innovative, endurance, steadfast commitment, perseverance, excellent, futuristic, optimize, halal income, honesty & trust, social welfare and charity, moral ethics and fear to Allah SWT. Similarly, as in Nawi (2015), the scholar emphasizes that there are 5 elements embedded in Islamic Entrepreneurship namely: (i) to seek successful profitable economy in this world and hereafter, (ii) possessing good entrepreneurship personality, (iii) Abiding all the ethical, moral and ethics (*akhlaq*) by keeping a strong faith towards Allah SWT, (iv) Welfare and Charity and (v) Seeking the pleasure and blessing from Allah SWT and attaining *al-Falah* (Successful). Given the above, Muslim Entrepreneurship should have equipped themselves and need to propel yourself forward. This could get entrenched by actively involves in tertiary/preparedness business activities, awareness programs and

motivational activities as well. By making these effort, it would eventually improve the skills and bring their vision to the forefront. This in line with the *Successful Entrepreneurship Model* (MUB) aspiration developed by Muin et al. (2014) who stresses on the basic mandatory virtues of *nubuwwah* (prophetic) concepts as the underpinnings guidelines and values in the formation of Muslim Entrepreneurships. These perceived novel principles are; *Sidiq* (Truthfulness), *Amanah* (Trustworthiness), *Tabligh* (Advocacy) and *Fatonah* (Wisdom). Apart from that, there exists significant relationship for the present successful Muslim entrepreneurs when the activities carried out is based on the Islamic principles and virtues. They perceived the social responsibilities element of *nubuwwah* concepts and implement the *Maqasid al-syariyyah* framework as embedded in MUB. This indicates that Knowledge on Entrepreneurship should be integrated with the novel Islamic principles, values and virtues not only for profitable advantages but to seek pleasure and blessing from Allah SWT. On the same vein, Mubarak et al. (2014) is on the same view while his findings of the study reveals that spiritual elements contribute are the most pertinent aspect contributed to the Muslim Entrepreneurships achievements and motivations. Having a strong faith towards Allah SWT will produce positives feedbacks and cultivate good attributes enabling to increase achievement while conducting business activities.

Marketing on the other hand is considered as the significant element in entrepreneurship. Hence, in order to gain multiple product selling, building successful business and services, knowledge based marketing should be given greater concern. According to Beckman (1957), marketing strategy comprises of all the required business activities to implement the transfer of goods ownership from the seller to consumer, and provides the distribution channel (supply chain management) from suppliers to the consumers. On the other hand, Kotler (1973) defines marketing as human activities with a view to satisfying needs and wants of customers and increasing social welfare and charity. In view of this, Sherlekar et al. (2010) has further outlines ten (10) marketing distinguished characteristics as follows: (i) Marketing activities are aimed at satisfying the needs and desires of consumers and therefore finding out consumer needs and wants is the starting point for all marketing activities. It begins with consumers and ends with consumers, (ii) Marketing is a continuous activity and the goods are manufactured and distributed to the consumers as per demand, (iii) Marketing deals with exchange of goods and services with money as the medium of exchange, (iv) Marketing concept has undergone changes over a period of time, i.e., the recent one is the societal marketing concept which focuses on three factors, i.e., customer demand satisfaction, public interest and profitability, (v) Marketing creates time, place and possession utilities. The consumer is able to attain and gain the right product at the right time at the right place as and when he needs, (vi) Production and marketing are related and production takes place based on the needs and expectations of the consumer, (vii) Marketing facilities in large-scale production, employment opportunities and social welfare, (viii) Marketing is one part of business. The survival and growth of business depend upon the effectiveness of marketing operations in an organization, (ix) Marketing is an integrated process and it is based on strategies and plans, and (x) The long-term objective of marketing is profit maximization through customer satisfaction. Above all, marketing strategies is an ongoing process that which considered the most important activity. It advocates serving the customers with good services and generates maximize profits for the organization. Thus, it gives major impact towards the entrepreneurship activities. To achieve effective marketing tools, it should start with the insight understanding on the needs and wants, attitude values and satisfaction, desires, virtues and values, environment aspect and target population.

## METHODOLOGY

This study focuses on the use of content analysis, which is a potentially valuable used research method, in the study of management and social entrepreneurship endeavors. Content analysis is a set of analytical procedures that can be used in a variety of media messages (text, speech, video recording) and envoy to identify its purpose (Newby, 2014; Elo & Kyngäs, 2008; Idid, 1993). Limited empirical research are impediments to the emerging field of Social Entrepreneurship for Private Tahfiz Institution Governance. Thus, this study provides a systematic review of the previous literatures and empirical materials used. Previous research is structured to identify key discussion lines within this field. Content analysis was applied to a vast unique article from 2010 to 2017 and analyzed their characteristics revealing patterns and trends in the research. Articles appearing in the mainstream of social entrepreneurship literature are critically analyzed with respect to the knowledge on entrepreneurship according to Islamic perspective along with the effective marketing strategies. Articles derived from a range of priory works were systematically analyzed. Journals reviewed includes; “*World Journal of Entrepreneurship, Management and Sustainable Development, International Academic Research Journal of Social Science, TAFHIM: IKIM Journal of Islam and the Contemporary World, International Journal of Academic Research in Business and Social Sciences, Journal of Emerging Economies & Islamic Research, Journal of Islamic Management Studies, Journal of Human Development and Communication (JoHDEC) and Modern Applied Science.*” Based on a standardized search of these academic database and bibliometric citation analysis, this study found very little empirical data on the topic of this study confirming the need for more. By reflecting the literature of each main topic clusters, this study calls for greater emphasis on the development of more sophisticated Tahfizpreneurship models thus a future pathway in the formation is also provided. Three main aspects are identified within the proposed model of Tahfizpreneurship *via* Social Entrepreneurship framework: (i) the actual real problems and challenges of PTI (ii) knowledge on Islamic Entrepreneurship amongst the top management and administrator of the PTI, and (iii) effective marketing strategies towards the tahfiz entrepreneurship product.

The research design is qualitative in nature, using content analysis method on a number of academic articles and documents related with the Private Tahfiz Institution (PTI) in Malaysia. To further propose Tahfizpreneurship Model, a priory works on the Islamic entrepreneurship along with the effective marketing strategy have also been critically analysed,

## RESULTS AND DISCUSSION

In the proposed development of Tahfizpreneur Model, three main aspects should be highlighted and properly addressed. This includes: (i) the actual real problems and challenges of PTI (ii) knowledge on Islamic Entrepreneurship amongst the top management and administrator of the PTI, and (iii) effective marketing strategies towards the tahfiz entrepreneurship product. Apparently, these three aspects are viewed as a fundamental key element that significantly important to transform the PTI landscape enabling to become a competitive institution as other mainstream education at the national and global level.

### **First Aspect: The Actual and Real Problems Surrounding PTI**

Review of academic literature demonstrate that among the factors that have been identified as a major cause of challenges embroiled the PTI includes: (i) Unstandardized Infrastructures and Facilities (Ridza et al., 2017), (ii) Poor and weaknesses in PTI governance and management Bani et al., 2017:2014), (iii) Insufficient of financial resources due to lack of funds and donation (Azha et al., 2013; Kamal & Seman, 2017), (iv) Accountability issue in crowd fundraising which against rule of law (Bani et al., 2017:2014). Given this scenario, an observation shall carry out in few selected PTI in Malaysia, in which personal interview shall be conducted with PTI management/administration/stakeholders to further reaffirm this actual and real problem facing by them. Following this, its strength and weaknesses shall then analyze using content analysis. This method is adopted to identify and examine the potential and suitable business activities for PTI after taking into account their surrounding and environment, marketing and entrepreneurship products produce by them.

### **Second Aspect: Islamic Entrepreneurship Knowledge amongst the PTI Stakeholder**

Another concerted element is the need to possess Islamic Entrepreneurship knowledge amongst the PTI stakeholders. Islamic Entrepreneurship knowledge is part of business, entrepreneur and economics. It refers to the early process to produce related halal products and services which could generate profits resulting from such business activities. Similarly, this novel concept highlights Islamic entrepreneurship should not directly involve in any activities which could abuse the consumer's rights. They hold social responsibility, ethical principles, honest and excellent entrepreneur business. Muslim entrepreneurs should by all means follow all the standards and the existing guidelines prescribed by Islam. Their responsibility is doing business in accordance with the Islamic Law and avoiding any actions that would jeopardize himself and the society for example does not involves in usury and engages in corruption activities and speculative economy. Another important issue that need to be emphasized is their responsibilities to attain the goals and blessing from Allah SWT. Therefore, Muslim Entrepreneurs should always strive to deliver value of the community and secure the benefits of society by satisfying their needs, upholding their social welfare and preserving country's safety and stability as this would reflect dignity respect towards them.

### **Third Element: Effective Strategic Marketing towards Private Tahfiz Entrepreneurship**

The last element that also needs to be duly observed in the development of Tahfizpreneur Model is the effective Marketing Strategy of the Tahfizpreneurship products. Othman et al. (2015) signifies that there are three (3) essential Islamic marketing strategies that could be adopted from the Prophet's Muhammad SAW journey of preach Da'wah (message) of Islam namely: (i) The character of the seller (entrepreneur), (ii) The attributes of the marketing products and (iii) Marketing techniques used. All of these three aspects should followed ethical marketing products especially for Muslim entrepreneurs who have strong dependency on *aqidah* (faith), *Syariah* and *akhlak* (ethics) as the ultimate goal to achieve successful in business activities. In addition, Ibrahim (2015) further highlights on seven (7) ethical marketing products observed by Muslim Entrepreneurs which include; *Siddiq* (Truthfulness), *Amanah* (Trustworthiness), *Tabligh* (Advocacy), *Fatonah* (Intelligent), *Sabr* (Patience) and *A'dil* (Justice). As a result, it is strongly believed that by following these ethical principles, it confers reasonable justice to both parties i.e. the entrepreneur and the customer thereby gives satisfaction to them.

## CONCLUSION

This proposed Model requires the cooperation from various authoritative bodies at the regional and national level through the Department of Islamic Development Malaysia (JAKIM), National Institute of Entrepreneurship (INSKEN), Higher Education Institutions (IPT) and State Islamic Religious Council (MAIN) to achieve the ultimate goal of the National Tahfiz Education Policy (DPTN) to produce 125,000 *huffaz* in 2050.

## ACKNOWLEDGEMENTS

The study was funded by the Ministry of Education (MOE) under FRGS grant research funds with reference code FRGS/1/2018/SSI03/UITM/03/1 entitled Tahfizpreneurship Model for Private Tahfiz Governances in Malaysia.

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