Jurnal Ekonomi dan Keungan Islam

Volume 07 Nomor 02 Tahun 2025
E-ISSN : 2715-9000
https://ejournal.uas.ac.id/index.php/Al-tsaman

The Question of Leadership Styles on Waqf Management in Higher Education in the Age of Digital Era: A Critical Analysis

Mohammad Firdaus Nizam[1)*], Balakrishnan Parasuraman[2)], Hazriah Hasan[3)] Rikinorhakis Ridzwan[4)]

[1-4)]Faculty of Entrepreneurship and Business, Universiti Malaysia Kelantan, Kampus Kota Pengkalan Chepa, Kota Bharu Kelantan, Malaysia
*e-mail corespondency: balakrishnan@umk.edu.my

https://doi.org/10.62097/al-tsaman.v7i02.2949

Received: 01-08-2025 Revised: 25-11-2025 Accepted: 29-12-2025

Info Artikel

KEYWORDS:
Waqf management, leadership style, higher education, digital era, blockchain.

Abstract

The role of waqf (Islamic endowment) in supporting higher education institutions has been integral for centuries, providing sustainable funding for various academic and infrastructural needs. In recent times, the dynamics of waqf management are undergoing significant transformations, largely driven by the increasing prominence of digital technology. This paper critically analyses how different leadership styles influence the management of waqf in higher education institutions, particularly in the digital era. It explores the impact of transformational, transactional, and situational leadership styles on the operational efficiency, transparency, and long-term sustainability of waqf funds. The paper also examines the integration of digital tools such as online platforms, blockchain, and big data analytics in enhancing waqf management. By providing a thorough understanding of the intersections between leadership theory and digital transformation, this article offers insights into the critical role of leadership in navigating the challenges and opportunities in the management of waqf in the 21st century.

KATA KUNCI:
Manajemen wakaf, gaya kepemimpinan, pendidikan tinggi, era digital, blockchain.

Abstrak

Peran wakaf sebagai instrumen filantropi Islam dalam mendukung lembaga pendidikan tinggi telah berlangsung selama berabad-abad dengan menyediakan sumber pendanaan yang berkelanjutan bagi berbagai kebutuhan akademik dan infrastruktur. Dalam beberapa tahun terakhir, dinamika pengelolaan wakaf mengalami transformasi yang signifikan, terutama didorong oleh perkembangan teknologi digital yang semakin pesat. Artikel ini menganalisis secara kritis bagaimana berbagai gaya kepemimpinan mempengaruhi pengelolaan wakaf di perguruan tinggi, khususnya dalam era digital. Penelitian ini mengeksplorasi dampak gaya kepemimpinan transformasional, transaksional, dan situasional terhadap efisiensi operasional, transparansi, serta keberlanjutan jangka panjang dana wakaf. Selain itu, artikel ini juga mengkaji integrasi berbagai perangkat digital seperti platform daring, teknologi blockchain, dan analisis big data dalam meningkatkan tata kelola wakaf. Melalui pemahaman yang komprehensif mengenai keterkaitan antara teori kepemimpinan dan transformasi digital, artikel ini memberikan wawasan mengenai peran strategis kepemimpinan dalam menghadapi berbagai tantangan dan peluang pengelolaan wakaf pada abad ke-21.

INTRODUCTION

Waqf, as an Islamic philanthropic institution, has historically played a crucial role in supporting the development of educational institutions. For centuries, waqf has served as a sustainable financial instrument that supports various academic activities, including infrastructure

development, scholarships, and operational funding for higher education institutions (Usman & Ab Rahman, 2023). In many Muslim societies, waqf has functioned as a strategic mechanism for strengthening the independence and sustainability of educational institutions. However, in the contemporary context, the governance and management of waqf are increasingly influenced by rapid technological advancements. The emergence of the digital era has introduced new opportunities for improving transparency, accountability, and efficiency in waqf administration, particularly through the use of digital platforms, data management systems, and financial technology (Kasdi et al., 2022).

Despite these developments, the successful implementation of digital transformation in waqf management does not rely solely on technological infrastructure but also on the leadership capacity of those responsible for managing waqf institutions. Leadership plays a critical role in shaping organizational culture, strategic decision-making, and the ability to adapt to technological change. In higher education institutions, waqf managers are required to adopt leadership approaches that can effectively integrate traditional philanthropic values with modern management practices. Previous studies have explored the importance of leadership in organizational management and the role of digital technology in improving waqf governance (Khan et al., 2020). However, most of these studies tend to focus either on technological innovation in waqf management or on leadership theories in general organizational contexts.

Nevertheless, there remains a significant gap in the literature regarding how specific leadership styles influence the governance of waqf institutions within higher education in the context of digital transformation. Existing research has not sufficiently examined how leadership approaches such as transformational, transactional, and situational leadership shape decision-making processes, institutional adaptability, and the long-term sustainability of waqf management. Moreover, the intersection between leadership theory and digital innovation in waqf governance has not been comprehensively analyzed, particularly within the institutional environment of higher education.

Therefore, this article aims to critically analyze the role of leadership styles in shaping the effectiveness of waqf management in higher education institutions in the digital era. Specifically, this study examines how transformational, transactional, and situational leadership styles influence operational efficiency, transparency, and sustainability in waqf governance. This article argues that leadership style plays a decisive role in determining the success of digital integration in waqf management. By exploring the relationship between leadership approaches and digital transformation, this study seeks to contribute to the development of a more adaptive and

sustainable model of waqf governance for higher education institutions in the twenty-first century.

RESEARCH METHODS

This study employs a qualitative research approach with a conceptual and critical literature analysis design to examine the relationship between leadership styles and waqf management in higher education institutions in the digital era. Qualitative research is appropriate for exploring complex social phenomena and understanding how leadership practices influence institutional governance and management processes. According to Creswell, qualitative research enables researchers to interpret meanings and develop an in-depth understanding of social issues within their contextual settings (Creswell, 2014).

The research focuses on the governance of waqf in higher education institutions, particularly in relation to leadership styles and the integration of digital technologies in waqf management. The study does not involve statistical sampling but relies on purposive selection of relevant academic literature, policy documents, and institutional reports related to waqf governance, leadership theory, and digital transformation. The primary sources include peer-reviewed journal articles, books, conference proceedings, and reports discussing waqf management practices and leadership models in educational institutions. These sources were selected based on their relevance, credibility, and contribution to the discussion of leadership and digital innovation in waqf management.

Data collection was conducted through a systematic literature review and document analysis. The researcher identified and collected scholarly works related to waqf management, leadership styles (transformational, transactional, and situational leadership), and digital governance in nonprofit or educational institutions. The collected data were then organized and categorized based on thematic relevance, allowing the researcher to identify patterns, theoretical perspectives, and gaps in the existing literature. Document analysis is commonly used in qualitative research to interpret texts and gain insights into institutional practices and theoretical developments (Bowen, 2009).

The data analysis in this study uses a qualitative content analysis approach. The researcher analyzed the selected literature through several stages: data reduction, thematic categorization, interpretation, and synthesis of findings. This process allowed the researcher to critically examine how different leadership styles influence the efficiency, transparency, and sustainability of waqf management in higher education institutions. The analysis also focuses on the role of digital tools

such as online platforms, blockchain technology, and big data analytics in improving waqf governance.

To ensure the validity and credibility of the research, the study applies source triangulation by comparing findings from various scholarly sources and institutional reports. Triangulation is an important strategy in qualitative research to strengthen the reliability of interpretations and minimize bias (Lincoln & Guba, 1985). In addition, the researcher critically evaluates the theoretical frameworks and empirical findings presented in previous studies to produce a comprehensive and balanced analysis. Through this qualitative approach, the study aims to develop a deeper understanding of how leadership styles influence waqf management practices and how digital transformation reshapes the governance of waqf in higher education institutions.

RESULTS AND DISCUSSION

Results

This study identifies several key aspects related to the role of waqf, leadership styles, and digital transformation in higher education institutions. First, waqf has historically played a significant role in supporting higher education in Muslim-majority countries. Waqf funds have been used to finance university infrastructure, provide scholarships, and sustain institutional operations. This traditional financing model continues to exist, although its management faces increasing challenges in the modern era.

Second, the findings show that different leadership styles are applied in waqf management. Transformational leadership is characterized by a focus on innovation and long-term vision, particularly in adopting digital tools such as crowdfunding platforms, blockchain systems, and data analytics. Transactional leadership emphasizes compliance, efficiency, and adherence to regulations, often supported by digital financial systems and performance monitoring tools. Meanwhile, situational leadership demonstrates flexibility by adapting leadership approaches based on organizational needs, economic conditions, and technological developments.

Third, digital transformation has introduced various tools that can enhance waqf management. Technologies such as blockchain, cloud computing, big data analytics, and mobile platforms enable better transparency, improved data accessibility, and more efficient fund management. These tools also support better communication between stakeholders and allow real-time tracking of waqf assets.

Finally, several challenges are identified in implementing digital waqf management. These include limited digital literacy among administrators, cybersecurity risks, and high costs associated

with technological adoption. These challenges affect the effectiveness of digital transformation initiatives in waqf institutions.

Discusion

The Role of Waqf in Higher Education

Waqf has long been a pillar of support for higher education in Muslim-majority countries (Khan et al., 2020). Historically, many Islamic universities were founded or sustained through waqf funds, which allowed them to provide free education, build campuses, and offer scholarships to students. This traditional model of financing education still holds a great deal of importance today.

However, in the digital age, the challenges of managing waqf have evolved. With changing economic conditions, the increasing complexity of financial regulations, and the growing demand for transparency and accountability, there is a need to rethink how waqf is managed in the modern era (Mohaiyadin et al., 2022). New tools, such as online platforms for fundraising, blockchain for transparent fund management, and big data analytics for better decision-making, have the potential to revolutionize waqf management.

Yet, the effectiveness of these technological solutions is contingent on the leadership style that guides their implementation. Understanding the relationship between leadership and digital transformation is crucial for ensuring that waqf continues to serve its intended purpose in higher education.

Leadership Styles and Their Impact on Waqf Management

1. **Transformation Leadership**

   Transformational leadership focuses on vision, innovation, and change (Al-Husseini et al., 2021). A transformational leader inspires followers by articulating a compelling vision for the future, fostering a culture of collaboration, and encouraging innovation. In the context of waqf management in higher education, transformational leaders are crucial for driving the adoption of new technologies and for reimagining the role of waqf in supporting the institution's strategic goals.

   A transformational leader in a higher education setting would prioritize the digitalization of waqf management to improve efficiency, transparency, and reach. They would push for the integration of digital tools like crowdfunding platforms for international donations, blockchain technology for secure and transparent fund tracking, and big data for improved resource allocation.

For example, a transformational leader may lead efforts to create an online waqf portal that allows alumni and other donors to contribute easily, track the usage of their contributions, and interact with the institution. The transformational leader would not only focus on the operational aspects but also inspire a sense of community and collective purpose among stakeholders, ensuring long- term sustainability for waqf.

2. **Transaction Leadership**

Transactional leadership is focused on maintaining structure, discipline, and order through a system of rewards and penalties (Nurlina, 2022). In waqf management, transactional leaders tend to emphasize efficiency, accountability, and compliance with rules and regulations. This approach may work well in institutions where established procedures are already in place, and the focus is on ensuring that waqf funds are used properly and in line with legal and ethical guidelines.

In the digital era, transactional leadership can leverage technological tools that automate administrative processes and provide clear tracking of donations and expenditures. For instance, the use of financial management software or blockchain can help ensure that waqf funds are properly allocated and spent according to established policies. Transactional leaders can also use digital dashboards to monitor performance indicators and ensure that waqf funds are being utilized effectively.

However, while transactional leadership is valuable for ensuring compliance and stability, it may fall short in driving innovation or embracing the potential of new technologies that can transform waqf management. Therefore, it is important for transactional leaders to strike a balance between maintaining order and embracing technological advancements.

3. Situation Leadership

Situational leadership is based on the premise that effective leadership requires adapting to different circumstances and challenges (Al-Khamaiseh et al., 2020). In the context of waqf management in higher education, situational leaders are flexible and responsive to both internal and external factors, such as changing economic conditions, technological advancements, or shifts in donor behaviour.

For example, during a financial crisis or economic downturn, a situational leader might adopt a more directive approach, focusing on managing resources carefully and ensuring that waqf funds are used efficiently. Conversely, during times of technological

advancement or opportunities for growth, the leader might adopt a more delegating approach, empowering teams to explore new digital tools for fundraising or investing in innovative waqf initiatives.

Situational leaders can effectively navigate the complexities of digital transformation by tailoring their leadership style to the specific needs and challenges at hand. For instance, they might use data analytics tools to assess the performance of different waqf projects and adapt strategies accordingly.

Digital Transformation and Waqf Management

The digital era has brought about a wave of opportunities and challenges in waqf management (Berakon et al., 2022). Digital tools such as blockchain, cloud computing, big data analytics, and mobile platforms offer significant potential to improve the way waqf is managed. These technologies can help increase transparency, reduce administrative costs, and enable more efficient tracking of waqf assets.

Blockchain, for example, offers a secure and transparent way to track waqf donations, ensuring that funds are used as intended. Cloud-based platforms allow for easy access to waqf data, facilitating collaboration and communication between stakeholders. Big data analytics can help leaders make informed decisions about how to allocate waqf funds most effectively.

However, the implementation of these technologies requires effective leadership. Leaders must be able to understand the potential of digital tools and be capable of managing the transition from traditional methods to digital systems (Muduli & Choudhury, 2024). Furthermore, they must ensure that digital solutions align with the values and principles of waqf, maintaining ethical standards while embracing technological innovation.

Challenges and Barriers

Despite the opportunities provided by digital transformation, there are several challenges in waqf management (Almomani et al.,2 2024). One of the main challenges is the digital literacy of waqf administrators. Many institutions may not have the necessary expertise to implement and manage digital tools effectively.

There is also the challenge of cybersecurity (Hussain et al., 2020). As waqf funds become more digitalized, the risks of data breaches and cyber-attacks increase. Ensuring that digital platforms are secure and that donor data is protected is a key responsibility for leaders. Finally, the cost of implementing digital solutions can be prohibitive for some institutions. Investments in technology, training, and infrastructure are required, and not all institutions may have the resources to make these investments.

CONCLUSION

The role of leadership in waqf management within higher education is pivotal in ensuring that waqf remains a sustainable and impactful source of funding in the digital era. Whether through transformational, transactional, or situational leadership, the ability of leaders to adapt to digital transformation and leverage new technologies will determine the effectiveness of waqf management.

To ensure that waqf continues to support higher education institutions effectively, leaders must embrace the potential of digital tools, foster a culture of innovation, and balance traditional values with modern technological advancements. As digital technologies continue to evolve, the leadership style adopted will be a critical factor in the long-term sustainability and success of waqf in higher education.

REFERENCES

Al-Husseini, S., El Beltagi, I., & Moizer, J. (2021). Transformational leadership and innovation: the mediating role of knowledge sharing amongst higher education faculty. *International Journal of Leadership in Education*, *24*(5), 670-693.

Al-Khamaiseh, Z., Halim, B. B. A., Afthanorhan, A., & Alqahtani, A. H. (2020). Exploring and developing items measuring situational leadership II (SLII). *Development*, *3*, D4.

Almomani, M. A.-A., AbuAlhoul, M. A., Alqudah, M. T. S., & Al-Khalidi, I. K. S. (2024). Exploring Digital Waqf Management: Opportunities and Challenges. *International Journal of Religion*, *5*(12), 20-30.

Berakon, I., Aji, H. M., & Hafizi, M. R. (2022). Impact of digital Sharia banking systems on cash-waqf among Indonesian Muslim youth. *Journal of Islamic Marketing*, *13*(7), 1551-1573. Hussain, A., Mohamed, A., & Razali, S. (2020). A review on cybersecurity: Challenges & emerging threats. Proceedings of the 3rd international conference on networking, information systems & security,

Kasdi, A., Karim, A., Farida, U., & Huda, M. (2022). Development of Waqf in the Middle East and its Role in Pioneering Contemporary Islamic Civilization: A Historical Approach. *Journal of Islamic Thought and Civilization*, *12*(1), 140-153.

Khan, M. A., Ismail, F. B., Hussain, A., & Alghazali, B. (2020). The interplay of leadership styles, innovative work behavior, organizational culture, and organizational citizenship behavior. *Sage Open*, *10*(1), 2158244019898264.

Mohaiyadin, N. M. H., Aman, A., Palil, M. R., & Said, S. M. (2022). Addressing accountability and transparency challenges in waqf management using blockchain technology. *Journal of Islamic Monetary Economics and Finance*, *8*, 53-80.

Muduli, A., & Choudhury, A. (2024). Exploring the role of workforce agility on digital transformation: a systematic literature review. *Benchmarking: An International Journal*. Nurlina, N. (2022). Examining linkage between transactional leadership, organizational culture, commitment and compensation on work satisfaction and performance. *Golden Ratio of Human Resource Management*, *2*(2), 108-122.

Usman, M., & Ab Rahman, A. (2023). Funding higher education through waqf: a lesson from Malaysia. *International Journal of Ethics and Systems*, *39*(1), 107-125.