

# A MANAGERIAL PERSPECTIVE ON THE IMPACTS OF IMPLEMENTATION OF MINIMUM WAGE IN MALAYSIA

Mohammad Noorizzuddin Nooh<sup>i</sup>

Senior Lecturer, Faculty of Economics and Muamalat, Universiti Sains Islam Malaysia.  
noorizzuddin@usim.edu.my

## Abstract

*The main method of communication between employers and employees is through salaries. They stand for the most important facets of daily life. Malaysia's minimum wage law provides incentives for employers and employees to implement productivity-enhancing measures. The goal of the government is to make Malaysia into a nation with a highly productive and high-income economy. A minimum wage legislation will pressure businesses to increase prices in the short term, particularly for businesses that rely on low-paid labor. Firms may be compelled to shift higher up the value chain to compete. These adjustments will contribute to Malaysia becoming a high-value-added, high-income economy. The minimum wage is anticipated to have a favorable impact on the Malaysian economy in the medium to long term. A rise in employee income is also anticipated to lead to increased consumer spending and vigor in the economy. The policy will help to advance a better and more equitable wage structure as well as higher value-added economic activity.*

Keywords: *Minimum wage, labor market, labor market*

## INTRODUCTION

Malaysia aspires to become a developed high-income nation in the near future. Because of the development, Malaysia confronts a variety of complexities in the labor market, including increasingly sophisticated professions with low pay relative to output. According to Kaviyarasu Elangkovan (2012), labor market factors play a significant role in determining salaries in Malaysia. The labor market in Malaysia is characterized by the presence of many low-skilled workers and an excessive reliance on imported unskilled laborers. While wages are compensation for laborers who perform physically demanding tasks, the amount of wage payments is often determined daily or by the quantity of work completed. As a result, Malaysia's low wage growth in contrast to its rising productivity demonstrates an unproductive labor market and wage tyranny, particularly for low-paid workers.

The Malaysian government announced on February 5, 2022, that the national minimum wage will be raised to about RM1,500 per month by the end of 2022. This entails a raise of 25% above the RM 1,200 current minimum salary. There is always a minimum salary in Malaysia. 2013 saw the implementation of Malaysia's first monthly minimum wage of RM900. It was increased to RM1,000 (11.11%) in 2016, RM1,100 (10%) in 2019, and RM1,200 (10%) in 2020. (9.09%) (Nor M. K., 2017; Osman & Shahiri, 2014; Ahmad, Yussof, & Zakaria, 2019). As a result, the projected 25

percent growth in 2022 will be far higher than it was before. Additionally, it will go into effect while Malaysia's economy is getting back on track following COVID-19 and significant inflationary pressures. The Minimum Wage Act is designed to prevent companies from abusing their employees, to support fair wage distribution, and to provide low-wage workers with a minimum standard of living (Nor & Ibrahim, 2020). The introduction of the minimum wage is expected to play an important role in Malaysia's goal of becoming a high-income and productive economy. By encouraging businesses to invest in automation and innovative technologies, the minimum wage policy hopes to lessen reliance on low-paid immigrant labor. As a result, one of the key elements in making Malaysia a productive nation is the minimum wage. Regarding the minimum wage, opinions diverge. For instance, conventional economic theory predicts that raising the minimum wage will result in a decline in welfare (Page, Spetz, & Millar, 2005; Neumark & Wascher, 2002; Azar, 2012). Contradictory empirical data are also available. Studies have shown that the minimum wage has both negligible and detrimental consequences (Doucouliagos & Stanley, 2009; Dube, Lester, & Reich, 2010).

The implementation of the RM1,500 minimum salary effective May 1 was gazetted in the Federal Government Gazette on the 27th of April 2022. According to the gazette, starting on May 1, 2022, the monthly salary rate due to the employee who is not paid a basic salary but is paid based on wages per work, tonnage, assignment, travel, or commission shall not be less than RM1,500 (Chamber, 2022). The gazette also noted that starting on January 1, 2023, rather than May 1, only companies with fewer than five employees will be exempt from paying the RM1,500 minimum wage. The minimum wage that must be paid to an employee depends on the place of employment and is RM1,200 for areas under the administration of the City Council or Municipal Council and RM1,100 for all other places from May 1 to December 31. The Minimum Wage Order 2020 was subsequently revoked, according to the gazette.

## **LITERATURE REVIEW**

According to the minimum wage policy established by the International Labor Organization, an employer should pay their employees the minimum wage to cover their daily living expenses and those of their families (International Labor Organization, 2014; Omar & Inaba, 2020). In a way, the minimum wage should also reflect the nation's present economic and social climate. Payments are made on a daily, hourly, or monthly basis. According to common legislation, the minimum wage must be paid to all employees when they are hired. It refers to the compensation rate that is set higher than the present salary rate from an economic standpoint (Grigsby, Hurst, & Yildirmaz, 2021). A minimum wage policy that is appropriate for each nation's economic structure is adopted by about 90% of nations worldwide. Some of them began implementing a minimum wage policy in the 1990s.

Australia, for instance, established a minimum wage regulation as early as 1904, whereas the United States did so in 1938 (Bayari, 2012; Mutari, Power, & Figart, 2002). Even developing nations like South Korea and Sri Lanka, which are in the third world, have embraced this minimum wage legislation (Baek & Park, 2016; Rahman, Subramaniam, & Singh, 2020).

Additionally, the minimum wage legislation is truly a tool to end poverty like price regulation in that it does not differentiate between the poor, middle class, and wealthy (Dabla-Norris, Kochhar, Suphaphiphat, Ricka, & Tsounta, 2015). Regardless of wealth or property position, everyone can benefit from the pricing of needs that the government controls. Like the minimum wage, wealthier people and members of the middle class can also find work at the minimum pay if they want. Teenagers from middle-class and wealthy households, for instance, tend to work most of the time and receive the minimum salary around the world. A policy is considered blunt when it is non-discriminatory. Not only do the impoverished gain from it, but also those who are not poor. The minimum wage law can be viewed as a universally applicable law (Williams, 2009).

In the case of Malaysia, the government considered social and economic factors while determining the minimum wage, including gross monthly household income, cost of living, and employment involvement (Che Ahmat, Arendt, & Russell, 2019; Ahmat, Arendt, & Russell, 2019). With more money in workers' hands to spend on products and services, even with some inflationary effects, it can be argued that the higher salary will have a net beneficial effect on the economy because it will better buffer against modest job losses (Mair, Druckman, & Jackson, 2019). There is growing empirical support for the idea that minimum wage legislation has an impact on employment among workers covered by the laws as well as the rate of economic development in a nation, both positively and negatively (Caliendo, 2019; Wang, 2019; Bruttel, 2019; Bauducco, 2018).

According to a study in the United States based on research by Ralph Smith and Bruce Vavrichek (1987), workers who get this minimum wage have an impact on consumers' ability to buy products and services, which in turn tends to support economic growth in a nation. According to a report published in 1986 by the Congressional Budget Office of the United States Congress, 4 out of every 5 workers receiving the minimum wage were receiving wages from the middle class and the wealthy in addition to the poor. These wages were being used to buy more goods and provide better service (United States. Congressional Budget Office., 1986). Some theories disagree with the claim that consumer purchasing power is a signal rather than a measure of economic growth, even though it is a gauge of a nation's capacity for economic expansion. The correlation between household spending habits and economic growth is positive, even though it just serves as a signal (Fornell, 2010).

A 10 percent increase in the minimum wage would result in a 4 percent increase in food prices. Still, overall inflation would remain below 0.4 percent, according to a census conducted by Sara Lemos of the University of Leicester in 2008 on 30 research publications on the topic (Lemos, S., 2008). These results demonstrate

that, at least in the United States, it was determined that a 10 percent rise in the minimum wage would result in a 4 percent increase in food costs while the total inflation rate was less than 0.4 percent. These results suggest that a raise in the minimum wage affects the consumer price index and economic growth, at least in the United States. The minimum wage will enhance customers' purchasing power, which will have an impact on economic growth, according to Lee (2012) and Thiagarajah (2000), who both mentioned this study.

Based on the neoclassical theory of job participation, there is always enough skilled labor available to support the nation's rising production (Pissarides, 2000). Therefore, a country's economic growth will be boosted by a rise in national output. Some claim that raising the minimum wage will also make it easier for more people to find employment (Jardim, 2022; Meer & West, 2016). To put it another way, raising the minimum wage can lower unemployment (Siregar, 2022; Maloney, 1995; Marjit, Ganguly, & Acharyya, 2021).

David Card and Alan B. Krueger are well-known advocates for the minimum wage. In 1993, they conducted a study on the impact of the minimum wage on workers in the fast-food industry. They found that the higher minimum wage has increased the number of workers in fast-food restaurants. Raising the minimum wage, according to Card and Krueger (1994), can lower the unemployment rate, which will therefore enhance economic growth. Even President Clinton utilized this discovery to urge Congress to raise the federal minimum wage because it was so widely accepted (Lenhoff & Withers, 1994). However, several economists have expressed doubts about the study's findings. Finally, Card and Krueger altered their earlier finding that the minimum wage lowers the unemployment rate to one that the minimum wage has minimal impact on unemployment in favor of economic growth (Card, Katz, & Krueger, 1994; Card & Krueger, 2015).

## Employment and Income During COVID

	('000)			Changes (%)		
	H1	2021	2022	H1	2021	2022
Available Labor	15,936.20	15,847.90	16,117.30	1.60	1.20	1.70
Labor Utilization	15,179	15,116.70	15,468.60	1.1	1.1	2.3
Unemployment	757.2	731.2- 760.7	648.7	-4.8	(4.6)- (4.8)	-4

H1                      Jan to Jun 2021  
 2021                    Estimation  
 2022                    Forecasted

*Table 1: Malaysia Labor Market Indicator (Ketua Ekonomi, Bahagian Fiskal dan Ekonomi, Kementerian Kewangan Malaysia, 2021)*

Based on Table 1, the recovery in the labor market remained uneven in the first half of 2021 following the implementation of PKP 3.0 to curb the increase in new cases of COVID-19. Restrictions targeted on economic activity and social to reduce the spread of pandemics have weakened aggregate demand for labor. Although the number of employments recorded growth of 1.1% or 151,790 employment, but an increase such is lower than labor force growth of 1.6%. By that is, the unemployment rate remains high i.e., 4.8% or 757,200 people compared to 4.3% in the same period the previous year.

The COVID-19 pandemic and the implementation of various Movement Control Order (MCO) throughout Malaysia has adversely affected people and businesses, especially micro, small, and medium enterprises. Some sectors could not operate normally as a result of movement restrictions and changes in user behavior thus affecting employment and economic resilience.

	2019	2020
Percapita Income	RM46,450	RM43,475
Average salaries	RM3,224	RM2,933
Unemployment	508,200	711,000

*Table 2: Selected Statistics from the Department of Statistics Malaysia (Ketua Ekonomi, Bahagian Fiskal dan Ekonomi, Kementerian Kewangan Malaysia, 2021)*

Table 2: Selected Statistics from the Department of Statistics Malaysia (Ketua Ekonomi, Bahagian Fiskal dan Ekonomi, Kementerian Kewangan Malaysia, 2021)  
As shown in Table 2, the Department of Statistics Malaysia (DOSM) reported per capita income in 2020 decreased by 6.5% to RM43,475 from RM46,450 in 2019 (Ketua Ekonomi, Bahagian Fiskal dan Ekonomi, Kementerian Kewangan Malaysia, 2022). At the same time, average salaries and wages decreased by 9% from RM3,224 in 2019 to RM2,933 in 2020. The number of unemployed also increased by 39.9% from 508,200 people in 2019 to 711,000 people by 2020. The decline which is shown in the statistics has been causing an economic contraction by 2020.

## DISCUSSION

Malaysia's minimum wage is determined by the protection given to the lowest-income workers. These are often workers in socially excluded groups such as young people and women. Without direct government intervention, they may lack the bargaining power to demand higher wages. Some argue that raising the minimum wage hurts low-wage workers because it is an artificial value imposed by the

government, not determined by market dynamics. This is because people with low skills and experience are less productive. As a result, higher cost structures postpone hiring these employees at lower rates until they gain more experience. However, the wage policy in Malaysia should be based on the domestic context. In 2013, the minimum wage was first set at RM900 per month for Peninsular Malaysia and RM800 for East Malaysia (Che Ahmat, Arendt, & Russell, 2019). The rate has increased gradually over the years. About a decade later, it is expected to reach RM1,500 a month effective May 1, 2022.

This seems to be a fair rate given that the International Labor Organization (ILO) reports that the average worldwide minimum wage for developing and emerging countries is about 67% of the median wage (International Labor Organization, 2020). At the end of 2019 before the COVID-19 pandemic, according to the Department of Statistics Malaysia (DOSM), the median income in Malaysia was RM2,442 with the minimum wage set at RM1,200 (Hussain, 2022). However, the COVID-19 pandemic has reduced the median income to RM2,206, the minimum salary of RM 1,500 representing around 68 percent, which is in line with the average for the world, according to DOSM data. The median pay is anticipated to surpass 2019 levels by 2024, with the economy projected to experience a robust recovery of more than 5.5 percent in 2022. At some point, this will equal a minimum pay that is 60% of the median wage (Department of Statistics Malaysia, 2022).

Research on the implementation of previous minimum wage levels in Malaysia shows that it tends to increase labor productivity, function as a driver, and reduce employee turnover (Al-Suraihi, Samikon, Al-Suraihi, & Ibrahim, 2021). Long-term research has demonstrated that it lowers unemployment and raises labor participation rates. According to research, the earlier hikes in 2016 did not significantly reduce the need for workers (Hussain, 2022). It has been suggested that increasing the minimum wage would increase inflationary pressures. Most workers' incomes in metropolitan areas in Malaysia, however, are close to the suggested amount of RM1,500. So, there is not much more price pressure in this area. According to the existing strategy, it is expected that these new rates will contribute to the disparity between earnings and costs in urban and rural areas.

Additionally, Malaysian employment is not much influenced by inflation. Research in Malaysia demonstrates that the labor market in Malaysia has a propensity to adhere to the wage-efficiency theory, which states that greater expenses (wages) will be offset by higher productivity and employee retention (Basri, Karim, Ismail, & Sulaiman, 2018). As a result, there will not likely be significant inflationary pressures because rising productivity will then balance the possibility of rising prices. The new rate of greater minimum wage may point to a favorable picture.

However, there is a need to investigate alternatives to the minimum wage in the future given the possibility that it could imperil Small and Medium Enterprises (SMEs) that are unable to offer higher compensation. Currently, company owners play a part in eradicating poverty through the application of the minimum wage

law. However, a new strategy utilizing social assistance programs for low-wage employees will enable all taxpayers to share the financial burden. B40 households will gain from partial coverage of housing costs, healthcare costs, and childcare costs, among other things.

Malaysia has long been caught in the middle-income trap. This situation is due to the country's economic policy, which has always attempted to compete as an export hub by utilizing low labor costs. The present goal of Malaysia is to end this cycle and attain high revenue. The question of whether Malaysia needs a sizable percentage of the workforce to be highly trained is being discussed. Instead of employing high-skilled workers, Malaysia depends too heavily on the participation of low-skilled individuals. The brain drain issue, where many gifted and highly educated Malaysians leave the nation, is one of the causes.

For a country to achieve the status of a developed country, it must be driven by technology, the capacities of its economic sectors, strong consumer purchasing power of goods and services, and the development of highly qualified and productive employment participation. In addition to upholding minimum wage laws, it is desirable to implement policies that help workers become more productive, which in turn promotes the growth of the Malaysian economy. Additionally, today's economy of the country still heavily relies on the use of cheap labor. Due to its low labor costs, Malaysia is unquestionably still competitive, but it still lacks a capital-based, technical, and highly skilled human capital-based economy. Malaysia also employs the possibility of permitting the private sector to progressively modify the labor-to-capital mix of their manufacturing. As labor income rises, the ratio of labor capital will increase, boosting consumer spending power and bringing down the unemployment rate, which will support Malaysia's economic growth. Additionally, Malaysia uses the price control mechanism and Petroleum Subsidy to control the cost of living, making Malaysian workers less expensive to hire due to the low cost of living (Bank Negara Malaysia, 2015).

Furthermore, Malaysia introduced a wage system known as the Productivity Related Wage System before the minimum wage was imposed (Bahagian Perancangan dan Penyelidikan Dasar, Jabatan Perhubungan Perusahaan Malaysia, 2013). The balance between the labor force's average yield and the number of hours of work that are available during the production process is how employee work productivity is typically described. Considering this, the idea of productivity refers to mental attitudes and behaviors that are focused on constant development (continuous improvement).

Additionally, two basic standards can be used to determine productivity: value productivity and physical productivity. Value productivity is measured based on the values of ability, attitude, behavior, discipline, motivation, and dedication to work, whereas physical productivity is measured in terms of the quantity and quality of things produced. Some businesses in Malaysia still use this system today. With employment involvement and production productivity come wage changes in this system. Therefore, increased employment participation should go hand in hand

with any salary gain achieved through skill development. This increases the company's ability to compete, and employees benefit from job security and a minimum wage that is in line with their abilities. Since market forces in Malaysia decide the wage rate of the private sector and wage setting is done through supply and demand, it is the responsibility of a policymaker to execute the minimum wage. By optimizing its human resources, a corporation can increase productivity among its workers. The development of motivation as one of the elements that might directly influence a rise in employee output is a strategy for enhancing human resources. Offering adequate compensation from the company is one of the strategies to encourage workers to boost their output. When the pay offered to the employees is equal to the effort given, the employees will be motivated to work as hard as they can. As a result, remuneration may have an impact on an increase in employee productivity. On the other side, insufficient compensation will decrease employees' motivation and passion for work rather than boost production.

The workers aim to meet the most basic demands in their lives—such as the need to eat, drink, dress, and live—with the money they receive. As a result, when it comes to paying each employee, the business should take care to do it in a way that ensures the lowest wage is sufficient to cover their employees' fundamental needs. It has a strong correlation because if an employee's basic requirements are not addressed, their productivity will suffer. Giving fair and reasonable compensation is necessary for this so that workers feel valued by the business. When employees feel valued by their employers, they will typically work harder for them, increasing productivity and helping the organizations reach their objectives.

This ensures that Malaysia is always competitive in global economic competition. The Institute for Management Development World Competitiveness (2022), reported that Malaysia is ranked 32nd out of 64 countries in terms of competitiveness. According to the research, this position needs to be enhanced without incurring additional expenses, although productivity improvement is also needed. The National Wage Consultative Council and the Collective Agreement are two of the groups that will work with the government to set the minimum wage through market forces. The government thinks it would be less appropriate to implement a minimum wage soon for all work sectors since it will make Malaysia less competitive in attracting foreign investment. In line with the nation's development objectives, the government seeks to construct a wage structure based on productivity. While raising the standard of living for employees, this policy aims to keep the country competitive. The minimum wage law has contributed to the growth of the Malaysian economy, even though its impact has slightly decreased. This is because the minimum wage policy in contemporary Malaysia and other countries has a positive impact since it must be assessed in terms of numerous economic, political, social, global markets, consumer purchasing power, infrastructure, education, and input sources. This is parallel to Nuemark et.al (2004) recommendation that minimum wage can influence economic growth. The indicators of the consumer price index, the employment participation rate, and the



unemployment rate serve as benchmarks for evaluating the success of the minimum wage policy.

## **CONCLUSION**

Salaries are the primary means of communication between employers and employees in any working relationship. They also represent the most significant aspects of daily living. To establish an organization, wages or salaries are crucial for every employer. In addition to the minimum pay rate, which is a measurement of the services provided by each work performed in each organization, wages are a significant source of revenue for employees to decide the level of their quality of life. In contrast to employers, the set compensation is a component of an organization's production costs. As a result, it is crucial to figure out the level of competition, job performance, and the kind and amount of people needed to complete each task inside the firm.

With the implementation of the latest minimum wage exercise in Malaysia, it presented both sides of the argument. Among the positive arguments is that with this pay increase, more people who were previously unemployed will be enticed to start working. When more people start working because of higher wage incentives, the unemployment rate will decline. Another positive benefit derived from this exercise is that the rise in household income due to the growth in salaries will improve consumer spending power. The amount of extreme poverty in the nation will be able to decline because of this condition. Less reliance on government aid, including subsidies, medical care, and other services, is the outcome of this growth in capacity. The government will be able to indirectly reduce costs for taxpaying citizens. Furthermore, the rise in pay they receive will feed the economic cycle once more. With an increase in their earnings, spending on food, childcare, and other family expenses will also rise. In addition to increasing tax income, this has a direct positive impact on the local economy, including businesses like restaurants and shopping.

The minimum wage policy offers incentives to businesses and employees to apply productivity development initiatives in keeping with the government's objective to turn Malaysia into an economy with high income and high productivity. Businesses may be more inclined to invest in automation and modern technology that can increase production capacity when the cost is proportionate to diminishing capital and people, relying solely on low-paid foreign labor. Businesses may be encouraged to offer training to enhance the abilities and output of their personnel. Firms may be compelled to shift higher up the value chain to compete if they are less dependent on low-skilled, low-wage people. Employees may be enticed to enter the business before it receives less attention by the opportunity of more jobs at greater earnings and the possibility of learning higher skills. These adjustments will contribute to Malaysia becoming a high-value-added, high-income economy.

One of the criticisms of the minimum wage was that it would force firms to pay their employees more compensation than they would have otherwise. Due to this situation, the company will have to pay greater labor costs, which might not be consistent with the productivity of the organization. Given that the adoption of the minimum wage has increased the cost of workers' compensation, an increase in the price of products and services will also occur. However, in the medium to long term, it is believed that the minimum wage legislation will help the Malaysian economy. In the short term, it is expected that the minimum wage legislation will have little effect on inflation. The impact on company costs is predicted to be limited because greater productivity would offset the consequences of pay increases.

A minimum wage legislation will pressure businesses to increase prices in the short term, particularly for businesses that rely on low-paid labor. This forces adjustments to be made in a variety of ways, such as accepting cost increases by reducing margins, boosting production, reducing overall expenses by increasing efficiency, and cutting back on staff. In some cases, businesses can pass through cost increases to customers. For businesses operating in a highly competitive market setting, this approach might not be the best choice. If this policy is immediately adjusted, it may result in cost-reducing measures being taken or, if appropriate, through steps that transfer expenses for more employee-intensive businesses that are experiencing financial limitations.

The minimum wage policy is anticipated to have a favorable impact on the Malaysian economy in the medium to long term. A minimum wage policy against inflation is anticipated to have well-controlled short-term costs and hazards. Because the impact of pay increases will be lessened by greater productivity, the impact on corporate costs is anticipated to be minimal.

In a nutshell, given that low-income households have larger MPCs (marginal propensity to consume), a rise in employee income is anticipated to lead to increased consumer spending and more vigor in the economy. The minimum wage policy will help to advance a better and more equitable wage structure as well as higher value-added economic activity and higher-skilled employment. Other productivity-improving initiatives, such as offering training to supplement staff abilities, enhancing the standard of education, and facilitating investment in automation and innovative technology, are used in conjunction with this policy to further its goals. The objectives of the minimum wage policy are anticipated to be accomplished with the aid of institutional and governmental support, oversight, and proper enforcement.

## REFERENCES

- A.B.Krueger., C. &. (1994). Minimum wages and employment: A case study of the fast food industry in New Jersey and Pennsylvania. *American Economic Review*, 84(4), 772-793.

- Ahmad, M., Yussof, K. Y., & Zakaria, N. S. (2019). Dasar perburuhan dan impaknya terhadap pergerakan kesatuan sekerja di Malaysia: Satu kajian awal: Labour Policy and Its Impact on The Movement of Trade Union in Malaysia: A Preliminary Study. *Journal of Borneo Social Transformation Studies.*, 86-113.
- Ahmat, N. H., Arendt, S. W., & Russell, D. W. (2019). Effects of minimum wage policy implementation: Compensation, work behaviors, and quality of life. *International Journal of Hospitality Management*, 81, 229-238.
- Al-Suraihi, W. A., Samikon, S. A., Al-Suraihi, A.-H. A., & Ibrahim, I. (2021). Employee turnover: Causes, importance and retention strategies. *European Journal of Business Management and Research.*, 6(10), 2-10.
- Azar, O. H. (2012). The effect of the minimum wage for tipped workers on firm strategy, employees, and social welfare. *Labour Economics*, 19(5), 748-755.
- Baek, J., & Park, W. (2016). Minimum wage introduction and employment: Evidence from South Korea. *Economics Letters*, 139, 18-21.
- Bahagian Perancangan dan Penyelidikan Dasar, Jabatan Perhubungan Perusahaan Malaysia. (2013). Productivity Linked Wage System. Putrajaya: Ministry of Human Resources, Malaysia.
- Bank Negara Malaysia. (2015). Annual Report 2014: Outlook and Policy in 2015. Kuala Lumpur: Bank Negara Malaysia.
- Basri, N. M., Karim, Z. A., Ismail, R., & Sulaiman, N. (2018). The effect of wages and industry-specific variables on the productivity of manufacturing industry in Malaysia: A dynamic heterogeneous panel evidence. *International Journal of Economics and Management*, 12(2), 379-391.
- Bauducco, S. &. (2018). The macroeconomic consequences of raising the minimum wage: Capital accumulation, employment, and the wage distribution. *European Economic Review*, 101, 57-76.
- Bayari, C. (2012). The origin of minimum wage determination in Australia: The political and legal institutions. *Journal of Global Politics*, 5(1), 163-198.
- Bruttel, O. (2019). The effects of the new statutory minimum wage in Germany: a first assessment of the evidence. *Journal for Labour Market Research*, 53(1), 1-13.
- Caliendo, M. W. (2019). The causal effects of the minimum wage introduction in Germany—an overview. *German Economic Review*, 20(3), 257-292.
- Card, D., & Krueger, A. B. (2015). Myth and measurement. In myth and measurement. Princeton University Press.
- Card, D., Katz, L. F., & Krueger, A. B. (1994). Comment on David Neumark and William Wascher. Employment effects of minimum and subminimum wages: Panel data on state minimum wage laws. *ILR Review*, 47(3), 487-497.
- Chamber, A. G. (2022). Federal Government Gazette: Minimum Wage Order 2022. Putrajaya.
- Che Ahmat, N. H., Arendt, S. W., & Russell, D. W. (2019). Examining work factors after Malaysia's minimum wage implementation. *International Journal of Contemporary Hospitality Management*, 31(12), 4462-4481.

- Dabla-Norris, M. E., Kochhar, M. K., Suphaphiphat, M. N., Ricka, M. F., & Tsounta, M. E. (2015). Causes and consequences of income inequality: A global perspective. . International Monetary Fund.
- Department of Statistics Malaysia. (2022). Wages in Malaysia: The Story Behind the Statistics. *Newsletter*. Department of Statistics Malaysia.
- Doucouliaagos, H., & Stanley, T. D. (2009). Publication selection bias in minimum-wage research? A meta-regression analysis. *British Journal of Industrial Relations*, 47(2), 406-428.
- Dube, A., Lester, T. W., & Reich, M. (2010). Minimum wage effects across state borders: Estimates using contiguous counties. *The review of economics and statistics*, 92(4), 945-964.
- Elangkovan, K. (2012). Minimum wage laws in Malaysia: An answer to the increasing rate of unemployment. *International Journal of Academic Research in Economics and Management Sciences*, 1(5), 135.
- Fornell, C. R. (2010). The effect of customer satisfaction on consumer spending growth. *Journal of Marketing Research*, 47(1), 28-35.
- Grigsby, J., Hurst, E., & Yildirmaz, A. (2021). Aggregate nominal wage adjustments: New evidence from administrative payroll data. *American Economic Review*, 111(2), 428-471.
- Hussain, H. I. (2022, March 28). Higher minimum wage doesn't mean inflation, unemployment will rise. Retrieved from Focus Malaysia: <https://focusmalaysia.my/higher-minimum-wage-doesnt-mean-inflation-unemployment-will-rise/>
- IMD. (2022, June 25). IMD World Competitiveness Center. Retrieved from World Competitiveness Ranking: <https://www.imd.org/centers/world-competitiveness-center/rankings/world-competitiveness/>
- International Labor Organization. (2014). Minimum Wage Systems. International Labour Conference(103rd Session), 243. Geneva, Switzerland: International Labour Office.
- International Labor Organization. (2020, December 2). Global Wage Report 2020-2021.
- Jardim, E. L. (2022). Minimum-wage increases and low-wage employment: Evidence from Seattle. *American Economic Journal: Economic Policy*, 14(2), 263-314.
- Ketua Ekonomi, Bahagian Fiskal dan Ekonomi, Kementerian Kewangan Malaysia. (2021, October 29). Tinjauan Ekonomi 2022. Putrajaya: Kementerian Kewangan Malaysia.
- Lee, S. (2012). Varieties of minimum wage system" through the dubious lens of indicator-based rankings. *International Labour Review*, 151(3), 261-275.
- Lemos, S. (2008). New Labour?: The impact of Migration from Central and Eastern European Countries on the UK Labour. University of Leicester, Department of Economics.

- Lenhoff, D., & Withers, C. (1994). Implementation of the family and medical leave act: Toward the family-friendly workplace. *Am. UJ Gender & L.*, 3, 39.
- Mair, S., Druckman, A., & Jackson, T. (2019). Higher Wages for Sustainable Development? Employment and Carbon Effects of Paying a Living Wage in Global Apparel Supply Chains. *Ecological Economics*, 159, 11-23. doi:<https://doi.org/10.1016/j.ecolecon.2019.01.007>
- Maloney, T. (1995). Does the adult minimum wage affect employment and unemployment in New Zealand?. *New Zealand Economic Papers*, 29(1), 1-19.
- Marjit, S., Ganguly, S., & Acharyya, R. (2021). Minimum wage, trade and unemployment in general equilibrium. *International Journal of Economic Theory*, 17(1), 74-87.
- Meer, J., & West, J. (2016). Effects of the minimum wage on employment dynamics. *Journal of Human Resources*, 51(2), 500-522.
- Mutari, E., Power, M., & Figart, D. M. (2002). Neither mothers nor breadwinners: African-American women's exclusion from US minimum wage policies, 1912-1938. *Feminist Economics*, 8(2), 37-61.
- Neumark, D., & Wascher, W. (2002). Do minimum wages fight poverty?. *Economic Inquiry*, 40(3), 315-333.
- Neumark, D., Schweitzer, M., & Wascher, W. (2004). Minimum wage effects throughout the wage distribution. *Journal of Human Resources*, 39(2), 425-450.
- Nor, M. K. (2017). Polisi dan Realiti Gaji Minimum di Negeri Sabah: Satu Kajian Kes Pekerja Kontrak Pembersihan di Universiti Malaysia Sabah-The Policy and Reality of Minimum Wage in Sabah: A Case Study of Contract Janitors in UMS. *MANU Jurnal Pusat Penataran Ilmu dan Bahasa (PPIB)*., 182-195.
- Nor, M. K., & Ibrahim, D. (2020). Perbandingan penstrukturan gaji minimum pekerja pada hotel berkesatuan sekerja dan bukan berkesatuan sekerja. *e-BANGI*, 17(6), 181-192.
- Omar, M. A., & Inaba, K. (2020). Does financial inclusion reduce poverty and income inequality in developing countries? A panel data analysis. *Journal of economic structures*, 9(1), 1-25.
- Osman, Z., & Shahiri, H. (2014). Pekerja terancam berdasarkan piawai minimum pemburuan Malaysia. *Jurnal Ekonomi Malaysia*, 48(1), 13-21.
- Page, M. E., Spetz, J., & Millar, J. (2005). Does the minimum wage affect welfare caseloads?. *Journal of Policy Analysis and Management: The Journal of the Association for Public Policy Analysis and Management*, 24(2), 273-295.
- Pissarides, C. A. (2000). *Equilibrium unemployment theory*. MIT Press.
- Rahman, M. S., Subramaniam, S., & Singh, J. S. (2020). The effect of the implementation of minimum wage on employees in the textile industry in Dhaka. *Global Business & Management Research*, 12(3), 12(3), 33-46.
- Siregar, T. H. (2022). Impacts of minimum wages on employment and unemployment in Indonesia. *Journal of the Asia Pacific Economy*, 25(1), 62-78.

- Smith, R. E., & Vavrichek, B. (1987). The minimum wage: its relation to incomes and poverty. *Monthly Lab. Rev*, 110, 24.
- Thiagarajah, R. (2000). A Study on the Minimum Wage Fixing in Malaysia.
- United States. Congressional Budget Office. (1986). Physician reimbursement under medicare: Options for change. Congress of the US, Congressional Budget Office.
- Wang, W. P. (2019). The heterogeneous effects of the minimum wage on employment across states. *Economics Letters*, 174, 179-185.
- Williams, C. (2009). The prevalence of envelope wages in the Baltic Sea region. *Baltic Journal of Management*, 4(3), 288-300. <https://doi.org/10.1108/17465260910990993>

# INTEGRATION OF ISLAMIC BUILDING PRINCIPLES TO IMPROVE SPATIAL QUALITY OF LOW-COST VERTICAL HOUSING IN KUALA LUMPUR

Azhani Abd Manaf<sup>i</sup>, Nurul Izzah Mohd Fadhil<sup>ii</sup>, Nurul Syala Abdul Latip<sup>iii</sup>, Elina Mohd Husini<sup>iv</sup>,  
Wan Norisma Wan Ismail<sup>v</sup>, Nor Syahila Ab Rashid<sup>vi</sup>

<sup>i</sup> (Corresponding author). Lecturer, Universiti Sains Islam Malaysia. [azhani@usim.edu.my](mailto:azhani@usim.edu.my)

<sup>ii</sup> Student, Universiti Sains Islam Malaysia. [izzahfdhl@gmail.com](mailto:izzahfdhl@gmail.com)

<sup>iii iv</sup> Associate Professor, Universiti Sains Islam Malaysia. [elina@usim.edu.my](mailto:elina@usim.edu.my)

<sup>v vi</sup> Lecturer, Universiti Sains Islam Malaysia. [norisma@usim.edu.my](mailto:norisma@usim.edu.my)

## Abstract

*This research focuses on the opportunity to integrate a few components of Islamic Building Principles (IBP) to improve the spatial quality of low-cost vertical housing in Malaysia, especially Projek Perumahan Rakyat (PPR) housing in Malaysia. As everyone is aware, PPR homes were able to meet the basic requirement in terms of housing and meet the basic need of occupants as a shelter. However, several major problems continue to exist, keeping the spatial quality in most PPR homes less than ideal. Therefore, this study examines which IBP components are most effective in enhancing spatial quality in PPR homes. The IBP elements act as a benchmark indicating Islam as a way of life. The major goal of this study is to determine which of the Islamic building principles (IBP) are important to a vertical housing development in Malaysia and to evaluate the extent to which these principles or Islamic guidelines have been incorporated to the existing vertical housing in Malaysia. Throughout the research, a literature review and systematic visual observation approach were used to achieve both research objectives. The main findings of this study shows that... (add 1 sentence of main finding). With the implementation of IBP elements and maqasid syariah as a guideline for housing design, the well-being and quality of life of much needed focus can be enhanced and improve.*

Keywords: Islamic building principles, Islamic architecture, residential, low-cost vertical housing, PPR houses, spatial quality.

## INTRODUCTION

Shelter, or a house, is considered by most people to be a basic human need. The maqasid Syariah or objectives of Islamic law, encourages the provision of shelter through its five fundamentals on the preservation of faith, self, intellect, lineage, and property. In this regard, the Arabic word "maskan," which also refers to dwelling, is derived from the verb "sakana," which denotes relaxation, repose, rest, quiet, and comfort. In addition, the terms "sukun" and "sakinah" denote stillness, tranquilly, peace, and serenity which are used in the Quran in reference to the house. Within the house environment, occupants are given an opportunity to escape the pressures of the outside world and focus on physical, mental, and spiritual wellbeing. Occupants are able to reprieve and recover mentally and physically in this peaceful dwelling arrangement. Al-Qur'an makes this very clear in the following verse:

*And Allah has made for you from your homes a place of rest and made for you from the hides of the animals tents which you find light on your day of travel and your day of encampment; and from their wool, fur and hair is furnishing and enjoyment for a time" (An-Nahl 16: 80)*

The organisation of family institutions from Islamic perspective is primarily controlled by fiqh al-munakahat in terms of Islamic law (fiqh). This fiqh highlighted Islamic family-related concepts such as the sanctity of family life, restricting non-mahram relationships outside of the family, safeguarding, teaching, and raising children, as well as public health, enjoying life, and others. Based on this, the character of built environment of the house from Islamic perspective such as privacy, building heights, building shapes, planning and outside spaces, and social interactions were directly impacted (Moustapha, 1986). The broad Islamic Syariah rules for good house design are concerned with these physical criterions. In a hadith, the Messenger of Allah said: "Do not turn your houses into graves ..." (Reported by Muslim, 1/539). In another hadith where the Prophet said: "The likeness of a house in which Allah is remembered and the house in which Allah is not remembered is that of the living and the dead, respectively"(Aripin et al., 2019).

Several fundamental standards for dwellings in Islam has been established by numerous Islamic scholars. The criteria are based on a set of constant and dynamic factors which are rooted to Shariah or Islamic law. Figure 1 below shows the theoretical framework of Islamic factors shaping the traditional Arabic city by Hakim (1986).

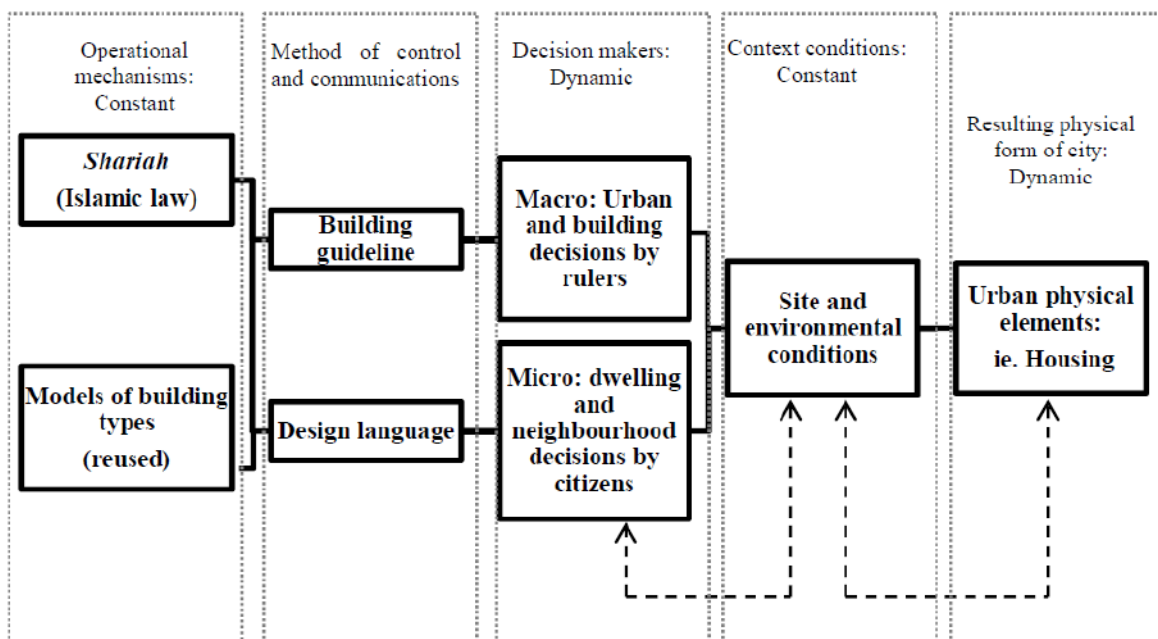


FIGURE 1. Besim’s model on selected factors shaping the traditional Arabic-Islamic cities (Hakim, 1986)

## RESEARCH BACKGROUND

### Low-cost Housing in Malaysia

A low-cost house in Malaysia is one with a selling price of RM 25,000 or less, where these homes can be flats, terraced houses or detached homes with the minimum



design requirements of a built-up area between 550-600 sq (Shuid, 2016). It should contain the following basic spaces which are; two bedrooms, a living room, a kitchen and a bathroom. Only families with monthly salaries under RM 750 are eligible to apply for affordable housing. The definition of a low-cost house, according to Salleh Buang (1997), is one with a total amount of habitable space (floor area) that is less than 650 square feet and cannot be sold for more than RM 25,000 (Zaid, 2015). This term has been around for over 10 years. However, Goh Ban Lee (1997) highlighted that a low-cost house is usually defined as a one bedroom or, at the most, a two-bedroom structure, whether it is erected on solid ground, upward as walk-up apartments, or in high-rise structures.

PPR housing developments come in the typologies of 18-story high rise apartments, 5-story walk-up apartments in major cities, and terrace homes in coastal and suburban locations. According to published government documents, PPR homes adhere to the same design and planning guidelines for low-cost housing as laid forth in the National Housing Standard for low-cost housing flats with a minimum floor space of 700 square feet. According to the National Housing Department (2015), the PPR house has 3 bedrooms, 1 living room, 1 kitchen, and 2 bathrooms in addition to the provision of basic community amenities like a community hall, musolla, food stalls, a kindergarten, facilities for people with disabilities, a children's playground with a green area, and a garbage house.

The benefits, welfare, and advantages underlying the revelation of Islamic Laws for people and preventing evil, harm, and loss are included in Maqasid Syariah. In Arabic, it is referred to as Masalih Al-'Ibad. Without them, there would be devastation, collapse, anarchy, and the end of society's established order, which are considered as necessary necessities for the survival and spiritual wellbeing of individuals and the general population (Nuruddin, Bakar & Jaafar, 2015). The Dharuriyyat, the Hajiiyyat, and the Tahsiniyyat are the three degrees of prominence that make up the Maqasid Syariah. The survival and spiritual wellbeing of people and societies are viewed as absolute prerequisites for Dharuriyyat (Essentials/Necessities). These goals are fundamental requirements for establishing the wellbeing of all people in this world and the one to come. If they are disregarded, confusion, disorder, and loss will reign instead of coherence and order.

Islamic building principles (IBP) are general guidelines extracted from Syariah (Islamic law) to manage innumerable aspects of Muslim built environment. These guidelines are developed to meet the purpose of improving quality of life as a devoted Muslim that holds the responsibility to worship Allah and as a vicegerent of this Earth. Based on study by Hakim (1986) there are 11 Islamic Building Principles (IBP). IBP are essentially value based design principles which are applied at all level of urban elements for an Islamic built environment. Thus, the Islamic perspective in the form of Maqasid Shariah and Islamic Building Principles (IBP) may be able to contribute as a form of holistic benchmark to regulate and increase the quality of newly designed low-cost housing, as well as criteria to improve the spatial quality of existing housing complex. This leads to the main research question of this study

which is; which Islamic building principles (IBP) are most applicable to develop and maintained good spatial quality of low-cost vertical housing in Malaysia? The study is limited to PPR housing located in Kuala Lumpur area.

## **METHODOLOGY**

This study are explorative and qualitative in nature. The methods employed in this study are literature review and systematic observation. In the literature review stage, indepth literature search were carried out to extract Islamic building principles (IBP) which will become variable for the survey. Secondly, the systematic observation method involved field study visit to three selected PPR in Kuala Lumpur which are PPR Kerinchi, PPR Kampung Muhibbah, and PPR Seri Semarak. Data were collected on the spatial quality aspect of the homes and common areas of the low-cost vertical housing (LCVH) to analyse whether or not Islamic building principles are applied and the extend of its application.

## **RESULTS AND DISCUSSION**

The results from the systematic observation methods shows that the application of Islamic Building Principles (IBP) are very relevant as a holistic benchmark or guideline in maintaining spatial quality of spaces, both private and common, of the PPR housing complex. Findings also shows that not all IBP are critical in the case of PPR housing and there are a list which are integral. These are highlighted and discussed below.

### **1. Avoidance of Harm**

This principle is very integral to maintain the safety and security aspect of LCVH. In the case of the PPR, it is applied in the safety aspects of the building, security on a daily basis and the maintenance of it. There are sevel issues regarding these principle which have been observed such as the lack of maintenance on the lifts make it difficult for the residents to go up to their own designated floor. This results in high degree of inconvenience to the level of physical harm to residents as lifts are the main vertical transportation. Furthermore, there are also issues of dark or dimly lit stairwell, lift interior space, lift lobbies and parking areas. Lack of CCTV and blind spots which can lead so safety issues to residents at some areas in the building.

On the other hand, prevention of harm to residents and special groups are being addressed in the case study PPR complex. As an example, at PPR Kampung Muhibbah, covered walkway are provided on ground level. Furthermore, ramp are being provided at multiple spots to each movement of disabled group.Disabled parking spots are also provided near entrance. Thus these measures increase comfort for residents and without them may lead to more harm and inconvenienced.

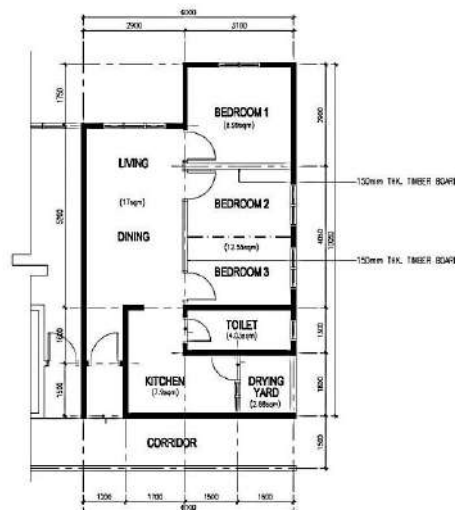


**Figure 2.** Spaces that related to application of harm at PPR Muhibbah

## 2. Privacy

Due to mirror planning of units row, currently for the PPR housing are facing issue where there are direct visual corridors between 2 opposite main doors which are facing each other. The narrow internal courtyard in the centre of the block which are about 7 metres wide, is not sufficiently far away that may hinder visual intrusion into the opposite rows. Thus additional method to regulate privacy by owners are required such as closing doors at all times or additional curtain or partition at openings.

There are also several privacy issues with the current house unit layout. The second bedroom has a window which opens out to the corridor which leads to lack of privacy as they cannot open the curtains as they wish, as it opens out to public space. Furthermore, the low height of window especially for toilets window which opens out to the corridor, raised issues of overlooking into the toilets. Some of the residents also installed tinted windows to increase level of privacy. This raised issue of intrusion of visual privacy through peeping and overlooking into private spaces.



**Figure 3.** A typical floor plan and floor area of PPR House occupied by asnafs (18-storey flat)

In relation to the house unit and privacy issues, there appear to be no issue for smaller family. However, in the case of large families with many children, the standard size of the house unit of PPR housing may lead to many issues. Space which

are previously meant to function as common family area like the living room, need to be used as additional bedroom.



**Figure 4.** a) View looking into the courtyard at PPR Kerinchi, and b) view of a living room of a house unit in PPR Kerinchi

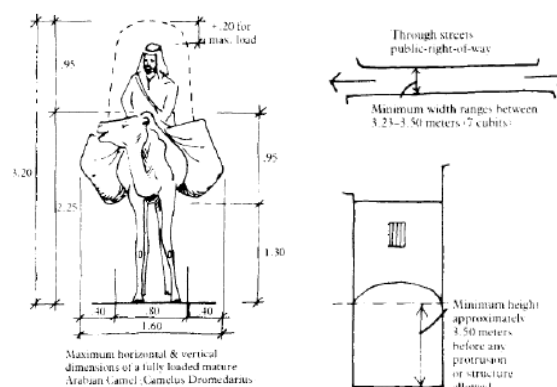
### 3. Respect others property

Vandalism of public amenities such as lifts and playground are recurring issues happening at the case study PPR housings. Furthermore, related to this IBP, there are other issues such as youth groups peeping into private areas of house. There are also issues of not disposing rubbish properly at their right places and littering.

### 4 & 5. Corridor space –Width and Obstruction of public thoroughfare (IBP)

#### A. Width of Public Thoroughfare

The optimal width of public thoroughfare from the traditional Arabic city is between 3.23m to 3.50m based on the Islamic building principles (IBP). The width is in reference to 2 loaded camels able to pass each other along the road. Additional space in relation to local community used of their people are also taken into account to accommodate space for al-fina or benches abutting houses along the path.



**Figure 5.** Provision of appropriate width of public thoroughfare during the traditional Arabic city era (Source: Hakim, 1986)

However, based on the findings, the corridor space or common walkway outside of the house units did not reach the optimal width of a public thoroughfare from Islamic perspective. Moreover, as the corridor or walkway is being used as a

space for some owners to hang their clothes or decorate it with plants, the width of the corridor or walkway became narrower and does not achieve the minimum dimension of public thoroughfare that was indicated in the Islamic building principles (IBP). It became a more serious problem as the corridor or walkway is the only path for the residents to travel from their own house unit to the nearest staircase (fire escape staircase) or lift nearby.

Thus, it is proven that the width of the corridor or walkway of the PPR houses did not abide by the Islamic building principle (IBP) element in terms of width of public thoroughfare. This IBP is important in ensuring the effectiveness of the space or element in providing optimal space and width for daily circulation and residents to walk or pass by comfortably. In the issue of PPR, it can be observed that although the width of the corridor meet the minimum by-law requirement of design space, however, it does not take into account *urf'* or accepted customs and behaviour of how people treat and use the corridor space. As it is an accepted norm and trend for residents to treat the corridor space adjacent to their house as an extension of their house, it is important for designers to provide additional space for them to treat this semi-outdoor space like so. Additional width added on to the 1.4 metre minimum corridor width may allow the component of *urf'* or behavioral norm which have before been overlooked.



**Figure 5.** Provision of appropriate width of public path for various user groups at PPR Kampung Muhibbah

## **B. Obstruction of thoroughfare**

By definition, any public facility or road that is blocked, either permanently or temporarily, is considered to be a thoroughfare obstruction. It can be concluded through the visual observation method used, that all three of the PPR houses faced

the same issues and the most prominent issue that can be seen as soon as entering the PPR area, was the insufficient parking lot that could not accommodate all of the residents resulting in *double parking* that will only block other cars and makes the road become narrower and might also be an obstacle to other cars to drive through. The situation can be seen in the figures below.

Externally, some of the corridor or walkway outside of the house unit were obstructed by clothes that was hung by the house unit owner. The possibility of this issue to occur was highly because of the limited space for the owner to dry their clothes. This problem then causing an obstruction to the walkway and other residents would find it difficult to walk across the common corridor or walkway used by residents that has been obstructed. The figure below shows the situation of the obstructed corridor/walkway in front of the house units.

Thus, from the issues faced at the parking lot and walkway/balcony at three PPR houses, it is proven that some spatial quality of the PPR houses did not abide by the Islamic building principle (IBP) element in terms of obstruction of thoroughfare. This IBP is important for the case of PPR housing as the corridor acts as main artery and access for residents to reach their houses. Thus obstruction of paths may take away the rights of residents from enjoying an unobstructed path, and experiencing the full width of circulation spaces as it was originally designed.



**Figure 6.** Issues related to obstruction of thoroughfare at PPR Kerinchi

## **6. Access to fina**

The term "al-Fina" refers to both the internal courtyard of a home and the outside area directly next to a home's exterior wall or walls. This section discusses the external Fina in relation to common area and the external area of the house units which main purpose is to create spaces or areas for people to socialise and encourage bonding or community values. The existence of mobile vendors at the ground floor that would attract childrens attention right after their school session thus would create a lively community spirit on the ground floor level. Findings shows existence of seating area at playgrounds, nearby staircases, and also in front of their houses would make people socialize more. These spaces are important as it allow residents to socialize to each other, allow residents to earn money to support their families, and enable residents to have a healthy lifestyle by jogging and playing sports at the facilities provided nearby.



**Figure 7.** a & b - Fina or social pocket areas on ground floor level of PPR Kerinchi



**Figure 8.** a & b - Fina or social pocket areas on ground floor level of PPR Kampung Muhibbah

### 7. Source of unpleasant smell and noise

In the case of PPR Muhibbah, it is located near a busy road and thus has the highest noise pollution among three PPR housing. However, no additional sound buffer or design element were added in respond to this. In relation to smell, all PPR have their own refuse chamber on the compound area where rubbish are collected in one area. However, bad odour and smell may occur due to poor behaviour of residents that pile rubbish at inappropriate areas such as near lift lobby and piled outside refuse chambers instead of inside them.



**Figure 9.** Bins outside of refuse chamber at PPR Seri Semarak

## **CONCLUSION**

As mentioned above, all three PPR houses did abide to all IBP, however not to the optimum extent. Results of the study also shows that there are some IBP that are more important than others in increasing the spatial quality such as; 1) avoidance of harm, 2) privacy, 3) respect property of others, 4&5) width and obstruction of public thoroughfare, 6) access to fina, and 7) source of unpleasant smell and noise. The spatial quality of the PPR housing in urban area can be improved if more effort would be put in these IBP as guideline at design stages, and standards in maintenance of the complex and its spaces. The study will define the true meaning of Islamic architecture, which can be identified through Islamic building principles (IBP), and so raise awareness among experts and the general public about the essence of Islamic architecture, which is timeless and flexible independent of environment setting. Hopefully, these findings will serve as a guide for planners and designers to develop more sustainable and holistic approaches to improving spatial quality in low-cost vertical housing in Malaysia, allowing citizens to live in a more comfortable and better living environment.

## **ACKNOWLEDGEMENT**

This study has been carried out and funded under the Internal Research Grant (PPPI/FKAB/0121/USIM/17221) granted by Universiti Sains Islam Malaysia.



## REFERENCE

- Aripin, S., Rashid, K. A., Sarkawi, A. A., Hasan, S. F., & Fauzi, P. N. F. N. M. (2019). Zakat houses design and planning (Quality and standard) from shariah perspective. *Planning Malaysia*, 17(1), 176-185.
- Hakim, B. S. (1986). Arabic-islamic cities. *Building and planning principles*.
- Moustapha, A. F. (1986). Islamic Values in Contemporary Urbanism (unpublished). In *First Australian International Islamic Conference organized by the Islamic Society of Melbourne, Eastern Region (ISOMER)*.
- National Housing Department, 2015.
- Nuruddin, A. R., Bakar, S. P. S. A., & Jaafar, M. (2015). Unveiling the challenges faced by Malaysian housing developers through government policy changes. *Journal of Construction in Developing Countries*, 20(2), 37.
- Shuid, S. (2016). The housing provision system in Malaysia. *Habitat International*, 54, 210-223.
- Zaid, S. M. (2015). Measuring Operational Affordability of Public Low-Cost Housing in Kuala Lumpur. *Case study of People's Housing Programme Public Low-Cost Housing in Kuala Lumpur. International ournal of Social Sciences*, 4(4), 54-74.

# CUSTOMER AWARENESS FOR GELATIN-BASED MARSHMALLOW SNACK: A PRELIMINARY READING

Siti Rubaini Mat<sup>i</sup> & Siti Alyani Mat<sup>ii</sup>

<sup>i</sup>(Siti Rubaini Mat). Penyelaras, Pusat Tamhidi, USIM. sitirubaini@usim.edu.my

<sup>ii</sup>Institute of Bioproduct Development, Universiti Teknologi Malaysia (UTM). sitialyani@utm.my

## Abstract

*Gelatin provides marshmallows with their characteristic soft and fluffy texture. Many people are aware that gelatin can be derived from sources like porcine (pork). Since pork is considered haram (forbidden) in Islam, Muslims are prohibited from consuming products containing gelatin-sourced. To address these concerns, some manufacturers offer alternative options, such as marshmallows made with gelatin from bovine sources or plant-based ingredients like agar-agar or carrageenan. Additionally, some companies produce vegan marshmallows that do not contain any animal-derived ingredients. Clear labeling and ingredient transparency are important for consumers to make informed choices about the products they purchase, especially when considering religious requirements. In some cases, individuals seek authentication or verification labels to ensure that the gelatin used in products aligns with their dietary, religious, or cultural preferences, in our case Jabatan Kemajuan Islam Malaysia (JAKIM) halal certification.*

Keywords: *marshmallow, gelatin, porcine, bovine, JAKIM*

## INTRODUCTION

A marshmallow is a sweet, soft confection that is typically made from sugar, water, and a gelling agent, traditionally gelatin. It has a light and fluffy texture, often described as spongy and airy (Boerner, 2021). Marshmallows are commonly enjoyed on their own as a treat or used as an ingredient in various recipes. Marshmallows have a long history and were originally made from the root sap of the marshmallow plant (*Althaea officinalis*), which gave them their name. However, modern marshmallows are no longer made from this plant but instead use a combination of sugar, water, gelatin (or gelatin alternatives), and other ingredients.

Marshmallows have a wide range of culinary uses, including for snacking: marshmallows are often enjoyed as a sweet treat on their own; enjoyed with hot chocolate: they can be used as a topping for hot chocolate, where they melt and add sweetness and creaminess to the drink; as s'mores: marshmallows are a key ingredient in the popular campfire treat known as s'mores, which also includes chocolate and graham crackers; in baking and desserts: marshmallows can be added to baked goods, such as cookies, brownies, and cakes: for added flavor and texture; as candy and confections: marshmallows can be coated in chocolate or other coatings

to create various types of candies; as dessert toppings: marshmallows are sometimes used as a topping for desserts like ice cream or fruit salads; as ingredients in recipes: marshmallows can be used in recipes for Rice Krispie treats, fudge, and other confections (Nadeem, 2016).

Traditionally, marshmallows are made with gelatin as one of their main ingredients. Gelatin provides the marshmallows with their soft characteristic and fluffy texture (Harris, 2013). However, due to dietary restrictions, religious beliefs, and lifestyle choices, there are also vegetarian and vegan marshmallow alternatives available that do not use gelatin. In gelatin-based marshmallows, gelatin is used to create the structure and texture of the marshmallow by forming a gel-like network that traps air and moisture. When the marshmallow mixture is whipped, heated, and then allowed to cool and set, it results in a familiar light and spongy consistency. Keep in mind that while traditional marshmallows are made with gelatin, there are also gelatin-free and vegetarian/vegan marshmallow options available that use alternative gelling agents and ingredients.

Many people are aware that gelatin can be derived from porcine (pork) sources. However, the level of awareness can vary among individuals based on factors such as cultural background, dietary preferences, religious beliefs, and personal research. For individuals who follow specific dietary restrictions, such as Muslims who adhere to Halal dietary laws or Jews who follow Kosher dietary laws, the source of gelatin is of particular concern. Gelatin derived from porcine sources is not considered permissible under these dietary laws. As a result, people who adhere to these dietary restrictions often seek products that use alternative gelling agents or gelatin derived from non-porcine sources.

## **GELATIN**

Gelatin is a protein derived from collagen, which is a natural protein found in animal connective tissues, such as bones, skin, and cartilage. It is commonly used in cooking and food preparation for its gelling, thickening, and stabilizing properties. Gelatin has been used for centuries in various culinary and medicinal applications. Gelatin is usually derived from animal sources, primarily cattle (beef) or pigs (porcine). The collagen-rich tissues are processed through various methods to extract the gelatin (Amy Richter, 2020).

Gelatin has a strong gelling properties. When gelatin is mixed with liquid and allowed to set, it forms a gel-like substance. This happens because the proteins in gelatin form a network of bonds that trap water molecules, resulting in a solid or semi-solid structure. Gelatin or collagen chains adjoined in a solution that can be covalently cross-linked to form matrices that are capable of swelling in aqueous solutions and formed gelatin hydrogels. For culinary uses, gelatin is used in a variety of food products to create textures, thicken liquids, and stabilize mixtures. Apart from the characteristic of gelling, it can also be a good foaming agent in culinary preparations. Gels made with gelatin are very much admired by chefs and consumers due to their unique texture properties; very soft and melt easily in the

mouth before swallowing. It is commonly used in making desserts like gelatin-based desserts (e.g., Jello), mousses, and marshmallows. It is also used to thicken sauces, gravies, and soups. Gelatin can also be used in baking to stabilize whipped cream, improve the texture of ice creams, and create certain confections.

In pharmaceuticals, gelatin is used in the production of capsules for medications, vitamins, and supplements. It provides a convenient and effective way to encapsulate substances. Gelatin contains a range of amino acids, the building blocks of proteins, although it does not provide a complete profile of essential amino acids. Some people believe that gelatin may have potential health benefits for joint health, skin health, and digestion due to its collagen content, but the scientific evidence for these claims is limited.

It's important to note that gelatin derived from porcine (pork) sources might not be suitable for individuals with dietary restrictions based on religious beliefs or ethical considerations. In such cases, gelatin alternatives should be sought out. For those who avoid animal products, alternative gelling agents like agar-agar (derived from seaweed), carrageenan, and pectin are used as substitutes for gelatin in cooking and food preparation.

## PORCINE GELATIN

Many Muslims are aware that gelatin can come from porcine (pork). Since pork is considered haram (forbidden) in Islam, Muslims who adhere to dietary restrictions by their faith generally avoid consuming products containing gelatin sourced from pigs. The prohibition of consuming pork is mentioned in the Quran in Surah Al-Baqarah, which is the second chapter of the Quran. The relevant verse is:

إِنَّمَا حَرَّمَ عَلَيْكُمُ الْمَيْتَةَ وَالدَّمَ وَلَحْمَ الْخِنْزِيرِ وَمَا أُهْلَ بِهِ لِغَيْرِ اللَّهِ فَمَنْ اضْطُرَّ غَيْرَ بَاغٍ وَلَا عَادٍ فَلَا إِثْمَ عَلَيْهِ إِنَّ اللَّهَ غَفُورٌ رَحِيمٌ

*"He has only forbidden to you dead animals, blood, the flesh of swine, and that which has been dedicated to other than Allah. But whoever is forced [by necessity], neither desiring [it] nor transgressing [its limit], there is no sin upon him. Indeed, Allah is Forgiving and Merciful."* (Al-Quran, 2:173)

This verse explicitly mentions that the flesh of swine (pork) is forbidden for consumption in Islam. The prohibition is also reiterated in other verses of the Quran, emphasizing the importance of avoiding pork and its derivatives and adhering to dietary restrictions as part of Islamic dietary law.

An alternative for porcine gelatin (Type A), is by using bovine gelatin (Type B). Bovine gelatin, like other types of gelatin, can be a subject of concern for individuals following specific dietary restrictions, such as Muslims and Jews. While bovine gelatin itself might be considered halal (permissible) for Muslims to consume, there could be concerns related to the sourcing, processing, and potential cross-contamination. Some Islamic scholars and halal certification bodies and

authorities guide the permissibility of bovine gelatin, and this can vary by interpretation and cultural practices.

It's important to note that gelatin derived from different sources, whether bovine, porcine (pork), fish or other alternatives, can have varying properties and uses. The choice of gelatin type depends on factors such as dietary restrictions, functional requirements, cultural practices, and individual preferences. For those who avoid gelatin derived from bovine sources due to dietary or religious reasons, there are alternatives available. Some manufacturers offer gelatin made from fish, agar-agar (derived from seaweed), carrageenan, pectin, and other plant-based gelling agents (Riddle, 2023).

## **CONSUMER CONCERNS**

Consumer concerns regarding gelatin from porcine in marshmallows primarily stem from dietary, religious, and cultural reasons. Here are some of the main concerns:

1. **Religious Dietary Restrictions:** Muslims and Jews, as well as followers of certain other religious traditions, avoid consuming porcine and its by-products due to religious dietary laws. Therefore, individuals adhering to these dietary restrictions may choose to avoid marshmallows made with porcine-derived gelatin.
2. **Cultural Practices:** Some cultures have dietary practices that exclude porcine or emphasize vegetarian or plant-based diets. People from these cultures may be concerned about consuming products containing porcine-derived gelatin, including marshmallows.
3. **Ethical and Lifestyle Choices:** Some individuals choose not to consume animal products for ethical reasons or due to personal lifestyle choices, such as vegetarianism or veganism. They may prefer marshmallows made with plant-based or alternative gelatin sources.
4. **Allergies and Health Concerns:** Certain individuals may have allergies to porcine or may be concerned about potential health issues related to consuming animal-derived products.
5. **Lack of Transparency:** Consumers may be concerned about the lack of transparency regarding the gelatin source used in marshmallows. Without clear labeling, individuals may not be aware of the type of gelatin present in the product.

To address these concerns, some manufacturers offer substitute ingredients and options such as marshmallows made with gelatin from bovine sources or plant-based alternatives like agar-agar or carrageenan. Additionally, some companies produce vegan marshmallows that do not contain any animal-derived ingredients.

Consumers who have specific dietary, religious, or ethical preferences should carefully read product labels and ingredients list or seek out products that align with their values. As consumer awareness and preferences continue to evolve, some manufacturers may also choose to provide clearer labeling and information about gelatin sources in their products to penetrate a wide range of potential markets.

## GELATIN AUTHENTICATION

The gelatin authentication process might involve labeling and certification where manufacturers may provide clear labeling on their products to indicate the source of gelatin used. They might also seek certification from relevant organizations or authorities that verify the authenticity of their gelatin sources. We can also use third-party verification: independent organizations or certifying bodies might conduct audits or assessments to ensure that the gelatin used in a product aligns with specific dietary or religious requirements. In manufacturing, producers must show transparency in listing of ingredients used. Manufacturers can provide detailed information about their source of gelatin and production methods, allowing consumers to make prudent choices based on their preferences.

Traceability and supply chain monitoring can also ensure gelatin authenticity, companies might implement systems to trace the origin of the gelatin back to its source and monitor the supply chain for compliance (Sani, 2021). We can also educate consumers by providing consumers with information about gelatin sources and processing methods that can empower them to make cautious decisions about the products they purchase and consume. Table 1 shows gelatin authentication methods and their tested samples.

Table 1: Gelatin Authentication Methods in Laboratories

Method of detection	Samples	References
Spectroscopic	Gelatin and gelatin hydrolyzates from bovine and porcine	Hashim et al. (2010); Hermanto & Fatimah (2013)
Immunochemical	Bovine and porcine skin and bone gelatin that has undergone acid or alkaline	Venien & Levieux (2005)
	Porcine gelatin in edible bird's nests	Tukiran et al. (2015, 2016a)
	Gelatin sources in confectionery products	Tukiran et al. (2016b)
Nucleic acid-based	The gelatin in the capsule	Cai et al. (2012); Malik et al. (2016); Mutalib et al. (2015); Sudjadi et al. (2015)

	Gelatin blends: marshmallow/cake, gum-drops, desserts, jelly and Turkish delight	Demirhan et al. (2012); Shabani et al. (2015)
Mass Spectrometric	Bovine and porcine gelatin hydrolyzates	G.-F. Zhang et al. (2008); G. Zhang et al. (2009)
Electrophoretic analysis	Porcine type a and bovine type B gelatins	Azira et al. (2014); Hermanto & Fatimah (2013)
Chemosorption	Bovine bone and porcine skin gelatin	Hidaka & Liu (2003)
Chromatographic-chemometric	Bovine	Widyaninggar et al. (2012)
	Porcine and fish gelatins	Azilawati et al. (2015)
	Gelatin in capsule	Nemati et al. (2004)
	The gelatin in soft candy	Raraswati et al. (2013)

## CONCLUSION

When consuming marshmallows, gummy bears and such, consumers must know the source of gelatin used in the products. Apart from porcine gelatin, bovine sources can give a good texture too. Bovine gelatin is derived from cows and is used in a wide range of food and non-food products, including food products like desserts, dairy products, and pharmaceutical applications. To address concerns, some manufacturers offer alternatives like bovine gelatin, plant-based alternatives, or vegan options.

Clear labeling and ingredient transparency are important for consumers to make careful choices about the products they purchase, especially when considering dietary and religious requirements. In some cases, individuals seek authentication or verification labels to ensure that the gelatin used in products aligns with their dietary, religious, or cultural preferences, in our case JAKIM's halal logo on the product labeling. It's important to respect and consider the diverse perspectives, beliefs, and preferences of individuals when discussing gelatin and its sources, and to make judicious choices based on accurate information and understanding.

## REFERENCES

Al-Quran, 2:173

Amy Richter, R. D. November 17, 2020. What is gelatin made of, and is it good for you? in Medical News Today. <https://www.medicalnewstoday.com/articles/319124>

Boerner, L. K. April 2, 2021. What's in marshmallows, and how do the ingredients work together to make ooey-gooey treats? in Chemical and Engineering News.

<https://cen.acs.org/food/food-science/s-marshmallows-ingredients-work-together/99/web/2021/04>

- Azilawati M I, Hashim D M, Jamilah B and Amin I. (2015). RP-HPLC method using 6-aminoquinolyl-N-hydroxysuccinimidyl carbamate incorporated with normalization technique in principal component analysis to differentiate the bovine, porcine, and fish gelatins. *Food Chemistry*. 172: 368–376. <https://doi.org/10.1016/j.foodchem.2014.09.093>
- Azira T N, Man Y B C, Hafidz R N R M, Aina M A and Amin I. (2014). Use of principal component analysis for differentiation of gelatin sources based on polypeptide molecular weights. *Food Chemistry*. 151: 286–292. <https://doi.org/10.1016/j.foodchem.2013.11.066>
- Cai H, Gu X, Scanlan M S, Ramatlapeng D H and Lively C R. (2012). Real-time PCR assays for detection and quantitation of porcine and bovine DNA in gelatin mixtures and gelatin capsules. *Journal of Food Composition and Analysis*. 25(1): 83–87. <https://doi.org/10.1016/j.jfca.2011.06.008>
- Calvarro J, Perez-Palacios T and Ruiz J. (2016). Modifications of gelatin functionality for culinary applications by using transglutaminase. *International Journal of Gastronomy and Food Science*. 5: 27-32
- Demirhan Y, Ulca P and Senyuva H Z. (2012). Detection of porcine DNA in gelatin and gelatin-containing processed food products—Halal/Kosher authentication. *Meat Science* 90(3): 686–689. <https://doi.org/10.1016/j.meatsci.2011.10.014>
- Harris, Jenn. June 18, 2013. 10 natural ingredients you have no idea you're eating: Fish bladders, bug secretions, and more, in Los Angeles Times. <https://www.latimes.com/food/dailydish/la-dd-10-wacky-natural-food-ingredients-20130613-story.html#:~:text=It%27s%20used%20in%20certain%20ice,O%20as%20a%20thickening%20agent.>
- Hashim D M, Man Y B C, Norakasha R, Shuhaimi M, Salmah Y and Syahariza Z A. (2010). Potential use of Fourier transform infrared spectroscopy for differentiation of bovine and porcine gelatins. *Food Chemistry*. 118(3): 856–860. <https://doi.org/10.1016/j.foodchem.2009.05.049>
- Hermanto S and Fatimah W. (2013). Differentiation of bovine and porcine gelatin based on spectroscopic and electrophoretic analysis. *Journal of Food and Pharmaceutical Sciences*. 1(3): 68–73
- Hidaka S and Liu S Y. (2003). Effects of gelatins on calcium phosphate precipitation: a possible application for distinguishing bovine bone gelatin from porcine skin gelatin. *Journal of Food Composition and Analysis*. 16(4): 477–483. [https://doi.org/10.1016/S0889-1575\(02\)00174-6](https://doi.org/10.1016/S0889-1575(02)00174-6)
- Malik A, Sutantyo M L, Hapsari I, Sinurat A V, Purwati E M, Jufri M and Suryadi H. (2016). Simultaneous identification and verification of gelatin type in capsule shells by electrophoresis and polymerase chain reaction. *Journal of Pharmaceutical Investigation*. 46(5): 475–485.



- Mutalib S A, Muin N M, Abdullah A, Hassan O, Mustapha W A W, Sani N A and Maskat M Y. (2015). Sensitivity of polymerase chain reaction (PCR)-southern hybridization and conventional PCR analysis for Halal authentication of gelatin capsules. *LWT-Food Science and Technology*. 63(1): 714–719. <https://doi.org/10.1016/j.lwt.2015.03.006>
- Nadeem, W. Dec 16, 2016. 14 Insanely Delicious Ways To Eat Marshmallows, in BuzzFeed. <https://www.buzzfeed.com/ikneadtoeat/15-insanely-delicious-ways-to-eat-marshmallows-1y3sf>
- Nemati M, Oveisi M R, Abdollahi H and Sabzevari O. (2004). Differentiation of bovine and porcine gelatins using principal component analysis. *Journal of Pharmaceutical and Biomedical Analysis*. 34(3): 485–492. [https://doi.org/10.1016/S0731-7085\(03\)00574-0](https://doi.org/10.1016/S0731-7085(03)00574-0)
- Raraswati M A, Triyana K and Rohman A. (2013). Differentiation of bovine and porcine gelatins in soft candy based on amino acid profiles and chemometrics. *Journal of Food and Pharmaceutical Sciences* 2(1): 1–6.
- Riddle, H. Feb 2, 2023. 10 Best Substitutes For Gelatin, in Mashed. <https://www.mashed.com/475710/best-substitutes-for-gelatin/>
- Sani, M. S. A., Azilawati, M. I., Azid, A. and Samsudin, M. S. (2021). Establishing forensic food models for authentication and quantification of porcine adulterant in gelatine and marshmallow. *Food Control* 130: 108350. <https://doi.org/10.1016/j.foodcont.2021.108350>
- Shabani H, Mehdizadeh M, Mousavi S M, Dezfouli E A, Solgi T, Khodaverdi M, Rabiei M, Rastegar H and Alebouyeh M. (2015). Halal authenticity of gelatin using species-specific PCR. *Food Chemistry*. 184: 203–206. <https://doi.org/10.1016/j.foodchem.2015.02.140>
- Sudjadi, Wardani H S, Sepminarti T and Rohman A. (2015). Analysis of porcine gelatin DNA in commercial capsule shell using real-time polymerase chain reaction for halal authentication. *International Journal of Food Properties* 19(9): 2127–2134. <https://doi.org/10.1080/10942912.2015.1110164>
- Tukiran N A, Ismail A, Mustafa S and Hamid M. (2015). Enzyme immunoassay for the detection of porcine gelatin in edible bird's nests. *Food Additives & Contaminants: Part A* 32(7): 1023–1028. <https://doi.org/10.1080/19440049.2015.1039605>
- Tukiran N A, Ismail A, Mustafa S and Hamid M. (2016a). Determination of porcine gelatin in edible bird's nest by competitive indirect ELISA based on anti-peptide polyclonal antibody. *Food Control*. 59: 561–566. <https://doi.org/10.1016/j.foodcont.2015.06.039>
- Tukiran N A, Ismail A, Mustafa S and Hamid M. (2016b). Development of antipeptide enzyme-linked immunosorbent assay for determination of gelatin in confectionery products. *International Journal of Food Science & Technology* 51(1): 54–60. <https://doi.org/10.1111/ijfs.12971>
- Venien A and Levieux D. (2005). Differentiation of bovine from porcine gelatins using polyclonal anti-peptide antibodies in indirect and competitive indirect

- ELISA. *Journal of Pharmaceutical and Biomedical Analysis*. 39(3): 418–424. <https://doi.org/10.1016/j.jpba.2005.04.013>
- Wang C H, Virgilio N, Wood-Adams P M and Heuzey M C. (2018). A gelation mechanism for gelatin/polysaccharide aqueous mixtures. *Food Hydrocolloids* 79; 462-472.
- Widyaninggar A, Triyana K and Rohman A. (2012). Differentiation between porcine and bovine gelatin in capsule shells based on amino acid profiles and principal component analysis. *Indonesian Journal of Pharmacy*. 23(2): 104–109.
- Zhang G-F, Tao L I U, Qian W, Jian-Du L E I, Guang-Hui M A and Zhi-Guo S U. (2008). Identification of marker peptides in digested gelatins by high performance liquid chromatography/mass spectrometry. *Chinese Journal of Analytical Chemistry*. 36(11): 1499–1504. [https://doi.org/10.1016/S1872-2040\(09\)60003-7](https://doi.org/10.1016/S1872-2040(09)60003-7)
- Zhang G, Liu T, Wang Q, Chen L, Lei J, Luo J, Ma G and Su Z. (2009). Mass spectrometric detection of marker peptides in tryptic digests of gelatin: a new method to differentiate between bovine and porcine gelatin. *Food Hydrocolloids*. 23(7): 2001–2007 <https://doi.org/10.1016/j.foodhyd.2009.03.010>

# STUDIES OF ENVIRONMENT, SOCIAL AND GOVERNANCE DISCLOSURE BY ISLAMIC FINANCIAL INSTITUTIONS (IFIS) IN CONNECTION WITH MAQASID AL-SYARIAH

Syaryanti Hussin<sup>i</sup> Muhammad Najib Abdullah<sup>ii</sup> & Nabilah Yusof<sup>iii</sup> Fadhlina Alias<sup>iv</sup>  
Hasnizam Hashim<sup>v</sup> & Muhammad Nizam Awang<sup>vi</sup>

<sup>i</sup> (*Syaryanti Husin*). Senior Lecturer, Faculty of Syariah and Law (FSU), Universiti Sains Islam  
Malaysia, email@email.com

<sup>ii</sup> Designation, Institution. email@email.com

<sup>iii</sup> Designation, Institution. email@email.com

## Abstract

*Over the last three decades, the Islamic finance industry has grown at an exponential rate, with current market sizes ranging from USD1.66 trillion to USD2.1 trillion. It is predicted to grow to furthermore than USD4 trillion by the end of 2025 (Islamic Commercial Law Report 2018). This rapid progress should be accompanied by IFIs' financial and non-financial disclosure to shareholders, existing and potential investors, and capital providers of the institution's economic resources, claims on those resources, and any transactions or events that may affect them. Disclosure is one method of disseminating information to investors in order to be transparent, which can aid them in making better investment decisions. This study investigates the significance of Islamic Financial Institutions' (IFIs') Environment, Social, and Governance (ESG) disclosure and its relevance in the eyes of Maqasid al-Syariah. It is maintained that, while the environment, social, and governance components of business highlighted in ESG disclosure are within the scope of Islamic law, they are not prioritised by IFIs. This is demonstrated by IFIs' weak ESG disclosure, as well as a lack of awareness and voluntariness in the topic. As a result, this article demonstrates the good motivations and effects of ESG disclosure for IFIs.*

**Keywords:** *Environment, Social and Governance (ESG) Disclosure, IFIs, Maqasid al Shariah.*

## INTRODUCTION

The Environment, Social and Governance (ESG) Disclosure is an initiative to inculcate and encourage corporate social responsibility and sustainability in corporate practice. This is due to the demands from value driven investors which form today's trend in business (Crifo and Forget, 2013). In responding to this demand, there are global initiatives to set systematic reporting guides such as the Global Reporting Initiatives and the United Nations Global Impact.

While other corporate sectors are following this trend, the Islamic Financial Institutions are still seen lagging behind, with poor reporting and disclosure (Belal, 2014). To date, the referred ESG related standard in Islamic Finance is the Governance Standard for Islamic Financial Institutions No.7, 'Corporate Social Responsibility Conduct and Disclosure for Islamic Financial Institutions' by the

Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). However, such disclosure requires voluntary adoption by IFIs.

A research on the Malaysian IFI's performance in ESG elements reveals that ESG disclosure is unsatisfactory (Hussein S. 2018). One logical explanation to this, apart from it being voluntary, is the belief that there is no legitimacy impact on its performance. Legitimacy theory is important in understanding the behaviour of IFIs. Legitimacy theory sets the assumption that the actions of an entity are desirable, proper, or appropriate in the societal norm, monitored by public-policy rather than the market place (Patten, 2005). The linkage between IFIs and the larger social system should be felt in order for the IFIs to emerge in the need of ESG disclosure as part of societal responsibility. Exertion of effort in ESG disclosure is also an additional feature, and to some IFIs may seem as deviation from their profit making objective. This may only be true in the short run with the lack of futures analysis that could convince IFIs otherwise. On a more positive note, ESG disclosure is the way forward with the increasingly value driven new generation of investors and customers.

The connection of ESG disclosure to the societal needs and justice is very much in line with the Islamic teachings. The underlying concepts of ESG such as environmental protection, social wealth distribution, human rights and health and safety can be seen in the Quranic texts and Prophetic traditions as early as 1400 years ago. As will be discussed in this paper on the Islamic sources on ESG, it is inaccurate to regard ESG elements as an innovation which has no religious value. The focal discussion of this paper is to promote ESG to IFIs and to show that ESG disclosure is part of religious responsibility under the Maqasidi analysis of the ultimate objectives of Shariah in commercial transactions.

### **ESG: The New Paradigm for IFIs**

It is pertinent that IFIs should shift from business-as-usual to a more sustainable future. Environmental, social and governance issues should be factored into financial decisions. These changes in public awareness could actually create new needs and opportunities for IFIs. Among the needs and opportunities are:

#### **a. The Need to Tap Global Sustainable Responsible and Impactful Investments (SRIs)**

The IFIs should embrace the new paradigm in seeing investments as agents of positive societal impacts. This new global trend in disclosing SRI related information is in line with ESG disclosure which considers environmental, social and corporate governance criteria to generate long-term competitive financial returns and sustainable economic and social growth. In the world of SRI markets, the US

market alone showed an increase of 33% of total asset amounting to USD 8.72 million in 2016 from USD 6.57 in year 2014 (US SIF Foundation, Biennial Report, 2016). Malaysia was the largest SRI market in the Asian market in 2014 with 30 % more total asset, after Hong Kong 26% (Global Sustainable Investment Alliance (GSIA) 2014). GSIA is an international collaboration of membership-based sustainable investment organization which aims at deepening the impact and visibility of sustainable investment organisations at the global level. In the GSIA's report, GSIA highlights the increasing utilisation of ESG integration strategy all over the world from US, Australia and New Zealand and Asia excluding Japan (GSIA, 2015)

#### b. The growth of Islamic funds in the local Malaysian market

The growth of Islamic funds in the local Malaysian market increases the demands towards ESG disclosure. An obvious example of this is the Employees Provident Fund (EPF), the Malaysian biggest private pension fund, which launched its Shariah saving fund in August, 2016 (EPF, 2016). This step by EPF was motivated by the continuous requests from its members for Shariah-compliant funds. The anticipated accumulation of fund amounting to RM25 billion is a huge opportunity to be tapped by IFIs, and this can be met by providing business strategies that incorporate the new ESG paradigm. Furthermore, ESG compliance is recommended by the Malaysian Code of Corporate Governance 2012 (MCCG, 2012). The importance of the matter can also be seen from the recommendations by 75% of CEOs in a survey by KPMG on CEOs on the matter. (PwC, 2013).

#### c. Emergence of Organisation of Islamic Cooperation (OIC) Market for ESG Strategy

In prior studies, the emerging and OIC markets are still struggling in their effort towards environmental, social business practices and financing decisions, as compared to developed markets. The Islamic finance industry in particular, which operates in the emerging market and OIC markets, suffers this general lack of awareness and preparation in managing environmental and social risks or optimising environmental and social opportunities (Dijk et al., 2012). Ironically, there are more ESG-related business opportunities in emerging economic countries than the developed countries in areas such as energy efficiency or environmental protection projects financing and micro-financing (WWF, 2014). Quick action is required for the IFIs to acknowledge this new development and the need to adopt ESG disclosure to ensure its relevance in the future.

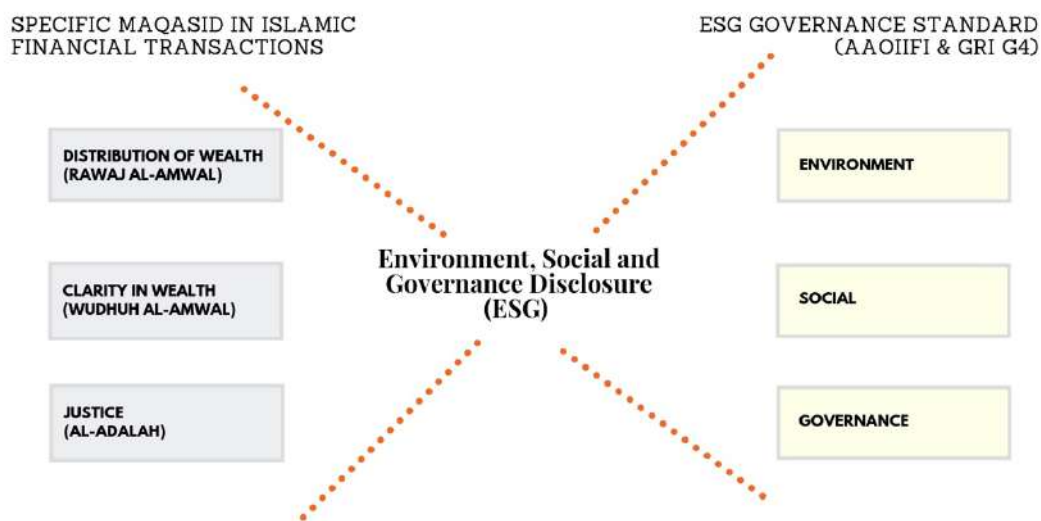
Despite encouraging Islamic principles in promoting the preservation of the environment, society and governance, the current Islamic finance industry does not significantly contribute to ESG disclosure. The focus has been on ensuring Shariah-compliant sectors and financial screening ratios with little concern in addressing real risks faced by the global investors such as climate change, food shortage, extreme

poverty, youth education, financial literacy and other important issues (Haneef, 2015). Therefore, an in-depth research on ESG matter for IFIs is a good initiative to assist the Islamic finance market players to expand their future potential market. (Ahmed, H.,2015).

### Maqasid Framework Approach towards ESG Disclosure

Environment, social and governance elements as contained in the ESG disclosure are promoted in Islam. They constitute the necessary elements to achieve the higher objectives of the Shariah (Maqasid al-Shariah) that governs all dealings of human transactions. The relation between Maqasid and ESG disclosure can be seen in the following diagram:

Diagram 1: Relation between Maqasid and ESG Disclosure



The corpus of knowledge of Maqasid al-Shariah which underlies Islamic finance is comprehensive. It covers every aspect of financial transactions, with its main objective to achieve excellence (السعادة) in human life (Ibn Ashur, 2001, p.251). The comprehensiveness of Maqasid al-Shariah in Islamic finance covers questions of legalities in its products as well as the overall operations. Thus, where problems occur in the current practice of Islamic finance that affects human wellbeing and universal sustainability, it would constitute a big concern in Shariah and has its own redress under its ambit. The IFIs have great responsibilities to ensure that their operations meet well the Maqasid al-Shariah and realign themselves in cases of deficiencies to its right purpose (Muhammad Najib, 2018, p66).

Mohamad Akram Laldin stated that the objective of offering Islamic banking services by IFIs must be in line with the Maqasid al-Syariah from the beginning of its establishment. This is to ensure that the spirit of the Shariah and its compliance in each financial activity is preserved. These objectives could be achieved if all the operations are carried out with superior underlying principles of justice and transparency. This marks the importance of the implementation of the financial system which is based on Maqasid al-Shariah, ethics and values. With this, Islamic financial services will become more integrated in its form and essence. (Mohamad Akram, 2014, p.78).

### **Specific Maqasid in Islamic Financial Transaction**

With reference to the main source in Maqasidic studies by Ibn Ashur (Ibn Ashur, 2001, p.254), the objectives of the Shariah in Islamic financial transaction are divided into general principles and specific rules, the latter being the focal point of discussion in this paper. The elements of ESG and their disclosure are contained in the specific objectives namely, distribution of wealth (رواج الأموال) clarity in wealth (وضوح الأموال) and justice (العدالة). Clarity entails further honesty and transparency (ثبوت الأموال) and clear evidence of wealth/ documentation (الصدق والبيان).

The illustration of the specific objectives and its relevance to ESG elements and disclosure is as below:

a) Distribution of Wealth (رواج الأموال)

Islam promotes growth of wealth by way of Shariah- compliant transactions. This constitute the core operation of contemporary financial activities of IFIs. However, in Islam, the promotion of wealth accumulation does not end at the parties, neither is it is concentrated and confined to limited hands of a few members of the community. Wealth accumulation activities must involve the exchange of wealth among the groups of society. Wealth should revolve around all sectors of the economy with the aim of upgrading the qualities of human life. Wealth circulation in the society is very crucial, as it will significantly contribute to the development of resources and economic activities at a general level. Locking money within certain groups or individuals will lead to imbalance in the economy. This objective is clearly manifested in the obligation of almsgiving (zakat) by affording members of the society, according to the guidelines of the Shariah. Charity (sadaqah) and benevolent money lending (qard al-hasan) are also encouraged to those in need. Islam also provides guidelines on inheritance, pricing mechanisms for governments and prohibition of usury (riba), stagnation and monopoly. The Quranic injunction is clear on the prohibition of circulation (دَوْلَةً) of wealth among the rich (Al-Quran, Surah Al-Hashr: 7). Islam made the allocation of the wealth for the portion of 'Al-Fai', last it

remain a food that is overcome by the rich, and they will act in it by the desires, and they will not divert anything from it to the poor (Ibn Kathir, 1419H, p.97).

Distribution of wealth includes allocations for earth preservation and promotion of environmental control. This can be realized by IFIs in their commitment to environmental disclosure and support towards green energy financing.

b) Clarity in Wealth (وضوح الأموال)

Islam has laid a clear principle on the general permissibility of transactions. The origin of rulings for financial and commercial transactions is permissibility (ibahah/ Mubah), but they must be restricted by the constraints of justice, equity and morality. This is in line with the ultimate intention of transactions, that is to be kept away from destruction, harm and dispute as much as possible. All contracts between the parties should be free from those elements and should be respected and enforced. The application of Shariah in financial practices should not generally lead to dispute, damage or hardship to individuals or groups. The Shariah urges a creation of positive atmosphere that is suitable for financial transactions, based on fraternity, cooperation and mutual benefit for all parties.

The principles to achieve the purpose of clarity in wealth are:

i. Honesty and Transparency (الصدق والبيان).

The most significant ethical aspect in Islamic banking and financial Institution, is that it should be conducted based on honesty, clarity and transparency throughout its entire processes and procedures. Islam promotes honesty and transparency in dealings with the aim to avoid harm resulted from lies and concealment which would lead to conflicts and disputes. In avoidance of these negative effects, the IFIs are to take all the necessary procedures to clarify matters relating to the contracts and its nature to the parties, including clear descriptions of compensation, reports, terms, obligations, rights and duties.

The evidence that indicate this objective is a hadith from the Prophet SAW :

البيعان بالخيار ما لم يتفرقا، فإن صدقا وبيّنا بورك لهما في بيعهما وإن كذبا وكتما محقت بركة بيعهما

“The sale is based on the option until they get separated, if they practice honesty and clarity they are blessed, if they lie and conceal, the blessing of their selling will be destroyed”.

Islam prohibits all kinds of lying and concealment including tricks in transactions (hiyal) that could lead to prohibition (haram) of the transaction. Ibn Qudamah held a special chapter in his book on the prohibition of hiyal which states: “Any transaction based on hiyal (tricks) are all haram and not permissible in any aspect of the religion, it is to show a permissible contract that is actually prohibited, deceptive and begging



to do what God has forbidden and to expropriate his prohibitions". (Ibn Qudamah, 1968, p.43 ).

Among the important mechanism in governance disclosure by IFIs is the Shariah report, endorsed by the Shariah Committee and are generally published in the institution's annual report. The Shariah report normally contains the activities carried out by the Shariah Committee throughout the year in ensuring that the institution's activities comply with the Shariah principles. However, it is suggested that in line with the principle of transparency, the Shariah report should also contain disclosure of information if there are non-Shariah compliant earnings and expenditure. It is suggested also to the IFIs to report the aggregate descriptions, amounts, account classification (revenue, expense, liability or asset) and reasons for undertaking those types of transactions. The IFIs must also explain how they plan to dispose incomes from such source. A notable example of governance disclosure is by OCBC al Amin Bank which reported non-compliant events in its Shariah Report with detailed financial report of the said activities in their Financial Result Disclosures (OCBC al Amin Bank Financial Annual Report, 2017).

ii. Clear evidence of wealth/ Documentation (ثبوت الأموال).

Wealth accumulation activities should be recorded. This includes records of compliance, whether it comes from permissible or impermissible business transactions or factors. The requirements are:

a. The validity of the property (صحة الملكية): It shall be ascertained that the owner of the wealth has the right and the validity of the contracts, and the necessity thereof, also the fulfillment of the conditions and others.

b. Freedom of property (حرية الملكية): The owner has freedom to act on his property in a legitimate way and not bring harm to others.

c. Protection of property (وقاية الملكية): It not permissible to take money from the owner without his consent, unless it is related to the right of others. Islam urge to respect and protect the property of others, whether it is a public or private property.

This is taken from a hadith of the Prophet:

"إنه لا يحل مال امرئ إلا بطيب نفس منه"

"Wealth is not permissible unless he gives it willingly."

c) Justice (العدالة).

Islam regards justice in muamalat between individuals as a medium to achieve a just system in society. Justice in wealth means that the way the wealth is obtained is in a rightful manner, either by obtaining it through acquired work, by making transactions with the owner or by gift or inheritance (Al-Fauzan, 2014, p.49). Islam

strongly emphasizes on the realization of justice in financial transactions because of its vulnerability to abuse in gaining wealth by doing injustice to others (Ibn Taymiyyah, 1995, p.469).

Justice and fairness in dealings are the hallmark of commercial contracts. Justice is a higher objective in financial transactions which must be preserved and given priority; particularly in determining Shariah compliant contracts. This is so to the extent that when there is element of injustice among the contracting parties, the contract must be revoked immediately. This was enunciated by Ibn Taymiyyah as he stated: “the origin of these transactions and exchange is the equalization of the two sides, if one of them included gharar or riba whose income is inequity, Allah SWT forbade it, which forbade injustice to itself, and made it prohibited for its slaves”. (Ibn Taymiyyah, 1995, p.107).

## CONCLUSION

The IFIs should recognize ESG Disclosure as an effort towards achieving the Maqasid al-Shariah. This paper has illustrated that the legitimate shariah objective in financial practices is to achieve distribution of wealth (رواج الأموال), clarity in wealth (وضوح الأموال) and justice (العدالة) to the parties and the society. These objectives are key features of sustainable financial dealings that are ethically balanced and could give positive impact on the society and universe. In the fast-growing awareness of ESG Disclosure among customers, corporates and conventional banking, the IFIs should adopt it as a new paradigm and a healthy step towards transparency and best practice. It is an opportunity for the IFIs to play an exemplary role in promoting ESG as a mechanism to achieve the higher objectives of Maqasid al-Shariah for a more sustainable economy.

## REFERENCES

- Al-Fauzan, Salih bin Muhammad, (2014). “Taf’il Al-Maqasid Fi Al-Maliyyah Al-Islamiyyah: Al-Taksil wa Al-Tadbiq”. 5th International Conference on Islamic Jurisprudence in the 21st Century 2014. Kuala Lumpur: International Islamic University Malaysia.
- Belal, A. R. Abdelsalam, O., (2014). Ethical reporting in Islamic bank Bangladeshi limited. (1983-2010). *Journal Business Ethics*, 129, 769-784.
- Crifo, P., & Forget, V. D. (2013). Think global, invest responsible: Why the private equity industry goes green. *Journal of Business Ethics*, 116(1), 21-48.
- Habib Ahmed. (2015). Islamic Finance and contribution to ESG factors: a critical review and the way forward. *European Financial Review*. Available at [www.europeanfinancialreview.com/?p=4949](http://www.europeanfinancialreview.com/?p=4949). (Accessed on 13rd May, 2017).

- Haneef, R. (2015). Has Islamic finance bridged the disconnect with the real economy? Paper presented at the Strategic Roundtable Discussion of the International Shari'ah Research Academy for Islamic Finance, Kuala Lumpur.
- Ibn Qudamah, Abdullah bin Ahmad Al-Maqdisi, (1968). *Al-Mughni*. Jil. 4. Cairo: Maktabah Al-Qaherah.
- Ibn Taymiyyah, Ahmad Abdul Halim, (1995). *Majmu' Al-Fatawa* (3rd Ed.). Jil. 29. Tahkik: Abdul Rahman Muhammad Qasim. Madinah Munawwarah: Majma' Malik Fahd.
- Ibnu Asyur, Muhammad Thahir, (2001). *Maqasid Al-Shari'ah Al-Islamiyyah* (2nd Ed.). Tahkik: Muhammad Thahir Al-Mesawi. Amman: Dar Al-Nafais.
- Ibnu Kathir, Ismail bin Omar al-Qurashi,(1419H). *Tafsir Al-Quran Al-Adzim*. Jil. 8. Tahkik: Muhammad Hussain Shamsuddin. Beirut: Dar Kutub Ilmiyyah.
- Mohamad Akram Laldin, (2014). "Objective of Islamic Banking: Theoretical Perspective With Reference To Maqasid Al-Sharicah". 5th International Conference on Islamic Jurisprudence in the 21 Century 2014. Kuala Lumpur: Department Fiqh and Usul Fiqh, International Islamic Universiti Malaysia.
- Muhammad Najib Abdullah, (2018). *The Resolutions of The Shariah Advisory Council of Bank Negara Malaysia in Islamic Financial Transaction: An Evaluative Study on Maqasid Al-Syariah*. (PhD Thesis). Kuala Lumpur: International Islamic University Malaysia.
- Patten, D. M. (2005) "The accuracy of financial report projections of future environmental capital expenditures: A research Note". *Accounting, Organizations and Society*, 30(5),457-468.

### Websites

- EPF, 2016. Registration For Simpanan Shariah Starts 8 August [www.kwsp.gov.my.https://secure.kwsp.gov.my/portal/en/web/kwsp/news-listing-page?p\\_p\\_id=newslisting\\_WAR\\_newshighlightsportlet&p\\_p\\_lifecycle=0&p\\_p\\_state=normal&p\\_p\\_mode=view&p\\_p\\_col\\_id=column-](http://www.kwsp.gov.my.https://secure.kwsp.gov.my/portal/en/web/kwsp/news-listing-page?p_p_id=newslisting_WAR_newshighlightsportlet&p_p_lifecycle=0&p_p_state=normal&p_p_mode=view&p_p_col_id=column-). (Accessed on 12th October 2016).
- Environmental, Social and Governance for Banks: A Guide to Starting implementation. Retrieved from [www.wwf.com](http://www.wwf.com).
- Global Reporting Initiatives (GRI): Sustainability Reporting Guidelines (2013). Available online at <https://www.globalreporting.org/resourcelibrary/GRIG4-Part1-Reporting-Principles-and-Standard-Disclosures.pdf>. (Accessed on 15th October 2017).
- Islamic Financial Services Board (IFSB) (2009). Guiding Principles on Corporate Governance For Institutions Offering Only Islamic Financial Services (Excluding Islamic Insurance (Takaful) Institutions And Islamic Mutual Funds).

Available online at <http://www.ifsb.org/standard/ifsb3.pdf> (accessed on 10th September 2016).

PwC 17th Annual CEO Survey Sustainability. (2013). Available at <https://www.pwc.com/gx/en/sustainability/ceo-views/assets/pwc-ceo-summary-sustainability.pdf>. (Accessed on 12th October 2016).

# NEGOTIATION AS EFFECTIVE DISPUTE RESOLUTION MECHANISM TO PRESERVE INDUSTRIAL RELATIONS

Norman Zakiyy<sup>i</sup>

<sup>i</sup> (Norman Zakiyy). Senior Lecturer, Faculty of Syariah and Laws, Universiti Sains Islam Malaysia, emel@zakiyy@usim.edu.my

## Abstract

*Negotiation is a basic form of alternative dispute resolution used to resolve disputes and received statutory recognition under the Industrial Relations Act 1967 (Act 177) (Malaysia). It is a dispute resolution mechanism applied in negotiating terms in a collective agreement between employers and representatives of a trade union of employees. However, negotiating is not perceived as easy if the outcome is unpleasant and complicates the employer-employee relationship. As such, many employees will refrain from negotiating with their employers for fear that their careers might be affected by such an act. Firstly, this paper highlights the meaning of negotiation. Secondly, the relationship between negotiation and industrial harmony. Thirdly, negotiation styles. Finally, this paper will discuss negotiation techniques for resolving disputes between the employer and employee. Effective negotiation techniques need to be exposed to employers and employees to enable them to negotiate effectively in matters relating to maintaining industrial relations.*

*Keywords: Negotiation, dispute resolution, industrial harmony, Malaysia*

## INTRODUCTION

Under the Malaysian Industrial Act 1967 (Act 177), the words 'trade dispute' bear the meaning of a dispute between employers and employees about work. Instances of trade disputes (also known as industrial disputes) are as follows: where a person represented by a union of workers has failed to achieve a satisfactory result through a grievance procedure; where both an employer fails to reach agreement with union of workers on terms and conditions of work; where opinion is indifferent on the interpretation of collective agreement or awards made by the Industrial Court; and where there is an agreement or award which is not executed (Maimunah Aminudin, 2020; D' Cruz 2001). Trade disputes disrupt industrial relations and affect the economy in the long run.

Industrial relations systems are changing from time to time. Any changes require a lot of adjustments and understanding among those involved in the system. Workers are aware of their rights, especially those joining trade disputes. The cost of living crisis, falling real wages, and dissatisfaction with working conditions are a potent recipe for the ongoing strike action across many public services.

The people involved in the system are workers, union leaders, employers, human resource managers, lawyers and executives in the industrial relations department. Social media shows that industrial relations issues are always in the limelight. In summary, the participants in the industrial relations system must learn to find ways of resolving disputes that might affect industrial harmony, especially between the employer and his employees. One of the forms of resolving disputes is negotiation. In 2007, Bernama reported that the Malaysian Trade Union Congress (MTUC), in its battle to get a minimum wage for private sector employees agreed that negotiation channels are more appropriate than picketing (Bernama, 2007).

### **DEFINITION OF 'NEGOTIATION'**

Negotiation allows two or more parties possessing differences in demands and expectations to resolve issues on a mutual basis (Churhman, 2019; Stoshikj & Greguš, 2014). Negotiation is the leading method of dispute resolution. While the two established mechanisms of Alternative Dispute Resolution (ADR) are arbitration and mediation, negotiation is preferred to be used to settle a dispute simply because negotiation is flexible in nature and allows the parties to meet in person and are free to control the process of resolving disputes (Cornell Law School, 2021).

Similar to other types of dispute resolution, negotiation offers results such as win-lose; win-win; compromise or win-some; or lose-lose. However, in a successful negotiation, neither party to a dispute is a loser or a victor. (Wertheim, 2002).

### **THE RELATIONS BETWEEN NEGOTIATION AND INDUSTRIAL HARMONY**

In Malaysia, the Industrial Relations Act (Act 177) (IRA) promotes and maintains industrial harmony apart from providing the regulation of the relations between employers and workmen and their trade unions. In addition, the IRA also provides the prevention and settlement of any differences or disputes arising from their relationship and generally deals with trade disputes and matters related to it.

The IRA regulates employment relationships and contains, among others, the provision on representation on unfair dismissal, a claim for recognition by a trade union, and collective bargaining. The IRA (s. 13) provides the procedure for collective bargaining. In practice, collective bargaining can involve a single employer and a union of workers or between a group of employers and union of workers. The representatives of union of workers can begin negotiation by inviting the employer to collective bargaining after receiving employer recognition to represent workers. Both employer and union of workers shall file a request for cognizance of the collective agreement with the Industrial Court if a consensus is reached.

The call for negotiation is consistent with the expectation of the industrial court case of Shangri-La Hotel (KL) Sdn. Bhd. And Kesatuan Kebangsaan Pekerja-Pekerja Hotel, Bar dan Restoran Semenanjung Malaysia (Award No: 785 of 2019), whereby the court stated that the employers and the trade union of workers should negotiate before resorting to the courts. Likewise, negotiation can lead to good industrial relations between employer and employees. Effective negotiation allows employers to remind themselves to fulfil their responsibility to ensure that the welfare of their workers is taken care of. Thus, a successful negotiation prevents employees from lodging complaints of non-compliance with any terms of the collective agreement as seen in the case of Kesatuan Kebangsaan Pekerja-Pekerja Hotel, Bar & Restoran Semenanjung Malaysia, and Crystal Crown Hotel & Resort Sdn. Bhd. (Crystal Crown Hotel Petaling Jaya (Award No. 2 of 2020).

Engaging in effective negotiations reminds employers to avoid unpleasant issues arising from unfair managerial decisions. For example, employers should refrain from providing low salaries and fewer fringe benefits comparable to other similar companies in the same trade. In negotiation, the employers should avoid hostility and accommodate the request of union of workers (especially during collective bargaining) by tolerating it as reasonably as possible within the confines of the law. For non-unionized companies, employers should be willing to involve employees in all levels of decision-making and eliminate barriers to effective negotiation. Such practice will encourage healthy interactions and improve industrial relations.

## **NEGOTIATION PLANNING AND STYLES**

It is essential to plan for negotiation before the negotiation session so that we are clear about our goals and underlying interests (Wertheim, 2002). The stages in negotiation are preparation, presentation and justification, bargaining, offers, and counter offers, using various tactics, and in conclusion – choosing an option or agreement (Zohar, 2015). However, the risk in conducting negotiations is that there is no guarantee of

successful results. Thus, it is essential to learn negotiation techniques before the negotiation session.

Negotiation requires using a strategic plan during the process of negotiation (Thompson, Wang & Gunia, 2010; Alavoinea and Estieub, 2015). Thus, negotiation requires each disputant to strategize the most suitable means to achieve his objectives. Factors influencing the strategy are the negotiator's power, and the level of trust. According to Robin (2002), there are five conflict resolution styles: “confront, compromise, collaborate, accommodate, and avoid.” The core techniques in the negotiation process explained by Robin (2002) are as follows:

### **STYLE 1. CONFRONT**

Confronting each other might produce unpleasant consequences for the employer and the employee, especially if such confrontation is adversarial. However, this approach addresses any issue and is often viewed as “might make it right” (Robin 2002). Be that as it may, confrontational style usually involves high emotional levels, clear goals, brittle relationships, and fear of retaliation.

### **STYLE 2. COMPROMISE**

Compromise involves bargaining and mutually giving up something to settle. It can be used to get a quick resolution, by preventing further escalation (Robin 2002). Compromise usually involves high to moderate emotional levels, high to low skill levels, moderate clarity of both goals, , a win-win attitude toward authority, moderate concern for traditions, and moderate fear of punishment.

### **STYLE 3. COLLABORATE**

This involves working together to generate win-win alternatives for resolving issues (Robin 2002). For example, both the employer and union of workers collaborate to agree or disagree on the terms of the collective agreement. Collaborating also involves high to moderate skill levels of parties, clear goals, strong status of relationships, and a win-win attitude toward authority.

### **STYLE 4. ACCOMMODATE**

This involves listening and accepting without making any confrontations. This style suppresses the emotional levels and creates lose-win expectations and fear of punishment. Thus, a party who has the tendency to accommodate others generally does not have their own needs met. Accommodation may be deemed appropriate if



one party is wrong or if the value of industrial harmony is seen as more important and outweighs the benefit of a dispute (Overton, & Lowry, 2013).

## **STYLE 5. AVOIDANCE**

This involves not addressing the conflict. Avoidance is characterized by “a controlled emotional level, high to low skill levels of parties, a lose-win attitude toward authority, a high concern for formalities and traditions, a low self-concept, and a high fear of punishment.” (Robin, 2002).

## **NEGOTIATION TECHNIQUES**

Negotiation allows two disputants freely to use their own techniques to achieve maximum results in the effort to resolve disputes (Zohar, 2015). Negotiation techniques are important to achieve agreements in the terms of a collective agreement. This happens when a trade union submits proposals for a collective agreement to the management and thereby invites the management team to enter negotiations. Below are the core techniques in the negotiation process:

Below are the core techniques in the negotiation process between the employer and the union:

### **1. Manage your emotions**

Never let yourself be overwhelmed with emotion whenever you step into the negotiation room. A person who can control his emotion possesses between well-being and uplifted status in the eyes of others (Côté, Gyarak, and Levenson, 2010). The ability to control your emotions can help the employer or the employee to consider each other's offer and reach a mutually beneficial agreement.

### **2. Take the opportunity to lead the discussion**

Leading is one important aspect of excellent leadership. Leading a negotiation involves presenting the first offer to 'secure' your expected results. The union representative will explain its demands at the first bargaining session, whereas the management will present its counter-offer. The union can lead by beginning with non-controversial items where without many issues. Thus, it is pertinent for the union representative to negotiate by asking relevant questions and not engaging in non-relevant topics. Taking the first step may help in fruitful discussions. Notably, an employer who empowers leadership significantly improves workers' attitudes and behavior toward work or organization (Avey et al., 2009; Li et al., 2018).

### **3. Using other dispute resolution mechanisms**

If negotiations proceed in a non-expected direction that violates the law, you can consider bringing up the dispute in the industrial court as a court of arbitration. Alternatively, both parties can seek a private arbitrator or mediator to resolve their disputes.

### **4. Learn how to compromise**

A compromise requires mutual concessions. It allows each party to obtain less than what he is entitled to but offers a deal rather than a non-deal situation. However, not all compromises are acceptable as good in the long run. It is important to know when to continue negotiating (Parijs, 2012). Knowing when to continue negotiations or accept some terms and conditions can provide a win-win situation for both parties. For example, an employee negotiating a job offer might readily agree to a reduced annual leave if the potential employer or current employer offers a better salary package above the industry standard.

### **5. Active Listening**

Communication is one of the most crucial skills in life that involves listening, speaking, and writing (Hunsaker, & Alessandra, 2008). Active listening (AL) is a specific communication skill (Gonzalez, 2009) and is a key to effective communication (Jahromi, Tabatabaee, Abdar, & Rajabi, 2016). It is an essential skill to improve industrial relations in the workforce. Active listening improves the working relationship between managers and staff (Jahromi, Tabatabaee, Abdar, & Rajabi, 2016).

### **6. Avoiding Misunderstandings.**

According to Edwards et al. (2017), in communication, misunderstanding is inevitable. Any misunderstanding must be addressed immediately to prevent irreversible damage to the cordial relationship between the employer and the employee. In a recent study by Crockett et al. (2022), a person who suffers from a misunderstanding interaction reported “lower interaction satisfaction, motivation, and poorer performance than one who gives no instructions and that “feeling misunderstood predicted higher perceived stress, lower life satisfaction and motivation as well as less healthy cortisol slopes.”

## **7. Avoiding Offensive Language and uncontrolled emotion**

Industrial case laws in Malaysia have shown that rudeness and uncalled-for attitudes are not condoned by the Industrial Court. For example, in the case of *Roslan Yussof v Toyochem Sdn Bhd* (2012), the Industrial Court deemed that the utterance of offensive words “babi” and ‘anjing” by the claimant employee to his immediate boss was unbecoming, rude, insulting to his superior.

Thus, throughout the negotiation process, the employer and union of workmen must avoid using offensive language to ensure a conducive environment for negotiation. The bargaining session can be stressful. The parties must learn to control their emotions throughout the session to avoid jeopardizing the outcome of the collective bargaining session. Both parties must understand that negotiations are to yield beneficial agreements for all involved parties. Thus, each party must be mindful of using proper language during the negotiation session. In addition, the parties must focus on the positive outcome of the negotiation session. Disrespect and ridicule retard the negotiation process.

## **8. Building Rapport.**

A generally held belief is that rapport-building in the workplace can improve organizational outcomes and employee satisfaction (Curry, Gravina, Sleiman, & Richard, 2019). Rapport means the capability to relate to others in a manner that generates a level of belief and understanding, especially in agreeing to the terms of the collective agreement. The level of success occasionally depends upon the approachability at the unconscious level (Kapur, 2018). Thus, it is pertinent for both parties, namely the employer and the union of workmen to choose a committee to represent them at the bargaining table. Both parties must endeavour to make each other feel contented and willing to hear suggestions.

## **9. Propose Solutions.**

When two disputants meet (for instance the trade union of employees and the employer), each must be prepared to propose his solution that relates to the current state of dissatisfaction and is able to briefly describe the desired result from his proposed solution.

## 10. Propose Solutions

When two disputants meet (the trade union of employees and the employer), each must be willing to propose a solution that relates to the current state of dissatisfaction and can briefly describe the desired result from his proposed solution.

## CONCLUSION

In summary, this article provides a preliminary overview of the importance of negotiation as a form of dispute resolution in the workplace. It is essential for the employer and the employee to understand the true meaning and benefits of negotiation as a dispute resolution mechanism to forge a cordial relationship in industrial relations. Some of the essential styles and techniques of negotiation are important to ensure that the negotiation process is conducted effectively, especially in matters relating to collective bargaining that can be tedious, tension-filled, and involve many counterproposals from the employer and union of workmen. Negotiation skills must be improved by regular practice and by attending professional training and workshops from time to time.

## REFERENCES

- Avey J. B., Avolio B., Crossley C., Luthans F. (2009). Psychological ownership: theoretical extensions, measurement, and relation to work outcomes. *J. Organ. Behav.* 30,173–191. 10.1002/job.583
- Alavoinea, C. and Estieub, C. (2015). Strategic issues in Negotiation Part 2. *Procedia - Social and Behavioral Sciences* 207 ( 2015 ) 335 – 343
- Bernamea, August 8, 2007 (Accessed on July 30, 2023).
- Curry, S., Gravina, N., Sleiman, A., & Richard, E. (2019). The Effects of Engaging in Rapport-Building Behaviors on Productivity and Discretionary Effort, *Journal of Organizational Behavior Management* 39(1):1-14. DOI:10.1080/01608061.2019.1667940
- Côté, S., Gyurak, A., & Levenson, R. W. (2010). The ability to regulate emotion is associated with greater well-being, income, and socioeconomic status. *Emotion*, 10(6), 923–933. <https://doi.org/10.1037/a0021156>
- Churchman, D. (2019). Negotiation. In: *The Palgrave Encyclopedia of Peace and Conflict Studies*. Palgrave Macmillan, Cham. [https://doi.org/10.1007/978-3-030-11795-5\\_60-1](https://doi.org/10.1007/978-3-030-11795-5_60-1) (accessed on July 31, 2023).
- Crockett, E. E., Pollmann, M. M., & Olvera, A. P. (2022). You just don't get it: The impact of misunderstanding on psychological and physiological health. *Journal of Social and Personal Relationships*, 39(9), 2847–2868. <https://doi.org/10.1177/02654075221089903>

- Cornell Law School (2021). Alternative Dispute Resolution. [https://www.law.cornell.edu/wex/alternative\\_dispute\\_resolution](https://www.law.cornell.edu/wex/alternative_dispute_resolution) (accessed on July 31, 2023).
- D' Cruz, M.N. (2001). A Comprehensive Guide to Industrial Relations in Malaysia. *Malaysia: Malayan Law Journal*, 1.
- Edwards, R., Bybee, B. T., Frost, J. K., Harvey, A. J., & Navarro, M. (2017). That's not what i meant: How misunderstanding is related to channel and perspective-taking. *Journal of Language and Social Psychology*, 36(2), 188–210. <https://doi.org/10.1177/0261927X16662968> (accessed on July 31, 2023).
- Gonzalez, T.D. Ph.D thesis. University of Phoenix; Arizona, USA: 2009. Impact of active listening training at a California state hospital: a quantitative study. [https://scholar.google.com/scholar\\_lookup?title=PhD+thesis&author=TD+Gonzalez&publication\\_year=2009&](https://scholar.google.com/scholar_lookup?title=PhD+thesis&author=TD+Gonzalez&publication_year=2009&) (accessed on July 31, 2023).
- Hunsaker PL, Alessandra T, Alessandra AJ. *The new art of managing people, updated and revised: Person-to-person skills, guidelines, and techniques every manager needs to guide, Direct, and Motivate the Team*. Simon and Schuster Inc; New York NY, USA: 2008.
- Industrial Relations Act 1967 (Act 177) (Malaysia)  
 Jahromi V.K, Tabatabaee S.S, Abdar Z.E, Rajabi M. Active listening: The key of successful communication in hospital managers. *Electron Physician*. 2016 Mar 25;8(3):2123-8. doi: 10.19082/2123. PMID: 27123221; PMCID: PMC4844478.
- Kapur, Radhika. (2018). Rapport Building. [https://www.researchgate.net/publication/323725776\\_Rapport\\_Building/citation/download](https://www.researchgate.net/publication/323725776_Rapport_Building/citation/download) (accessed on July 31, 2023).
- Li Y., Shi Y., Mao Y. (2018). The influence of empowering leadership on employees' voice behavior: the mediating role of psychological ownership. *Sci. Technol. Prog. Countermeasures*. 35,140–145. 10.6049/kjbydc.2017030824
- Overton AR, Lowry AC. Conflict management: difficult conversations with difficult people. *Clin Colon Rectal Surg*. 2013 Dec;26(4):259-64. doi: 10.1055/s-0033-1356728. PMID: 24436688; PMCID: PMC3835442.
- Parijs, P. (2012). What Makes a Good Compromise? *Government and Opposition*, 47(3), 466-480. doi:10.1111/j.1477-7053.2012.01371.x
- Robin, D. 2002. *When to engage, when not to engage*. Daniel Robin and Associates. <http://www.abetterworkplace.com/when-to-engage-when-not-to-engage/> (accessed on July 31, 2023).
- Schoop, M. Negotiation communication revisited. *Cent Eur J Oper Res* 29, 163–176 (2021). <https://doi.org/10.1007/s10100-020-00730-5>
- Stoshikj M & Greguš M.(2014).NSSs as a Solution to Negotiation Challenges in Enterprise Environment. 6th International Conference on Intelligent Networking and Collaborative Systems (INCoS-2014), September 10-12, Salerno, Italy:229-236.

- Thompson L. L, Wang J, & Gunia B.C. (2010). Negotiation. *Annual Review of Psychology* 61:491-515.
- Wertheim, E. (2002). *Negotiations and resolving conflicts: An overview*. Northeastern University, College of Business Administration. <https://www.europarc.org/communication-skills/pdf/Negotiation%20Skills.pdf>. (accessed on July 31, 2023).
- Zohar, I. (2015). "The art of negotiation" Leadership skills required for negotiation in time of crisis. *Procedia - Social and Behavioral Sciences* 209.540 – 548.

### Industrial Cases (Malaysia)

*Roslan Yussof v. Toyochem Sdn Bhd (Fredrick Indran XA Nicholas)* [2012] 2 ILR 497

*Shangri-La Hotel (KL) Sdn. Bhd. And Kesatuan Kebangsaan Pekerja-Pekerja Hotel, Bar dan Restoran Semenanjung Malaysia* (Award No: 785 of 2019)

*Kesatuan Kebangsaan Pekerja-Pekerja Hotel, Bar & Restoran Semenanjung Malaysia, and Crystal Crown Hotel & Resort Sdn. Bhd. (Crystal Crown Hotel Petaling Jaya )* (Award No. 2 of 2020).

**THE BENEFITS OF TRIALS AND TRIBULATIONS FOR THE MUSLIM  
BELIEVERS BY AL-‘IZZ ‘ABD AL-‘AZIZ IBN ‘ABD AL-SALĀM: A  
TRANSLATION OF FAWĀ’ID AL-BALWĀ WA AL-MIḤAN**

Wan Mohd Fazrul Azdi bin Wan Razali<sup>i</sup>  
Mohd Rumaizuddin Ghazali<sup>ii</sup>

<sup>i</sup> (Wan Mohd Fazrul Azdi bin Wan Razali). Senior Lecturer, Akidah and Religion Studies Programme, Faculty of Leadership and Management, Universiti Sains Islam Malaysia. [wmfazrul@usim.edu.my](mailto:wmfazrul@usim.edu.my)

<sup>ii</sup> Associate Professor, Da’wah and Islamic Management Programme, Faculty of Leadership and Management, Universiti Sains Islam Malaysia. [rumai@usim.edu.my](mailto:rumai@usim.edu.my)

**Abstract**

*Trials and tribulations come to everyone’s life in many shapes and forms. This issue is discussed systematically and at length in the field of Islamic faith (‘aqidah), Islamic sufism (taṣawwuf), Islamic thought (al-Fikr al-Islāmiyy). Among treatises of classical Islam which touches this issue is Kitab Fawā’id al-Balwā wa al-MiḤan (The Benefits of Trials and Tribulations) by Sulṭān al-Ulamā’ Al-‘Izz ‘Abd al-‘Aziz Ibn ‘Abd Al-Salām al-Ash‘ariyy al-Shāfi‘iyy al-Dimashqiyy of the 6th/7th AH or 12th/13th CE. This article provides the introduction to the intellectual biography of Al-‘Izz ‘Abd al-‘Aziz Ibn ‘Abd Al-Salām, introduction to the treatise: Kitab Fawā’id al-Balwā wa al-MiḤan, English translation of this treatise, and discussion of its contents. This treatise of Al-‘Izz ‘Abd al-‘Aziz Ibn ‘Abd Al-Salām is a worth reading and exploring by all Muslims and non-Muslims. This treatise provides important points, proofs, and short explanations in understanding the benefits of trial and tribulation in human life from the Islamic perspective.*

**Keywords:** trial, tribulation, benefit, Fawā’id al-Balwā wa al-MiḤan, and Al-‘Izz ‘Abd al-‘Aziz Ibn ‘Abd Al-Salām

**INTRODUCTION**

In the Islamic worldview, life in this world is not only for the purpose of learning, work and pleasure. This world is also a place for trial and tribulation from God to all creations. These trials and tribulations come to everyone in many shapes and forms. They can come in the forms of hardship, such as poverty, sadness, and ignorance. In the same time, the trials and tribulations can also come in the forms of pleasure, such as wealth, happiness, and knowledge (Al-Baqarah, 2: verse 155-157; Ali ‘Imran, 3: verse 14).

This issue of trial and tribulation in life is discussed systematically and at length in the field of Islamic faith (‘aqidah), Islamic sufism (taṣawwuf), and Islamic thought (al-Fikr al-Islāmiyy). To some readers and thinkers, the discussions in this issue are also related to the discourse on theodicy or the justice of God. Among questions posed in this discourse on theodicy are as follows: if God is Most Gracious and Most Merciful, why are there trials and tribulations to His creations? If God is Most Omnipotent, why not God repel and predestine only happiness, calmness and

wellness to everyone? If God is All-Knowing and Almighty, why He still needs to test and try His creations? Why He repel not and predestine the safety and protection from the early moment? (Ormsby 1984; Muhsin Akbas 1999; Tubanur Yesilhark Ozkan 2015; Safaruk Chowdhury 2021)

Here comes the significant position of this treatise of classical Islam, *Kitab Fawā'id al-Balwā wa al-Miḥan*, in addressing the seventeen benefits of trials and tribulations for the Muslim believers. Though this treatise is small in size and page number, nevertheless it delivers effective and meaningful Islamic answers to the theodicy questions as previously mentioned. This treatise is an ingenious work by the King of all Muslim scholars (*Sulṭān al-Ulamā'*), Al-'Izz 'Abd al-'Aziz Ibn 'Abd Al-Salām al-Ash'ariyy al-Shāfi'iyy al-Dimashqiyy of the 6<sup>th</sup>/7<sup>th</sup> AH or 12<sup>th</sup>/13<sup>th</sup> CE (Izzuddin Bin Abd al-Salam 2018; Wan Mohd Fazrul Azdi bin Wan Razali 2021).

This article covers the intellectual biography of Al-'Izz 'Abd al-'Aziz Ibn 'Abd Al-Salām, introduction to the treatise: *Kitab Fawā'id al-Balwā wa al-Miḥan*, English translation of this treatise, discussion on its contents, and a conclusion. This translation is worked based on the modern English language and it is hoped to be of benefit to the readers of English language. This translation is also prepared to advance the studies and researches on the works of Al-'Izz 'Abd al-'Aziz Ibn 'Abd Al-Salām, in relation to the present developments of Islamic thought, humanities, and social sciences.

#### **AL-'IZZ 'ABD AL-'AZIZ IBN 'ABD AL-SALĀM AND HIS FAWĀ'ID AL-BALWĀ WA AL-MIḤAN: AN INTRODUCTION**

The author's full name is 'Abd al-'Azīz ibn 'Abd al-Salām ibn Abī al-Qāsim ibn Ḥasan. He received the honorary title *al-'Izz* or *'Izz al-Dīn*, which means the honor of religion, for his numerous contributions and services for the religion of Islam. The same also goes to the other honorary titles received such as *Sulṭān al-'Ulamā'* (king of all Muslim scholars), *Shaykh al-Islām* (the Great Muslim scholar), and *Qāḍī al-Quḍāh* (the Great Muslim Jurist). He was born at Damascus in 577AH/1181AD and received his early Islamic knowledge in his hometown. He spent most of his lifetime in the fields of knowledge, teaching, writing, and giving religious verdicts (*fatāwā*). Later on, he moved to Cairo and continued his knowledge and religious routines. He died in the year 660AH/1262AD at the age of 83 (al-Subkiyy 1964; Ibn Kathīr 1993).

Al-'Izz 'Abd al-'Aziz Ibn 'Abd Al-Salām produced and left a lot of writings and treatises in the Islamic studies, such as in the fields of *fiqh* (Islamic law), *uṣūl al-fiqh* (principles of Islamic law), *tafsīr* (Quranic exegesis), and history. Among his writing are: *Tafsīr al-Qur'ān* in the field of Quranic exegesis, *al-Fawā'id Fī Mushkil al-Qur'ān* and *Majāz al-Qur'ān* in the field of *'ulūm al-Quran* (Quranic sciences); *Mukhtaṣar Ṣaḥīḥ Muslim* in the field of *ḥadīth* (prophetic tradition); *al-'Aqā'id*, *Sharḥ al-Asmā' al-Ḥusnā*, *Bidāyah al-Sūl Fī Tafḍīl al-Rasūl* and *al-Farq bayna al-Īmān wa al-Islām* in the field of *'aqidah* (Islamic faith); *Qawā'id al-Aḥkām Li Maṣāliḥ al-Anām* and *al-Qawā'id al-Sughrā* in the discipline of *uṣūl al-fiqh* (principles of Islamic law) (Al-Wahībiyy 1982; al-Zuhailiyy 1992).



In introducing *Kitab Fawā'id Al-Balwā Wa Al-Miḥan*, Iyād Khālīd al-Ṭabbā' (1994) alleges that the attribution of this authorship to Al-Izz ibn Abd al-Salām is correct based on scholarly statements made by many renowned Muslim scholars. Among these scholars are Tāj al-Dīn al-Subkiyy (727-770H) in his *Ṭabaqāt al-Shāfi'iyyah al-Kubrā*, al-Dā'ūdiyy (d. 945H) in *Ṭabaqāt al-Mufasssīrīn*, Jalāl al-Dīn al-Suyūṭiyy (849-911H) in the *Tashyīd al-Arkān Min Laysa Fī al-Imkān Abda'a Mimmā Kāna*, and Ismā'īl Bāshā al-Baghdādiyy (m. 1339H / 1920M) in the *Hadiyyah al-Ārifīn*. This treatise also known with other name by other scholars, namely *al-Fitan wa al-Balāyā wa al-Miḥan wa al-Razāyā* (The Trials, Tribulations, Tests and Calamities).

There are seventeen benefits of trials and tribulations for the Muslim believers as arranged by Al-'Izz 'Abd al-'Aziz Ibn 'Abd Al-Salām in this treatise. These seventeen benefits are as follows:

1. recognizing the greatness of Allah SWT
2. recognizing the value of human servanthood to Allah SWT
3. achieving sincerity in accepting Allah SWT as the Holy Protector
4. returning to Allah SWT
5. humbling oneself and praying only to Allah SWT
6. forbearance with the cause of trial
7. forgiving the cause of trial
8. patience in facing the trial
9. feeling glad for the benefits received from the trial
10. being grateful for the benefits granted from the trial
11. purifying oneself from sins and wrongdoing
12. receiving mercy and help for the trial
13. recognizing the great value of living in pleasure
14. granted with the hereafter reward
15. recognizing the many hidden benefits from the trial
16. preventing oneself from self-evil, ungrateful, arrogance, boastfulness, and despotism
17. Feeling content for God's destiny, which also invites the pleasure of Allah SWT to his servant

Based on the explanations made by Al-'Izz 'Abd al-'Aziz Ibn 'Abd Al-Salām, this treatise is a suitable reference in understanding the discussion in the Islamic faith, sufism and Islamic thought, especially in grasping with the issues of God's destiny, theodicy, freewill and predestination. All these explanations are made in signifying the benefits and wisdoms of trials and tribulations in this world from the Islamic perspective. As said by Abū Ḥāmid al-Ghazālīyy in his *Iḥyā' 'Ulūm al-Dīn* (*The Revival of Islamic Sciences*) about the will, power and wisdom of Allah SWT: "there is in possibility nothing more wondrous than what is" (*laysa fī al-Imkān abda' mimmā kāna*) (Al-Ghazālīyy 1431H).

This English translation is made from the Arabic text *Kitab Fawā'id Al-Balwā Wa Al-Miḥan*, published by *Dār al-Fikr al-Mu'āṣir* of Beirut and *Dār al-Fikr* of Damascus year 1995. The editing and checking to the original manuscripts was made by Iyād Khālīd al-Ṭabbā'. The published treatise is of 32 pages including an introduction by the *muḥaqqiq* (editor and checker), the text and six indices, namely: index of Quranic verses, index of prophetic traditions and scholarly sayings, index of names, index of poems, indeks of references and contents page.

All Quranic translations for this treatise are referred to *The Qur'an: A New Translation* by M.A.S. Abdel Haleem (2005), published by Oxford University Press. All honorary figures in the treatise are given proper abbreviated salutations accordingly such as *subḥānahu wa ta'ālā* (SWT) to Allah, which means the Most Glorified and Most High; and *ṣallā Allahu 'alayhi wa sallam* (SAW) to Prophet Muhammad, which means peace and blessings be upon him. 'Alayhi / 'alayhā / 'alayhim al-Salām (AS) are used to the other prophets and their wives, which means peace be upon him / her / them; *raḍīya Allahu 'anhu* (RA) to all companions, which means may Allah satisfy with him; and *raḥimahu Allāhu ta'ālā* (RH) to all Muslim scholars, which means may Allah bless him.

#### **THE TRANSLATION OF AL-'IZZ 'ABD AL-'AZIZ IBN 'ABD AL-SALĀM'S FAWĀ'ID AL-BALWĀ WA AL-MIḤAN**

In the name of Allah, the most gracious, the most merciful

Prayer and blessings be upon Prophet Muhammad and his family members.

The teacher, leader, proof of Islam, knowledge reliance for the people, Abū Muḥammad 'Abd al-'Azīz ibn 'Abd al-Salām ibn 'Abd al-Qāsim al-Sulamī RH says: May Allah bless all muslims with his (the author's) knowledge, forgive all of us, the author and all Muslims.

In the face of trials, test, misfortunes, and tribulations, there are with them various benefits, depending on the ranks of people facing them.

1. First, recognising the greatness of Allah's Godship and His All-Power.

2. Second, recognizing the humility of servanthood and its subordination to the authority of Allah, where this matter is testified in His words:

الَّذِينَ إِذَا أَصَابَتْهُمْ مُصِيبَةٌ قَالُوا إِنَّا لِلَّهِ وَإِنَّا إِلَيْهِ رَاجِعُونَ

Which means: "those who say, when afflicted with a calamity, 'We belong to God and to Him we shall return.'" (Surah al-Baqarah 2: verse 156).

All servants acknowledge that they belong to Allah and must serve Him. They will return to His Laws, Rulings, predestination and will. There is no escape and exit for them (from His Power and Control) except with Allah SWT.

3. Third, achieving sincerity to Allah for there is no place for protection in repelling all troubles except with Allah SWT. And there is no place to depend for removing all hardships but Allah SWT.

وَإِنْ يَمَسُّكَ اللَّهُ بِضُرٍّ فَلَا كَاشِفَ لَهُ إِلَّا هُوَ...

Which means: "If God touches you [Prophet] with affliction, no one can remove it except Him,..." (Surah al-An'am 6: verse 17).

فَإِذَا رَكِبُوا فِي الْفَلَكِ دَعَوْا اللَّهَ مُخْلِصِينَ لَهُ الدِّينَ ...

Which means: "Whenever they go on board a ship they call on God, and dedicate their faith to Him alone,..." (Surah al-Ankabut 29: verse 65).

4. Fourth, returning to Allah SWT and accepting him wholeheartedly.

﴿وَإِذَا مَسَّ الْإِنْسَانَ ضُرٌّ دَعَا رَبَّهُ مُنِيبًا إِلَيْهِ ...﴾

Which means: "When man suffers some affliction, he prays to his Lord and turns to Him,..." (Surah al-Zumar 39: verse 8)

5. Fifth, humbling oneself and praying only to Allah SWT.

فَإِذَا مَسَّ الْإِنْسَانَ ضُرٌّ دَعَانَا ...

Which means: "When man suffers some affliction, he cries out to Us..." (Surah al-Zumar 39: verse 49)

وَإِذَا مَسَّكُمُ الضُّرُّ فِي الْبَحْرِ ضَلَّ مَنْ تَدْعُونَ إِلَّا إِلَٰهًا ...

Which means: "When you get into distress at sea, those you pray to besides Him desert you,..." (Surah al-Isra' 17: verse 67)

بَلْ إِيَّاهُ تَدْعُونَ فَيَكْشِفُ مَا تَدْعُونَ إِلَيْهِ إِنْ شَاءَ ...

Which means: "No indeed, it is on Him that you would call. If it were His will, He could remove whatever harm made you call on Him,..." (Surah al-An'am 6: verse 41).

فَلَمَنْ يَنْجِيكُمْ مِّنْ ظُلُمَاتِ الْبَرِّ وَالْبَحْرِ تَدْعُونَهُ تَضَرُّعًا وَخُفْيَةً

Which means: "Say [Prophet], 'Who is it that saves you from the dark depths of land and sea when you humbly and secretly call to Him...' (Surah al-An'am 6: verse 63).

6. Sixth, forbearance with the cause of trial.

... إِنَّ إِبْرَاهِيمَ لَأَوَّاهٌ حَلِيمٌ

Which means: "... Abraham was tender-hearted and forbearing." (Surah al-Taubah 9: verse 114).

فَبَشِّرْنَاهُ بِعُلْمٍ حَلِيمٍ

Which means: "so We gave him the good news that he would have a patient son." (Surah al-Saffat 37: verse 101).

In a Hadith narrated by Muslim, the Messenger of Allah SWT says:

إن فيك خصلتين يحبهما الله: الحلم والأناة

Which means: “(The Messenger of Allah SAW said to Ashajj ‘Abd al-Qays RA), verily you possess two qualities that Allah loves. These are forbearance and tolerance”. (Narrated by Muslim).

The rank of forbearance in facing trial is different according to the big or small quality of the trial. Forbearing the greatest trial is the highest quality among all types of forbearance.

7. Seventh, forgiving the person who causes the trial.

... وَالْعَافِينَ عَنِ النَّاسِ ...

Which means: “...and pardon people...” (Surah Ali ‘Imran 3: verse 134).

... فَمَنْ عَفَا وَأَصْلَحَ فَأَجْرُهُ عَلَى اللَّهِ ...

Which means: “...though anyone who forgives and puts things right will have his reward from God Himself...” (Surah al-Shura 42: verse 40).

Forgiveness upon the greatest trial is the highest quality among all types of forgiveness.

8. Eighth, patience in facing the trial.

Patience in facing the trial is the way to acquire the love of Allah SWT and great rewards from Him.

... وَاللَّهُ يُحِبُّ الصَّابِرِينَ

Which means: “...God loves those who are steadfast.” (Surah Ali ‘Imran 3: verse 146).

... إِنَّمَا يُؤَقِّى الصَّابِرُونَ أَجْرَهُمْ بِغَيْرِ حِسَابٍ

Which means: “...and those who persevere patiently will be given a full and unstinting reward.” (Surah al-Zumar 39: verse 10).

وما أعطي أحد عطاءً خيراً وأوسع من الصبر

Which means: “Nobody can be given a blessing better and greater than patience.” (narrated by al-Bukhariyy and Muslim).

9. Ninth, feeling glad for the trial due to its benefit from God. The Prophet SAW says:

والذي نفسي بيده إن كانوا ليفرحون بالبلاء كما تفرحون بالرخاء

Which means: “By Allah, which my soul is in His Power, the righteous people would rejoice at calamity as you all would rejoice at ease.” (Narrated by Ibn Mājah, no. 4024).

Ibn Mas‘ūd RA says:

حبذا المكروهان: الموت والفقير

Which means: “There are two things which are detested by people, but of amazing benefits: death and poverty.” (Al-Aṣbahāniyy n.d.).

The believers are glad with the trial for its hardship and bitterness, which are incomparable to its fruits and benefits to them. The same also goes to a patient who needs to take bitter medicine in curing his sickness.

10. Tenth, being grateful for the benefits granted from the trial. This is comparable to the situation of a patient who thanks the doctor for amputating his body parts, in avoiding from the sick desires, and curing from sickness.

11. Eleventh, purifying oneself from sins and wrongdoings.

وَمَا أَصَابَكُمْ مِّنْ مُّصِيبَةٍ فَبِمَا كَسَبَتْ أَيْدِيكُمْ وَيَعْفُوا عَنْ كَثِيرٍ

Which means: "Whatever misfortune befalls you [people], it is because of what your own hands have done- God forgives much." (Surah al-Shura 42: verse 30).

ولا يصيب المؤمن وصب ولا نصب حتى الهم يهيمه، والشوكة يشاكها، إلا كفر به عن سيئاته

Which means: "Nothing that befalls a believer, nor disease, nor fatigue, even the distressing sorrow feeling, and a piercing thorn, but that Allah expiates his or her sins for the trial." (Narrated by Al-Bukhāriyy and Muslim).

12. Twelfth, receiving mercy and help for the trial befalling them. As said by the Prophet Isa AS:

الناس معافى ومبتلى، فارحموا أهل البلاء، واشكروا الله على العافية

Which means: "Some people are protected from wrong action or trial, and some people are afflicted by it. Be merciful to the people of affliction and be grateful to Allah for His protection." (Narrated by Mālik ibn Anās)

A poet says:

وإنما يرحمُ العشاق ... من عشفا

Which means: "Verily, the one who has love can show mercy to the loved ones."

13. Thirteenth, recognizing the great value of living in pleasure (in the absence of trial). Verily, all pleasures and blessings are not known of their values, until one loses them.

14. Fourteenth, (hoping for the) different ranks of hereafter rewards from what Allah SWT has prepared for these benefits from the trials.

15. Fifteenth, there are hidden benefits behind all trials.

...فَعَسَىٰ أَنْ تَكْرَهُوا شَيْئًا وَيَجْعَلَ اللَّهُ فِيهِ خَيْرًا كَثِيرًا

Which means: "... if you dislike them, it may well be that you dislike something in which God has put much good." (Surah al-Nisa' 4: verse 19).

... وَعَسَىٰ أَنْ تَكْرَهُوا شَيْئًا وَهُوَ خَيْرٌ لَّكُمْ ...

Which means: "...You may dislike something although it is good for you..." (Surah al-Baqarah 2: verse 216).

إِنَّ الَّذِينَ جَاءُوا بِالْإِفْكِ عُصْبَةٌ مِّنْكُمْ لَا تَحْسَبُوهُ شَرًّا لَّكُم بَلْ هُوَ خَيْرٌ لَّكُمْ ...

Which means: "It was a group from among you that concocted the lie—do not consider it a bad thing for you [people]; it was a good thing..." (Surah al-Nur 24: verse 11).

When a tyrant ruler took away Sarah AS from Prophet Ibrahim AS, later after this trial and test, Prophet Ibrahim AS received a woman servant named Hajar AS, who gave birth Prophet Ismail AS. And it is from the family line of Prophet Ismail AS that the Leader and the Seal of all Prophets (Prophet Muhammad SAW) was born. This is a great goodness (the advent of Prophet Muhammad SAW), which came behind the trial of Prophet Ibrahim AS and Sarah AS.

It is said (by a poet):

كم نعمة مطوية ... لك بين أثناء المصائب

Which means: "how many blessings are hidden from you beneath all afflicted trials." And other poet says:

رب مبعوض كربه ... فيه الله لطائف

Which means: "it could be that in a detested matter, lies the blessings and the love of Allah SWT."

16. Sixteenth, verily in the trials and hardships; all evils, ungrateful feeling, arrogance, self-pride, boastfulness, and despotism could be prevented. If Nimrod (the cruel king during the days of Prophet Ibrahim AS) was a poor, sick, blind, and deaf; he would not debate with Prophet Ibrahim AS about Allah SWT. Nevertheless, Nimrod was influenced by his self-pride as a great king (which caused him to go against God and His prophet). Allah SWT justifies this condition of given power to rule (as reason for his wrongdoing), where He SWT says:

أَلَمْ تَرَ إِلَى الَّذِي حَاجَّ إِبْرَاهِيمَ فِي رَبِّهِ أَنْ آتَاهُ اللَّهُ الْمُلْكَ ...

Which means: "[Prophet], have you not thought about the man who disputed with Abraham about his Lord, because God had given him power to rule?..." (Surah al-Baqarah 2: verse 258).

And if the Pharaoh (the cruel king during the days of Prophet Musa AS) was tested with various tribulations, he dared not to proclaim:

أَنَا رَبُّكُمْ الْأَعْلَى

Which means: "I am your supreme lord," (Surah al-Nazi'at 79: verse 24).

... وَمَا نَقَمُوا إِلَّا أَنْ أَغْنَاهُمُ اللَّهُ وَرَسُولُهُ مِنْ فَضْلِهِ ...

Which means: "...being spiteful was their only response to God and His Messenger enriching them out of His bounty..." (surah al-Taubah 9: verse 74).

... إِنَّ الْإِنْسَانَ لِرَبِّهِ لَكَنَّاظٍ ۖ ٦ أَنْ رَأَاهُ اسْتَكْبَرَ ۖ ٧

Which means: "...But man exceeds all bounds (6) when he thinks he is self-sufficient: (7) (surah al-Alaq 96: verse 6-7).

﴿وَلَوْ بَسَطَ اللَّهُ الرِّزْقَ لِعِبَادِهِ لَبَغَوْا فِي الْأَرْضِ ...﴾

Which means: "If God were to grant His plentiful provision to [all] His creatures, they would act insolently on earth..." (Surah al-Shura 42: verse 27).

... وَأَتَّبَعَ الَّذِينَ ظَلَمُوا مَا أَتْرَفُوا فِيهِ ...

Which means: "...while the unjust pursued the enjoyment of plenty..." (Surah Hud 11: verse 116).

... لَأَسْقِيَنَّهُمْ مَاءً غَدَقًا ۖ ۱۶ لِنَقِّنَنَّهُمْ فِيهِ ...

Which means: "...If they had taken to the right way, We would have given them abundant water to drink- (16) a test for them..." (Surah al-Jin 72: verse 16-17).

وَمَا أَرْسَلْنَا فِي قَرْيَةٍ مِّن نَّذِيرٍ إِلَّا قَالَ مُتْرَفُوهَا إِنَّا بِمَا أُرْسِلْتُمْ بِهِ كَافِرُونَ ۚ ۳۴

Which means: "Never have We sent a warner to a community without those among them who were corrupted by wealth saying, 'We do not believe in the message you have been sent with.'" (Surah Saba' 34: verse 34).

The pious and the weak people (living in hardships) are among the saints of Allah SWT and the followers of the Prophets AS. Due to these noble benefits,

أشد [ الناس ] بلاء الأنبياء، ثم الصالحون، [ ثم ] الأمثل فالأمثل

Which means: "the people who is tried most severely are the Prophets, then the righteous believers, then those nearest to them, and then those nearest to them." (Narrated by al-Tirmidhiyy). The Prophets AS and all their followers RH were accused with many evil charges, of being crazy, using sorcery, witchcraft, laughed and condemned by their people.

... فَصَبَرُوا عَلَىٰ مَا كُذِّبُوا وَأَوْدُوا ...

Which means: "...and they bore their rejection and persecution steadfastly until Our aid arrived..." (Surah al-An'am 6: verse 34).

We are told (by Allah the Most High):

أَمْ حَسِبْتُمْ أَنْ تُدْخَلُوا الْجَنَّةَ وَلَمَّا يَأْتِكُمْ مَثَلُ الَّذِينَ خَلَوْا مِنْ قَبْلِكُمْ مَسَّتْهُمُ الْبَأْسَاءُ وَالضَّرَّاءُ وَزُلْزَلُوا حَتَّىٰ يَقُولَ الرَّسُولُ وَالَّذِينَ ءَامَنُوا مَعَهُ مَتَىٰ نَصْرُ اللَّهِ الْآلَا إِنَّ نَصْرَ اللَّهِ قَرِيبٌ ۚ ۲۱۴

Which means: "Do you suppose that you will enter the Garden without first having suffered like those before you? They were afflicted by misfortune and hardship, and they were so shaken that even [their] messenger and the believers with him cried, 'When will God's help arrive?' Truly, God's help is near." (Surah al-Baqarah 2: verse 214).

وَلَنَبْلُوَنَّكُمْ بِشَيْءٍ مِّنَ الْخَوْفِ وَالْجُوعِ وَنَقْصٍ مِّنَ الْأَمْوَالِ وَالْأَنْفُسِ وَالثَّمَرَاتِ وَبَشِّرِ الصَّابِرِينَ ۝ ۱۵۵

Which means: "We shall certainly test you with fear and hunger, and loss of property, lives, and crops. But [Prophet], give good news to those who are steadfast," (Surah al-Baqarah 2: verse 155).

﴿لَيَبْلُوَنَّ فِي أَمْوَالِكُمْ وَأَنْفُسِكُمْ وَلَنْسَمَعَنَّ مِنَ الَّذِينَ أُوتُوا الْكِتَابَ مِنْ قَبْلِكُمْ وَمِنَ الَّذِينَ أَشْرَكُوا أَدَىٰ كَثِيرًا...﴾

Which means: "you are sure to be tested through your possessions and persons; you are sure to hear much that is hurtful from those who were given the Scripture before you and from those who associate others with God..." (Surah Ali 'Imran 3: verse 186).

The Prophets AS and all their followers RH were expelled from their homes, their properties were confiscated, they became strangers in their own homeplaces, their difficulties were multiplied, their burdens were becoming harder, and their enemies

were also increased in number. They were defeated in some places (of war) and some were killed at *Uḥud*, *Ma'ūnah* Well, and other places.

The face of Prophet SAW was cut (in the war by his enemy), his molar teeth was broken, his war helmet was crushed on his head, his beloved companions RA were killed and their dead bodies were hurt, his enemies were rejoiced by this, and his companions RA were sad. They (the Prophet SAW and his companions RA) were tested during the war of *Khandaq* (ditch),

... وَزُلْزِلُوا زَلْزَالًا شَدِيدًا

Which means: "...there the believers were deeply shaken." (Surah al-Ahzab 33: verse 11).

... وَإِذْ زَاغَتِ الْأَبْصَارُ وَبَلَغَتِ الْقُلُوبُ الْحَنَاجِرَ ...

Which means: "...your eyes rolled [with fear], your hearts rose into your throats..." (Surah al-Ahzab 33: verse 10).

They were living in the constant state of fear, inescapable destitution, extreme poverty, until that they tied rocks on their bellies to resist their hunger. The leader of the first and the last mankind (the Prophet SAW) was never gratified from eating wheat bread twice in any one day. He was also hurt by various kinds of pains, till the hypocrites (*munāfiq*) slandered his beloved wife (*Ā'ishah* RA). Later, towards the end of his life, he was also tested with (the evil doings of) Musaylamah (a false prophet), Tulayḥah (an apostate), and al-'Ansiyy (an apostate). The Prophet SAW and his companions RA, from among the army of *Tabuk* (*jaysh al-'Usrah*), met great trial in the *Tabuk* war. And the Prophet SAW died while his armour was mortgaged to a Jew for some cups of barley (30 cups according to al-Bukhariyy's hadith).

All prophets AS and the righteous believers RH are promised with trial from time to time. A person is tested according to the level of his religious conviction. If one is firm and strong in his religious conviction, one will receive a more difficult test (than other people). Among the righteous people, there was a person who was sawn his body into half, but the event never ceased him from becoming firm in religion.

The Prophet SAW says:

مثل المؤمن كمثل الزرع، لا تزال الريح تميله ولا يزال المؤمن يصيبه البلاء

Which means: "The similitude of a believer is that of (a standing) crop which the air continues to toss from one side to another; in the same way a believer always (receives the strokes) of misfortune." (narrated by al-Bukhariyy and Muslim).

Then, the Prophet SAW says:

مثل المؤمن كمثل الحامة من الزرع [تفيؤها الريح]، تصرعها مرة وتعدلها أخرى حتى تهيج

Which means: "the similitude of a believer is that of a standing crop in a field which is shaken by wind and then it comes to its original position, but it stands at its roots, until it dries." (narrated by al-Bukhariyy and Muslim).



Therefore, the condition of living in hardship and in a test could guide a servant to return to Allah SWT. Whereas, the condition of living in wellness and pleasure could turn a servant away from Allah the Most High.

وَإِذَا مَسَّ الْإِنْسَانَ الضُّرُّ دَعَانَا لِجَنْبِهِ أَوْ قَاعِدًا أَوْ قَائِمًا فَلَمَّا كَشَفْنَا عَنْهُ ضُرَّهُ مَرَّ كَأَن لَّمْ يَدْعُنَا إِلَى ضُرِّ مَسَّهُ...<sup>١٠٠</sup>

Which means: “When trouble befalls man he cries out to Us, whether lying on his side, sitting, or standing, but as soon as We relieve him of his trouble he goes on his way as if he had never cried out to Us to remove his trouble...” (Surah Yunus 10: verse 12).

Therefore, the Prophets AS and the righteous believers RH reduced their foods, drinks, clothings, marriages, speeches, homes, transportations, and the rest ways of living (or living in modest). This was done to compel themselves in returning to Allah SWT and to always focus in worshipping Him.

17. Seventeenth, feeling content with Allah’s SWT destiny, which also causes Allah SWT to be pleased with His servant. All trials are afflicted to the kind-hearted and the evil-doer. Whosoever angry with the trials will also receive Allah’s SWT anger, loss in this world, and the hereafter. Whereas, the one who feels content with the trials, Allah SWT will be pleased with him or her. And Allah’s SWT pleasure is greater than the value of the heaven and its contents, as in His SWT words:

... وَرِضْوَانٌ مِّنَ اللَّهِ أَكْبَرُ ...

Which means: “and- greatest of all- God’s good pleasure...” (Surah al-Taubah 9: verse 72).

These (seventeen benefits) are the brief points that we can list on the benefits of trial to the believers.

We ask from Allah the Most High His forgiveness and our well-being in this world and the hereafter, and may we are not made among those who are tested (to fail). May Allah SWT grant us His help in doing what He loves and pleases, and save us from any tests and calamities.

I have completed listing the benefits here, with all praises be to Allah SWT, with His help and favours. Peace and blessings be upon the Prophet, his family members, and companions. He is sufficient for us and He is the best disposer of all affairs.

The writing of this treatise ended on ninth of *Rabī‘ al-Awwal* year 655AH. May Allah bestow His forgiveness to the reader, listener, copier of this treatise, and to all Muslims. All praises are to Allah alone.

## DISCUSSIONS ON THE CONTENTS OF THE TREATISE

In this treatise, Al-‘Izz ‘Abd al-‘Aziz Ibn ‘Abd Al-Salām listed seventeen benefits which are originally deduced and extracted from the Quranic verses, hadith (prophetic traditions), prophetic stories (*sīrah wa qiṣaṣ al-Anbiyā’*), Islamic traditions

(*athār al-Ṣaḥābah wa al-Anbiyā'*) and poems. There are thirty-three quotes from the Quranic verses used in this treatise, seven hadiths or prophetic traditions, two Islamic traditions from the sayings of Ibn Mas'ud RA and Prophet Isa AS; three poems, and a few prophetic stories from the lives of Ibrahim AS, Musa AS, and Prophet Muhammad SAW. Al-'Izz 'Abd al-'Aziz Ibn 'Abd Al-Salām systematically arranged and organized all these important quotes and proofs to explain these seventeen benefits in this treatise.

In reality, there are many other quotes, references and proofs for this discussion on the benefits of trial and tribulation for the Muslim believers. These references and proofs could be made from analyzing the Quran as the primary source of reference for Muslim life, with the guidance from the acknowledged Quranic exegeses such as *Tafsīr al-Tabariyy*, *Tafsīr Ibn Kathīr*, *Tafsīr Fakhr al-Dīn al-Rāziyy*, or modern *Tafsīr* such as *Tafsīr al-Sha' rāwiyy* and *al-Tafsīr al-Munīr*.

The same also goes to the prophetic hadiths, their commentaries (*shurūḥ*), and wisdom sayings from the previous prophets and companions (*al-Hikam wa al-Āthār*). There could be thousands of hadiths and their acknowledged commentaries which are suitable to be referred for this purpose. And probably, there could be hundred thousands and more wisdom sayings from the previous prophets and companions, which are related with the topic of this discussion. As said by the Prophet Muhammad SAW: "Indeed the scholars are the heirs of the Prophets, and the Prophets do not leave behind Dinar or Dirham. The only legacy of the scholars is knowledge, so whoever takes from it, then he has indeed taken the most able share. (Narrated by al-Tirmidhiyy).

Nevertheless, *Kitab Fawā'id al-Balwā wa al-Miḥan* is prepared as a small treatise to meet the objective of the author, where he says: "These (seventeen benefits) are the brief points that we can list on the benefits of trial to the believers" (Al-Sulamiyy 1995; Al-'Izz bin 'Abd al-Salām 2004). Despite of its brevity, this treatise still provides sufficient explanations on the benefits of trials and tribulations to the Muslim believers. This treatise which is authored by the King of Muslim Scholars (*Sulṭān al-'Ulamā*) guides the readers in understanding the important aspects of living in this world, namely in unveiling the will, wisdom, and power of Allah SWT upon all creations. In the Islamic worldview, this world and its workings are not supposed to be alienated or divorced from the will, wisdom, and power of Allah SWT.

Due to that, all trials and tribulations in this world are also included among the works of Allah, which also bear benefits to the true and sincere Muslim believers. In an authentic hadith, narrated by Muslim, the Messenger SAW says:

عجبا لأمر المؤمن إن أمره كله له خير، وليس ذلك لأحد إلا للمؤمن، إن أصابته سراء شكر فكان خيراً له، وإن أصابته ضراء صبر فكان خيراً له.

Which means: "How wonderful is the case of a believer; there is good for him in everything and this applies only to a believer. If prosperity attends him, he expresses

gratitude to Allah and that is good for him; and if adversity befalls him, he endures it patiently and that is better for him.”

The life in this world is not supposed to be understood and worked as the final destination for all creations. Wrong understanding and incorrect application of this important concept of Islamic faith could lead to a huge confusion and great deviation from the true path of the Islamic life. In the Surah al-Ankabut 29: verse 2-3, Allah proclaims:

أَحْسِبَ النَّاسُ أَنْ يُتْرَكُوا أَنْ يَقُولُوا ءَامَنَّا وَهُمْ لَا يُفْتَنُونَ ۚ وَلَقَدْ فَتَنَّا الَّذِينَ مِنْ قَبْلِهِمْ ۗ فَلَيَعْلَمَنَّ اللَّهُ الَّذِينَ صَدَقُوا وَلَيَعْلَمَنَّ الْكٰذِبِينَ ۝ ۳

Which means: “Do people think they will be left alone after saying ‘We believe’ without being put to the test? (2) We tested those who went before them: God will certainly mark out which ones are truthful and which are lying. (3)”

*Kitab Fawā'id al-Balwā wa al-Miḥān* here is best read and pondered for its ability to discuss and rationalize the objectives of trials and tribulations of God upon all creations. Though some thinkers, including the religious and atheist, would think of trial and tribulation in this world as among signs of weaknesses and false claims of religious beliefs. Through the use of theodicy claim, the non-religious accuses that all trials and tribulations in life are proofs of no God in this world; however *Kitab Fawā'id al-Balwā wa al-Miḥān* proves otherwise.

In the Sunni faith doctrine, the actions and works of God are considered as possible (*jā'iz*), and not bound to the natural and scientific laws, which could be seen in this world (Al-Būṭiyy 1997; Al-Buti 2014; Al-Qudāh 1999; Al-Qudha 2014). This is evident in the Surah al-Anbiyā' 21: verse 23

لَا يُسْأَلُ عَمَّا يَفْعَلُ وَهُمْ يُسْتَأْنَوْنَ

Which means: “He cannot be called to account for anything He does, whereas they will be called to account.”

And in Surah al-Buruj 85: verse 16, He says:

فَعَالٌ لِّمَا يُرِيدُ

Which means: “He does whatever He will.”

Therefore, to force the actions and works of Allah to follow the natural and scientific laws, what else to follow one’s whims and thinking, is considered unsound and illogical to the rational judgment (*ḥukm 'aqliyy*) of the Islamic faith (Al-Sanusiyy 2009; al-Laqqāniyy 2009).

Nonetheless, this does not mean that humans are like living puppets, do not possess any roles and efforts (*al-Kasb wa al-Ikhtiyār*) in this temporal world. The Islamic worldview postulates that all creations are responsible to exert their efforts and work their endeavours in achieving goodness (*ḥasanah*) in this world and the hereafter (Al-Quran, Surah Al-Baqarah 2: verse 201; Maḥmūd Shaltūt 1988). For example, in Surah Āli 'Imran 3: verse 195, Allah the Most High explains:

فَأَسْتَجَابَ لَهُمْ رَبُّهُمْ أَنِّي لَا أُضِيعُ عَمَلَ عَمَلٍ مِّنْكُمْ مِّنْ ذَكَرٍ أَوْ أُنْثَىٰ بَعْضُكُم مِّنْ بَعْضٍ فَأَلَّذِينَ هَاجَرُوا  
وَأُخْرِجُوا مِنْ دِيَارِهِمْ وَأُودُوا فِي سَبِيلِي وَقَاتَلُوا وَقُتِلُوا لَأُكَفِّرَنَّ عَنْهُمْ سَيِّئَاتِهِمْ وَلَأُدْخِلَنَّهُمْ جَنَّاتٍ تَجْرِي مِنْ  
تَحْتِهَا الْأَنْهَارُ ثَوَابًا مِّنْ عِنْدِ اللَّهِ وَاللَّهُ عِنْدَهُ حُسْنُ الثَّوَابِ ١٩٥

Which means: "Their Lord has answered them: 'I will not allow the deeds of any one of you to be lost, whether you are male or female, each is like the other [in rewards]. I will certainly wipe out the bad deeds of those who emigrated and were driven out of their homes, who suffered harm for My cause, who fought and were killed. I will certainly admit them to Gardens graced with flowing streams, as a reward from God: the best reward is with God.'

However, despite of all deeds and efforts from the creations, the Islamic faith teaches that only Allah SWT has the sole authority and absolute power to decide whether these deeds and efforts will come into effect or not. All creations are responsible to understand and recognize this reality, for this fact is also included in the meanings and concepts of worshipping (*ibādah*), relying (*tawakkal*), and contentment (*ridā*) to Allah SWT. The works and actions of Allah is not bound to the empirical or experiential judgment (*al-Hukm al-ʿAdiyy*) as presumed by the common people. In reality, Allah SWT who creates and ordains all these empirical and experiential judgment in this world (al-Bayjūriyy 2002; Al-Laqqāniyy 2009; Al-Sanusiyy 2009).

In a hadith narrated by al- Tirmidhiyy:

عَنْ ابْنِ عَبَّاسٍ، قَالَ: "كُنْتُ خَلْفَ رَسُولِ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ يَوْمًا، فَقَالَ: يَا غُلَامُ إِنِّي أُعَلِّمُكَ كَلِمَاتٍ،  
احْفَظِ اللَّهَ يَحْفَظْكَ، احْفَظِ اللَّهَ بِحُدُودِهِ يُجَاهِكَ، إِذَا سَأَلْتَ فَاسْأَلِ اللَّهَ، وَإِذَا اسْتَعْنَيْتَ فَاسْتَعِنْ بِاللَّهِ، وَاعْلَمْ أَنَّ الْأُمَّةَ لَوِ  
اجْتَمَعَتْ عَلَىٰ أَنْ يَنْفَعُوكَ بِشَيْءٍ لَّمْ يَنْفَعُوكَ إِلَّا بِشَيْءٍ قَدْ كَتَبَهُ اللَّهُ لَكَ، وَلَوْ اجْتَمَعُوا عَلَىٰ أَنْ يَضُرُّوكَ بِشَيْءٍ لَّمْ  
يَضُرُّوكَ إِلَّا بِشَيْءٍ قَدْ كَتَبَهُ اللَّهُ عَلَيْكَ، رُفِعَتِ الْأَقْلَامُ وَجَفَّتِ الصُّحُفُ."

Which means: "Ibn Abbas RH said: One day, I was riding behind the Prophet SAW when he said, "O boy! I will instruct you in some matters. Be watchful of Allah (Commandments of Allah), He will preserve you. Safeguard His Rights, He will be ever with you. If you beg, beg of Him alone; and if you need assistance, supplicate to Allah alone for help. And remember that if all the people gather to benefit you, they will not be able to benefit you except that which Allah had foreordained (for you); and if all of them gather to do harm to you, they will not be able to afflict you with anything other than that which Allah had predestined against you. The pens had been lifted and the ink (of destiny) had dried up".

Based on this discussion of Islamic faith, the trial and tribulation in life is considered good and beneficial for the Muslim believer, for they all come from Allah SWT. These goodness and benefits are veiled and unseen if one is using different or wrong perspectives to understand this matter. In this regard, it is best here to quote the saying of Ja'far al-Şādiq RH about the works and commands of Allah to His servants as below (Al-Shahrestānī 2001):

إن الله تعالى أراد بنا شيئاً و أراد منا شيئاً، فما أراد بنا طواه عنا وما أراد منا أظهره لنا، فما بالنا نشتغل بما أراد بنا عما أراد منا.

Which means: “Indeed, Allah the Most High wanted something for us (the *Qadar*) and wanted something from us (the *Sharī‘ah*). What He wanted for us (the destiny), He kept it hidden from us, and what He wanted from us (His commands), He made it apparent to us. So why do we occupy ourselves with what He wanted for us (the destiny), rather than what He wanted from us (His commands)?

## CONCLUSION

*Kitab Fawā'id al-Balwā wa al-Miḥan* is a treatise and an ingenious work by the King of all Muslim scholars (*Sulṭān al-'Ulamā'*), Al-'Izz 'Abd al-'Aziz Ibn 'Abd Al-Salām al-Ash'ariyy al-Shafi'iyy al-Dimashqiyy of the 6th/7th AH or 12th/13th CE. He was born at Damascus in 577AH/1181AD and died at Cairo in the year 660AH/1262AD at the age of 83. Whereas, *Kitab Fawā'id al-Balwā wa al-Miḥan* is a small treatise which is also known as *al-Fitan wa al-Balāyā wa al-Miḥan wa al-Razāyā* (trials, tribulations, tests and calamities) by other scholars. This treatise listed seventeen benefits of trials and tribulations for the Muslim believers, which are supported with Islamic main sources, namely the Quranic verses, hadith (prophetic traditions), prophetic stories (*sīrah wa qīṣaṣ al-Anbiyā'*), Islamic traditions (*athār al-Ṣaḥābah wa al-Anbiyā'*) and poems.

Among these seventeen benefits from the trials and tribulations of God to the righteous believers, as listed by Al-'Izz 'Abd al-'Aziz Ibn 'Abd Al-Salām in this treatise, are as follows: recognizing the greatness of Allah SWT, recognizing the value of human servanthood to Allah SWT, and achieving sincerity in accepting Allah SWT as the Holy Protector, returning to Allah SWT,. He also lists the benefits: humbling oneself and praying only to Allah SWT, forbearance with the cause of trial, forgiving the cause of trial, patience in facing the trial, purifying oneself from sins and wrongdoing, and preventing oneself from self-evil, ungrateful, arrogance, boastfulness, and despotism.

To conclude, this treatise of Al-'Izz 'Abd al-'Aziz Ibn 'Abd Al-Salām is a worth reading and exploring work by all Muslims and non-Muslims. This treatise provides important points, proofs, and short explanations in understanding the benefits of trial and tribulation in human life from the Islamic perspective. For Muslim readers, this treatise will not only guide in understanding the great Will, Wisdom and Omnipotence of Allah SWT in determining all events and happenings of all creations. Yet, *Kitab Fawā'id al-Balwā wa al-Miḥan* is also capable to become a cure for the depressed hearts or chicken soup for the souls, in facing various tough challenges of our time.

## ACKNOWLEDGEMENT

A heartfelt appreciation is extended to the Universiti Sains Islam Malaysia (USIM) for funding the research grant entitled: "Analysis and Translation of the Book

*Fawā'id al-Balwā Wa al-Miḥan* by Al-Izz Ibn Abd Al-Salam (577-660H) in the Context of Islamic Theodicy Education" (research code: PPPI/FKP/0121/USIM/13321).

## REFERENCES

*Al-Quran al-Karim*

- Al-Aṣbahāniyy, Abū Nu'aym. (n.d.). *Ḥilyah al-Awliyā' Wa Ṭabaqāt al-Aṣfiyā'*. Beirut: Dār al-Kitāb al-'Arabī.
- Al-Bayjūriyy, Ibrāhīm ibn Muḥammad. 2002. *Ḥāshiyah al-Imām al-Bayjūriyy 'Alā Jawharah al-Tawḥīd*. Cairo: Dār al-Salām.
- Al-Bukhāriyy, Muḥammad Ibn Ismā'īl. (1998). *Ṣaḥīḥ al-Bukhāriyy*. Riyadh: International Ideas Home for Publishing and Distribution.
- Al-Būṭiyy, Muḥammad Sa'īd Ramaḍān. (1997). *Kubrā al-Yaqīniyyāt al-Kawniyyah: Wujūd al-Khāliq Wa Waḥīfah al-Makhlūq*. Damascus: Dār al-Fikr.
- Al-Buti, Muhammad Sa'id Ramadhan. (2018). *Keyakinan Hakiki*. Putrajaya: JAKIM.
- Al-'Izz bin 'Abd al-Salām. 2004. *Trials and Tribulations: Wisdom and Benefits*. Translated by Abu Rumaysah. Birmingham: Daar-Us-Sunnah.
- Ibn Kathīr. (1993). *Ṭabaqāt al-Fuqahā' al-Shāfi'iyyīn*. Taḥqīq: Aḥmad 'Umar Hāshim & Muḥammad Zaynuhum Muḥammad 'Azb. Kaherah: Maktabah al-Thaqāfah al-Dīniyyah.
- Ibn Mājah, Muḥammad ibn Yazīd. (n.d.). *Sunan al-Ḥāfiẓ Abī 'Abdillāh Muḥammad ibn Yazīd al-Qazwīnī Ibn Mājah*. n.pl.: Maṭba'ah Dār Iḥyā' al-Kutub al-'Arabiyyah.
- Izzuddin Bin Abd al-Salam. (2018). *Faedah di Sebalik Ujian dan Musibah*. Terjemahan Marwan Bukhari A. Hamid. Kuala Lumpur: ABIM Press.
- Al-Ghazāliyy, Abū Ḥāmid. (1431H). *Iḥyā' 'Ulūm al-Dīn*. Beirut: Dār al-Ma'rifah.
- Al-Laqqāniyy, Ibrāhīm. (2009). *Hidāyah al-Murīd Li Jawharah al-Tawḥīd*. Cairo: Dār al-Baṣā'ir.
- M.A.S. Abdel Haleem. (2005). *The Qur'an*. Oxford: Oxford University Press
- Maḥmūd Shaltūt. (1988). *Al-Islām: 'Aqīdah Wa Sharī'ah*. Kaherah: Dār al-Shurūq.
- Mālik ibn Anas. (2004). *Al-Muwatta'*. Abu Dhabi: Mu'assasah Zayd ibn Sulṭān Āl Nahayan.
- Muhsin Akbas. (1999). *The Problem of Evil and Theodicy in Jewish, Christian, and Islamic Thought*. Doctoral Thesis. University of Wales, Lampeter.
- Muslim Ibn al-Hajjāj. (1998). *Ṣaḥīḥ Muslim*. Riyadh: International Ideas Home for Publishing and Distribution.
- Ormsby, Eric. (1984). *Theodicy in Islamic Thought: The Dispute over Al Ghazali's Best of All Possible Worlds*. Princeton: Princeton University Press.
- Al-Qudāh, Nūḥ 'Alī Salmān. (1999). *Al-Mukhtaṣar al-Mufīd Sharh Jawharah al-Tawḥīd*. Amman: Dar al-Razi.
- Al-Qudha, Nuh Ali Salman. (2014). *Al-Mukhtasar al-Mufid Fi Syarh Jauharah al-Tauhid (Ringkasan Berfaedah dalam Menghuraikan Permata Tauhid)*. Kuantan: Sohahab Setia Enterprise.
- Safaruk Chowdhury. (2021). *Islamic Theology and the Problem of Evil*. Cairo: The American University in Cairo Press

- Tubanur Yesilhark Ozkan. (2015). *A Muslim Response to Evil: Said Nursi on the Theodicy*. London and New York: Routledge.
- Al-Sanūsiyy, Muḥammad ibn Yūsuf & al-Mallaliyy, Muḥammad ibn ‘Umar. (2009). *Umm al-Barāhīn Wa Yalīhā Sharh Umm al-Barāhīn*. Beirut: Dār al-Kutub al-‘Ilmiyyah.
- Al-Shahrastānī, Muḥammad ibn ‘Abd al-Karīm. (2001). *Al-Milal Wa al-Niḥal*. Beirut: Dār al-Ma‘rifah.
- Al-Subkiyy, Tāj al-Dīn ‘Abd al-Wahhāb ibn ‘Aliyy. (1964). *Ṭabaqāt al-Shāfi‘iyyah al-Kubrā*. Kaherah: Maṭba‘ah ‘Isā al-Bābiyy al-Ḥalabiyy wa Sharikāhu
- Al-Sulamiyy, al-‘Izz ‘Abd al-‘Azīz ibn ‘Abd al-Salām. (1995). *Kitāb al-Fitan wa al-Miḥan wa al-Balāyā wa al-Razāyā aw Fawā‘id al-Balwā wa al-Miḥan*. Taḥqīq: Iyād Khālid al-Ṭabbā‘ Damascus: Dār al-Fikr,
- Al-Tirmidhiyy, Muḥammad ibn ‘Isā. (n.d.). *Sunan al-Tirmidhiyy*. Riyadh: Maktabah al-Ma‘ārif.
- Al-Wahībiyy, ‘Abd Allāh. (1982). *Al-‘Izz Ibn ‘Abd al-Salām Ḥayātuhu Wa Āthāruhu Wa Manḥajuhu Fī al-Tafsīr*. t.t: t.p.
- Wan Mohd Fazrul Azdi bin Wan Razali. (2021). Pendidikan Teodisi Islam Menerusi Kitab Fawa‘id Al-Balwa Wa Al-Miḥan oleh Al-‘Izz Ibn ‘Abd Al-Salam (577-660H). *Islam & Peranannya dalam Pembangunan Dinamik Masyarakat Menangani COVID-19 Di Malaysia*. Norhayati Rafida Abdul Rahim (ed.). Nilai: Penerbit USIM. Hal. 131-157.
- Al-Zuhāiliyy, Muḥammad. (1992). *al-‘Izz ibn ‘Abd al-Salām: Sultān al-‘Ulamā’ Wa Bā‘i’ al-Mulūk, al-Dā‘iyah, al-Muṣliḥ, al-Qāḍiyy, al-Faqīh, al-Uṣūliyy, al-Mufasssīr*. Damascus: Dār al-Fikr.

# DETERMINATION OF BIOGENIC AMINES IN FOOD USING BIOSENSOR ELECTRODE: A REVIEW

Syaza Azhari <sup>i</sup>

<sup>i</sup> (Syaza Azhari). Faculty of Science and Technology Universiti Sains Islam Malaysia Nilai, Malaysia.  
syaza@usim.edu.my

## Abstract

*Recently, biogenic amines (BA) have become an interest to many researchers along with the development of modern technologies as well as analytical methods to determine the compounds. BA is one of the most important components in food as an indicator of freshness especially histamine due to its capability to cause health issues and food intoxication. In many sensing applications, the development of biosensor electrodes has been widely used towards this discovery. The latest advances are in the utilization of carbon nanomaterials in biosensor electrodes and enzymatic methods for electro-analytical sensing devices. The studies in quantifying the amounts of BA have been widely investigated as its level content can determine the quality and safety of food presence today. Hence, this paper will be focusing on the determination of BA using modified carbon nanomaterials biosensors electrodes.*

*Keywords: Biosensor, food, biogenic amines, modified electrode.*

## INTRODUCTION

Biogenic amines (BA) are chemical compounds that possess smaller molecular weights and are categorized under organic bases. They also can be found in the forms of aliphatic, aromatic and also heterocyclic structures. The presence and degradation of BA are caused by the cellular metabolism process carried out by microorganisms, plants and animals (Doeun et al., 2017). Various foods, beverages and fermented foods consumed by humans today contain BA such as fish, meat, eggs, cheeses, milk, fermented vegetables, fruits, nuts, chocolates, beers and wines (Benkerroum, 2016).

However, high levels of BAs can be harmful and cause toxic to human health. Therefore, food safety and quality can be examined from the level of BA contained in that food. The factors that influence high content of BA are the composition of the food itself and the growth of bacteria during the food is being processed and stored. The maximum level of BA that can harm human health varies, depending on regulations enforced by each country. For instance, in European Union (EC), the limit of food safety set for histamine is between 100-200 mg/kg. On the other hand, in the United States, foods that contained 500 mg/kg of histamine are said to be spoiled (Vanegas et al., 2018).



Many analytical methods that can be used for determination of BA in food such as capillary electrophoresis and chromatographic methods (Önal, 2007). However, among drawbacks of these methods are complicated, time-consuming and expensive. As an alternative analytical device, biosensors have been widely used which provides good sensitivity, low cost, easy to handle and shows high rapid response time (Alonso-Lomillo et al., 2010). Besides, it has been widely used in many applications such as disease detection, environmental monitoring, water quality management, biomedical research as well as in food quality control (Bhalla et al., 2016). In addition, biosensors with modified electrodes with suitable nanomaterials such as graphene or chitosan allow the biosensor to be more sensitive and selective in detection of the analytes.

## **BIOGENIC AMINES**

### *Biogenic Amines in Food*

The association between BA and food is leaning towards the determination of the amines' level in certain types of food to prevent food intolerance. There has been a fair amount of research done to investigate the relation between BA and food. Out of all BA that have been found and experimented, histamine shows the most significant availability in almost every food especially the ones fermented and protein-rich. According to Saaïd, Saad, Hashim, et al., BA that are found to be in food and beverages have undergone decarboxylation, in the microbial state, of the corresponding amino acids available (Saaïd et al., 2009). BA are also found not to reduce notably when exposed to high temperature treatment. Therefore, the existence of BA in food will cause deadly contamination if it exceeds certain amount stated in regulation for safety.

According to Spano and other fellow researchers, BA have been used conventionally to indicate and determine microbial activities in food products. As the amount of BA such as histamine is found high, the product will immediately be deemed as defected due to its deterioration of quality (Spano et al., 2010). The variety of BA are highly depending on its precursor which involves amino acid.

Every each of the amines has their own amino acid precursor, as an example, the amino acid precursor for histamine is histidine. Other than amino acid precursors, the BA also possess their properties based on the respective chemical structure categories which are aliphatic, aromatic or heterocyclic. The function of the composition of certain biochemical and also the presence of microorganism depicts the total amount of BA in any food product, for example, cheese and sausage need high concentration of lactic acid bacteria for their fermentation which can cause the occurrence of dense content of histamine, cadaverine, tyramine or putrescine stated by Vanegas et al. (Vanegas et al., 2018).

As a consequence of having drawbacks in consuming BAs, few sets of regulations have been made to ensure that the food will not intoxicate the consumers. The regulations must be followed to lessen the chance of food diseases. As said by Leuschner et al. in their research, the poisoning of histamine, vastly called as 'scombroid' food poisoning in fish products due to astonishing concentration of histamine has affected those who have inhibited natural mechanism or have flawed genetic. The name 'scombroid' comes from the specific species of fish; *Scombridae* such as tuna, mackerel, bonito and also *Scomberesocidae* such as saury, queenfish. Although the species represent the name of the illness, there are also reported cases coming from the intolerance of *Clupeidae* (herring, shad, sardine) species around the world (Leuschner et al., 2013).

Food intoxication cases that have been reported are particularly similar in the term of symptoms such as those who were affected often showed allergy-like symptoms upon consuming the BAs. Nausea, vomiting, diarrhea, headaches, acute rash and hypotension or hypertension are often depicted by the patients and documented by a group of researchers, however, in some severe cases where a patient digested BAs in extreme concentration, it can lead to death. In addition, there are BAs (spermidine and spermine) that are precursors for *N*-nitroso carcinogenic compounds Cao et al. and Erdag et al. reported specifically on the effects of BAs such as histamine, tyramine, putrescine, agmatine and polyamine. Erdag, Merhan and Yildiz et al. stated that due to the presence of aminoxidase enzyme inhibitors, the BA will avoid detoxification and cause problems related to health (Saaid et al., 2009).

Moreover, according to them, histamine also has an important role in controlling blood pressure as well as serving functions for the nervous system by binding with cardiovascular system and cell membrane receptors. Although it might seem to be given as an advantage, this may assist in neurotransmitter disarray which eventually leads to gastrointestinal problems and edema on account of blood vessel expansion. Erdag, Merhan and Yildiz also stated that polyamine might cause low dosage of colon cancer. Tabanelli in her research has connected between BA and health problems. She stated that tyramine can cause food poisoning and attributable to its abundance in cheese, a 'cheese reaction' food poisoning is found. This reaction is responsible for nausea, vomiting, migraine that is induced by diet, elevation of cardiac output and increased blood glucose (Tabanelli, 2020).

## **BIOGENIC AMINES AND BIOSENSOR**

### *I. Biosensor*

Biosensors can possess many advantages and benefits in the concentration determination of the target analyte. According to C. Cristea et al., (2014), biosensors are devices that are sensitive and selective in analyzing the chemical compounds

associated with associating a bio-component to a transducer. Besides, in constructing a biosensor, the enzyme immobilization method plays an important role in choosing the adequate enzyme for determination of the target analyte. Apart from that, this new technology device offers fast time analysis, relevant limit of detection and only simple acquisition needed so that more accurate assessments in the food industry can be done. In addition, the performance of biosensors can be evaluated experimentally based on a few analytical considerations such as sensitivity, selectivity, reproducibility, linearity and the limit of detection (LOD) (Bhalla et al., 2016). Firstly is selectivity. This analytical characteristic is meant by the ability of bio-receptor to react with a specific analyte in samples that also containing other contaminants or interferences (Bhalla et al., 2016). For a clearer visual, the antigen-antibody interaction in living organisms. From this example, the antibody becomes the bio-receptors that immobilized on the transducer surface and a solution which usually being used is buffer solution that possess the antigen and will then be exposed to transducer where the antibody will react with the specific antigen.

Apart from that is sensitivity. This refers also to the detection limit. In other words, this characteristic means the minimum quantity of analyte that the biosensor able to detect. Moreover, this factor is very important in medical and environmental monitor field. This is due to the traces that are normally found in analyte samples from those two fields are in very low concentration such as ng/mL and fg/mL. For example in medical field, if there is the presence of 4 ng/mL of phosphate-specific antigen (PSA) component, the person will be diagnosed to suffer in prostate cancer (Apetrei & Apetrei, 2016). In addition, the analytical characteristic is reproducibility which refers to the capability of the biosensor to generate similar responses for repeated procedures in the same experiment. Under this characteristic, the precision and accuracy of the transducer in the biosensor device are two main important things. Precision refers to the ability of the device to generate an alike value of results every time the samples are tested. On the other hand, accuracy is ability of the device to show close results with the true values (Bhalla et al., 2016). Table 1 summarizes the characteristics of each prepared biosensor. The DAO/Pt-NP/Graphene/Chi/SPE sensor possesses the highest sensitivity compared to other biosensors.

Table 1 summarizes the characteristics of each prepared biosensor. The DAO/Pt-NP/Graphene/Chi/SPE sensor possesses the highest sensitivity compared to other biosensors. On the other hand, DAO-photoHEMA/SPE showed the lowest sensitivity towards the detection of histamine in prawn samples. The polymer-nanoceria hybrid stated by Apetrei et al., (2016) showed as the most sensitive ones towards histamine. However, the limit of detection (LOD) is quite low. From Table 1, the best sensor conformation is the DAO/Pt-NP/Graphene/Chi/SPE as it possesses the highest sensitivity and the lowest LOD. Different types of sensors conformation will give different performance towards the biosensor device. In addition, the

standard analytical instruments used in previous studies such as TLC and GC were more accurate within these ranges however they are much expensive, longer time analysis, sample pre-treatments and skilled operators needed (Apetrei & Apetrei, 2016).

Veseli et al., (2016) had conducted research to determine histamine in fish sauce samples using heterogenous carbon electrodes modified with rhenium (IV) oxide. Under flow injection analysis (FIA) mode, the operating potential used to analyze the fish sauce samples was at -150 mV. In addition, other possible sample constituents such as aliphatic amines were also been studied regarding their interferences on the signals produced at the end of the experiment. However, the signals formed did not affect the slope of the calibration curve and thus the diluted fish sauce samples can be directly used without any procedures such as filtration or centrifugation. Apart from that, the samples were kept in an ice bath as the histamine properties were sensitive to high temperature. At the earlier procedure, the fish sauce samples were diluted with 0.1 M phosphate buffer solution under pH 7.5 so that linear range of concentration of the method can be obtained (Veseli et al., 2016).

Table 1 Enzymatic Biosensors Performance Characteristics For Determination of Biogenic Amines (Vanegas et al., 2018)

Sensor Conformation	Food Sample (BA)	Sensitivity ( $\mu\text{a/Mm}$ )	LOD ( $\mu\text{m}$ )	References
DAO/Pt-NP/Graphene/Chi/ SPE)	fish (His)	63.1	0.02	(Apetrei & Apetrei, 2016)
DAO-HRP/polysulfone/CNT/ferrocene/SPE)	fish (His)	19	0.17	(Pérez et al., 2013)
DAO-photoHEMA/SPE	prawn (His)	0.62	5.8	(Keow et al., 2007)
DAO/CeO <sub>2</sub> -PANI/GCE	prawn (His)	51.47	48.7	(Gumpu et al., 2014)
DAO/Nafion/MnO <sub>2</sub> /SPE	chicken (His/Tyr)	5.95	3	(Telsnig et al., 2013)
DAO-HRP/SPE	fish (His)	17.66	0.18	(Alonso-Lomillo et al., 2010)
LSG-nCu-CNC/DAO (analytical grade materials)	fish (His)	58.7	7.7	(Vanegas et al., 2018)

LSG-Cu-MFC/DAO (locally sourced materials)	fish (His)	23.3	11.6	(Vanegas et al., 2018)
HMD/TTF/SPCE	octopus (His/Put)	10.2	8.1	(Henao-Escobar et al., 2016)

(DAO: diamine oxidase; SPE: screen-printed electrode; LSG-Cu-MFC: laser scribed graphene-Cu-microfibrilated cellulose).

## II. *Enzymatic method*

The basic concept that is applied by enzymatic method is the interaction between biological elements with certain analyte used and then generation of physicochemical changes in several forms like electron transfer, pH and mass changes and redox process that involves the absorption and releasing of particular ions or gases (Phetsang et al., 2019). One of the devices used in this method is biosensor. Biosensor can be defined as a device to measure biological and chemical reactions by generating signals that are proportional to the concentration of the analyte being analyzed. Typical biosensors used in quantification of chemical compounds especially BA consist of several components such as analyte, bio-receptor, transducer, electronics and the display. First and foremost is the analyte. Analyte is any substance of interest that needs to be detected. In electrochemical biosensor, analyte is important as a medium for the ion to mobilize and allow the electrical flow. The next component is bio-receptor. It consists of a molecule that can recognize the analyte of interest specifically.

Among the examples of bio-receptors are enzymes, cells, aptamer, deoxyribonucleic acid (DNA) and antibodies. When this bio-receptor and analyte interact, signals will be generated in the computer system. The signals generated are in the form of heat, light, pH, mass and charge changes. The signal generation process is called as bio-recognition. Besides, another important component in biosensor is transducer. It is one of the elements that can convert one form of energy into another form. Its function is to convert the bio-recognition formed into signals that can be measured such as current. This energy conversion process is known as signalization (Bhalla et al., 2016). The function of electronic part in biosensor is to process the transduced signal and generate it for display. Besides, in this part, the amplification and conversion of signals from analogue into digital form will occur. The last component in biosensor is the display. It consists of the systems that can generate numbers or curves understandable by the users. The output signals can be in number, graph or images depend on the requirements of the users. Apart from that, biosensor can be categorized into a few types which are some of them are electrochemical biosensor, optical, thermal and piezoelectric biosensors.

## FACTORS AFFECTING ELECTROCHEMICAL BIOSENSOR PERFORMANCE

Through the performances of biosensors, the efficiency of the surface of the electrode or transducers is a key in the immobilization of chemical samples. This contributes greatly to the sensitivity of the sensors being formulated. The transducers are responsible in analyzing the current generated by the oxidation and reduction of the electroactive materials. The working electrode must provide excellent signal-to-noise qualities and measurable responses (Azri et al., 2017). In addition, consideration must also be given to electrical properties, mechanical characteristics, possible windows, surface reproducibility, cost, accessibility, and toxic effects. The transducers, the screen-printed carbon electrodes themselves, have been capable in providing an appropriate and efficient operating site for biochemical analysis. However, numerous attempts were made to enhance productivity as well as sensor sensitivity, such as development with nanomaterials (Antuña-Jiménez et al., 2020). Nanostructures, nanotubes, and carbon nanotube offer excellent potential in interfacing of biorecognition activities with electrical signal transduction (Jadav et al., 2018). It is expected that the incorporation of these material properties would improve the current conduct of the analysis (Gerbreders et al., 2016).

### *Modification of Electrode*

The main uses of screen-printed electrode (SPEs) are environmentalism control including water performance tests, diagnosis of toxic elements and pollution of harmful gases (Sarkar et al., 2013). It is also used in biochemistry and electrochemical performance. There are three main components in SPEs which consisting the three electrodes: auxiliary (AE), working (WE) and reference (RE) electrodes. A reference electrode (RE) is made from silver printing ink, meanwhile auxiliary (AE) and working (WE) can be modified by various conductive printing ink such as carbon, gold, and other elements. The principal electrode goes to the working electrode (WE) where the electrochemical responses are accomplished, meanwhile the RE and AE were utilized as crucial elements to complete the electronic circuit (Rountree et al., 2017). Researchers present that the whole process of modifying the SPE is by formulating a conductive ink and the process of screen-printing (Gerbreders et al., 2016). The function is to identify the electrochemical effecting on SPE. The crucial parts in characterization of biosensors are reaction rate, detection limit (selectivity) and protection from fouling effect. According to Jirasirichote et al., 2017, the screen-printed carbon electrode was exhibiting several significant benefits over common basic electrodes (Jirasirichote et al., 2017).

One of the additional materials which is widely used is carbon nanotube (CNTs) that has a special properties which are lightweight properties, electrical and thermal conductivity (Yang et al., 2013). They are pure carbon polymers that can be produced and manipulated by identified and super rich carbon chemistry (Antuña-Jiménez et al., 2020). Most of all the usage of carbon-based has been produced by

screen printing with graphite, carbon black and activated carbon. Based on their result from previous research by Bergamini et al., 2007, the use of chemical carbon nanomaterial modified electrodes with the development of simple electrochemical sensors has been showing larger processes in electroanalytical chemistry for the past few years. One of the carbon nanomaterials, carbon black (CB), showed several advantages including cost-effective, suitable to attain stability and homogenous dispersion and mass-producible followed by currently existing processes for electrochemical performances (Bergamini et al., 2007).

Another significant benefit in using carbon nanomaterial for electrodes modification is its potentiality of scan rates and large catalytically available surface: the film, mechanically or chemically discharged on the sensor surface, causes the measurement of particles with elevated oxidation potential. Graphen has the potential benefits of low cost and high performance compared to CNTs (graphene does not contain metallic contaminants as CNTs do) (Puy-Llovera et al., 2017). However, some of the researchers present the graphene has more advantages in electrochemical performance because of its higher electron mobility in electrochemical (Lv et al., 2019). The innovation of nanotechnology and microelectronics has stimulated the growth of electrochemical biosensing process which provides a new technique for quick detection and classification in biomarkers of metabolic diseases (Lázaro et al., 2014). Carbon ink is a fitted platform to be customized with a range of materials, such as nanotechnology, natural macromolecules, or polymers, due to its resistance to a large variety of solvents, minimal background currents and large potential windows of application (Manuscript, 2020). However, the (Nano) modified surface responds to a particular electro catalytic behavior, based entirely on the design of the modification. Various modified electrodes are usually characterized by electron scanning microscopy (SEM), electrochemical impedance spectroscopy (EIS) and cyclic voltammetry (CV) (Manuscript, 2020). Hence, the electrochemical performances were depending on the unique characteristics of the modified materials. From the results obtained by the researchers, the comparison with the screen-printed electrode without CNT were comparable with SPE-CNT. In addition, the result of cyclic voltammetry of non-functionalized and nano functionalized SPE was significant to the surfaces of both WE, which was enclosed by electron microscopy scanning (SEM) (Azri et al., 2017).

## CONCLUSION

In this review paper, the relation of how BAs in food can cause food intoxication is correlated with the amount of certain amines, such as histamine, that can be detected. In this context, histamine poisoning can lead to serious symptoms in which rapid detection is needed, hence the advancement of biosensors comes into light. The performance of biosensors can be enhanced using modifying or supporting

materials such as nanomaterials that can promote high sensitivity and selectivity towards the analytical testing. Nanomaterials were often used as carrier signals for indirect, but still strongly precise and efficient signifies in detecting chemical compounds. The review paper links few important points of BA in food and its determination method of electrochemical biosensing. Further with the growth of new biosensor technology, scientists were expected to speedily utilize them for the advancement of even better sensor technology and tools, as well as to discover a new advanced method in determining various biomolecules.

## REFERENCES

- Alonso-Lomillo, M. A., Domínguez-Renedo, O., Matos, P., & Arcos-Martínez, M. J. (2010). Disposable biosensors for determination of biogenic amines. *Analytica Chimica Acta*, 665(1), 26–31. <https://doi.org/10.1016/j.aca.2010.03.012>
- Antuña-Jiménez, D., González-García, M. B., Hernández-Santos, D., & Fanjul-Bolado, P. (2020). Screen-printed electrodes modified with metal nanoparticles for small molecule sensing. *Biosensors*, 10(2), 1–22. <https://doi.org/10.3390/bios10020009>
- Apetrei, I. M., & Apetrei, C. (2016). Amperometric biosensor based on diamine oxidase/platinum nanoparticles/graphene/chitosan modified screen-printed carbon electrode for histamine detection. *Sensors (Switzerland)*, 16(4). <https://doi.org/10.3390/s16040422>
- Azri, F. A., Sukor, R., Hajian, R., Yusof, N. A., Bakar, F. A., & Selamat, J. (2017). Modification strategy of screen-printed carbon electrode with functionalized multi-walled carbon nanotube and chitosan matrix for biosensor development. *Asian Journal of Chemistry*, 29(1), 31–36. <https://doi.org/10.14233/ajchem.2017.20104>
- Benkerroum, N. (2016). Biogenic Amines in Dairy Products: Origin, Incidence, and Control Means. *Comprehensive Reviews in Food Science and Food Safety*, 15(4), 801–826. <https://doi.org/10.1111/1541-4337.12212>
- Bergamini, F., Santos, D. P., Valnice, M., & Zanoni, B. (2007). Development of a voltammetric sensor for chromium ( VI ) determination in wastewater sample. 123, 902–908. <https://doi.org/10.1016/j.snb.2006.10.062>
- Bhalla, N., Jolly, P., Formisano, N., & Estrela, P. (2016). Introduction to biosensors. *Essays in Biochemistry*, 60(1), 1–8. <https://doi.org/10.1042/EBC20150001>
- Doeun, D., Davaatseren, M., & Chung, M. S. (2017). Biogenic amines in foods. *Food Science and Biotechnology*, 26(6), 1463–1474. <https://doi.org/10.1007/s10068-017-0239-3>
- Erdag, D., Merhan, O., & Yildiz, B. (2019). Biochemical and Pharmacological Properties of Biogenic Amines. In *Biogenic Amines* (pp. 1–14). <https://doi.org/10.5772/intechopen.81569>
- Gerbreders, V., Chang, C., Ogawa, H., Oki, A., & Carbon, O. M. S. (2016). A novel



procedure for fabricating flexible screen- printed electrodes with improved electrochemical performance A novel procedure for fabricating flexible screen-printed electrodes with improved electrochemical performance. <https://doi.org/10.1088/1757-899X/137/1/012060>

- Gumpu, M. B., Nesakumar, N., Sethuraman, S., Krishnan, U. M., & Rayappan, J. B. B. (2014). Development of electrochemical biosensor with ceria-PANI core-shell nano-interface for the detection of histamine. *Sensors and Actuators, B: Chemical*, 199, 330–338. <https://doi.org/10.1016/j.snb.2014.04.009>
- Henao-Escobar, W., Del Torno-De Román, L., Domínguez-Renedo, O., Alonso-Lomillo, M. A., & Arcos-Martínez, M. J. (2016). Dual enzymatic biosensor for simultaneous amperometric determination of histamine and putrescine. *Food Chemistry*, 190, 818–823. <https://doi.org/10.1016/j.foodchem.2015.06.035>
- Jadav, J. K., Umrana, V. V., Rathod, K. J., & Golakiya, B. A. (2018). Development of silver/carbon screen-printed electrode for rapid determination of vitamin C from fruit juices. *LWT - Food Science and Technology*, 88, 152–158. <https://doi.org/10.1016/j.lwt.2017.10.005>
- Jirasirichote, A., Punrat, E., Suea-ngam, A., & Chailapakul, O. (2017). Talanta Voltammetric detection of carbofuran determination using screen-printed carbon electrodes modified with gold nanoparticles and graphene oxide. *Talanta*, 175(July), 331–337. <https://doi.org/10.1016/j.talanta.2017.07.050>
- Keow, C. M., Abu Bakar, F., Salleh, A. B., Heng, L. Y., Wagiran, R., & Bean, L. S. (2007). An amperometric biosensor for the rapid assessment of histamine level in tiger prawn (*Penaeus monodon*) spoilage. *Food Chemistry*, 105(4), 1636–1641. <https://doi.org/10.1016/j.foodchem.2007.04.027>
- Lázaro, C. A., Conte-júnior, C. A., Canto, A. C., Monteiro, L. G., Costa-lima, B., Gomes, A., Teixeira, E., & Franco, R. M. (2014). SC. *LWT - Food Science and Technology*. <https://doi.org/10.1016/j.lwt.2014.09.025>
- Leuschner, R. G. K., Hristova, A., Robinson, T., & Hugas, M. (2013). Journal of Food Composition and Analysis The Rapid Alert System for Food and Feed (RASFF) database in support of risk analysis of biogenic amines in food §. *Journal of Food Composition and Analysis*, 29(1), 37–42. <https://doi.org/10.1016/j.jfca.2012.09.004>
- Lv, C., Hu, C., Luo, J., Liu, S., Qiao, Y., Zhang, Z., Song, J., Shi, Y., Cai, J., & Watanabe, A. (2019). Recent advances in graphene-based humidity sensors. In *Nanomaterials* (Vol. 9, Issue 3). MDPI AG. <https://doi.org/10.3390/nano9030422>
- Manuscript, A. (2020). *Analytical Methods*. <https://doi.org/10.1039/C9AY02598G>
- Önal, A. (2007). A review: Current analytical methods for the determination of biogenic amines in foods. *Food Chemistry*, 103(4), 1475–1486. <https://doi.org/10.1016/j.foodchem.2006.08.028>
- Pérez, S., Bartrolí, J., & Fàbregas, E. (2013). Amperometric biosensor for the determination of histamine in fish samples. *Food Chemistry*, 141(4), 4066–4072. <https://doi.org/10.1016/j.foodchem.2013.06.125>

- Phetsang, S., Jakmunee, J., Mungkornasawakul, P., Laocharoensuk, R., & Ounnunkad, K. (2019). Sensitive amperometric biosensors for detection of glucose and cholesterol using a platinum/reduced graphene oxide/poly(3-aminobenzoic acid) film-modified screen-printed carbon electrode. *Bioelectrochemistry*, 127, 125–135. <https://doi.org/10.1016/j.bioelechem.2019.01.008>
- Puy-Llovera, J., Pérez-Ràfols, C., Serrano, N., Díaz-Cruz, J. M., Ariño, C., & Esteban, M. (2017). Selenocystine modified screen-printed electrode as an alternative sensor for the voltammetric determination of metal ions. *Talanta*, 175. <https://doi.org/10.1016/j.talanta.2017.07.089>
- Rountree, K. J., Mccarthy, B. D., Rountree, E. S., Eisenhart, T. T., & Dempsey, J. L. (2017). *A Practical Beginner ' s Guide to Cyclic Voltammetry*. <https://doi.org/10.1021/acs.jchemed.7b00361>
- Saaid, M., Saad, B., Hashim, N. H., Mohamed Ali, A. S., & Saleh, M. I. (2009). Determination of biogenic amines in selected Malaysian food. *Food Chemistry*, 113(4), 1356–1362. <https://doi.org/10.1016/j.foodchem.2008.08.070>
- Sarkar, T., Gao, Y., & Mulchandani, A. (2013). Carbon nanotubes-based label-free affinity sensors for environmental monitoring. *Applied Biochemistry and Biotechnology*, 170(5), 1011–1025. <https://doi.org/10.1007/s12010-013-0233-z>
- Spano, G., Russo, P., Lonvaud-Funel, A., Lucas, P., Alexandre, H., Grandvalet, C., Coton, E., Coton, M., Barnavon, L., Bach, B., Rattray, F., Bunte, A., Magni, C., Ladero, V., Alvarez, M., Fernández, M., Lopez, P., de Palencia, P. F., Corbi, A., ... Lolkema, J. S. (2010). Biogenic amines in fermented foods. *European Journal of Clinical Nutrition*, 64, S95–S100. <https://doi.org/10.1038/ejcn.2010.218>
- Tabanelli, G. (2020). Biogenic Amines and Food Quality: Emerging Challenges and Public Health Concerns. *Foods*, 9(7), 7–10. <https://doi.org/10.3390/foods9070859>
- Telsnig, D., Kalcher, K., Leitner, A., & Ortner, A. (2013). Design of an Amperometric Biosensor for the Determination of Biogenic Amines Using Screen Printed Carbon Working Electrodes. *Electroanalysis*, 25(1), 47–50. <https://doi.org/10.1002/elan.201200378>
- Vanegas, D. C., Patiño, L., Mendez, C., de Oliveira, D. A., Torres, A. M., Gomes, C. L., & McLamore, E. S. (2018). Laser scribed graphene biosensor for detection of biogenic amines in food samples using locally sourced materials. *Biosensors*, 8(2). <https://doi.org/10.3390/bios8020042>
- Veseli, A., Vasjari, M., Arbnesi, T., Hajrizi, A., Švorc, L., Samphao, A., & Kalcher, K. (2016). Electrochemical determination of histamine in fish sauce using heterogeneous carbon electrodes modified with rhenium(IV) oxide. *Sensors and Actuators, B: Chemical*, 228, 774–781. <https://doi.org/10.1016/j.snb.2016.01.085>
- Yang, X., Feng, B., He, X., Li, F., Ding, Y., & Fei, J. (2013). Carbon nanomaterial based electrochemical sensors for biogenic amines. *Microchimica Acta*, 180(11–12), 935–956. <https://doi.org/10.1007/s00604-013-1015-6>

# ELDER FINANCIAL ABUSE FROM ISLAMIC PERSPECTIVE: A CASE STUDY

Nurfadhilah Che Amani<sup>i</sup> Adzidah Yaakob<sup>ii</sup>

<sup>i</sup> (Corresponding author). Faculty of Syariah and Law, Universiti Sains Islam Malaysia  
fadhilah.amani@usim.edu.my

<sup>ii</sup> Faculty of Syariah and Law, Universiti Sains Islam Malaysia

## Abstract

*The aim of this paper is to explore experience of Malaysian elders on financial abuse within families from the perspective of Islam. Currently there is no uniformity in definition of financial exploitation of older persons. Commonly, World Health Organization defined it as 'the illegal or improper use of an older person's cash or other resources'. Evidence from Quran and Hadith has clearly described the demands from children for good treatment and highest respect to parents. This paper discussed the application of Quran and Sunnah through a case study to explore the understanding of financial abuse of older people by their own adult children. The study is a part of a qualitative study, conducted using phenomenology study design via an in-depth interview with the older adults who were purposively sampled through purposive and snowball approach. The NVivo 12 analysis software was used to analyse the thematic analysis. The paper concludes that Islamic perspective contributes to the understanding of the occurrences of financial abuse in families. It provides insight on why Islam encourages good family values in family institution and provides recommendations in practice to reduce the problem.*

**Keywords:** *Elder Financial Abuse, Older People, Islam, Domestic Violence*

## INTRODUCTION

Elder financial abuse of elderly people is a relatively isolated and hidden problem in Malaysia. According to a longitudinal study conducted among community dwellers in rural Kuala Pilah in the year 2016, financial abuse is the second most prevalent form of abuse after psychological abuse. Based on this study, elder mistreatment is prevalent in the community-dwelling population, with 13% experiencing financial exploitation (Sooryanarayana et. al., 2017). Following from that, in 2018, a community-based survey which includes 3977 respondents aged 60 years and more from both urban and rural localities across 13 states in Malaysia, found total of 301 respondents experienced overall abuse (psychological, financial, neglect, physical and sexual) and 37 respondents experienced financial abuse (Sooryanarayana et. al. 2020). The Royal Police Department of Malaysia reported a 20% increase in domestic violence cases involving older parents in the year 2020 compared to the previous year. This increase was attributed to adult children being severely impacted financially during this period because of restrictions to movement and unstable income, or lack thereof (Abd. Halim, 2020). Additionally, it was reported that most cases involved adult children

demanding money from their elderly parents because of sudden unemployment or being physically or socially unable to earn a living (Abd. Halim, 2020; Jayamanogaran, 2020). Although the prevalence of financial exploitation of older adults in Malaysia has been highlighted in the media and empirical studies, the number of reported cases remains surprisingly low (Yunus, Abdullah & Firdaus, 2021).

## **UNDERSTANDING ELDER FINANCIAL ABUSE IN MALAYSIA**

The main concept of this study is based on the definition of the WHO as a starting point to define elder abuse. "Elder abuse is a single, or repeated act, or lack of appropriate action, occurring within any relationship where there is an expectation of trust which causes harm or distress to an older person" (WHO, 2002). The definition is extended by adopting the definition of financial abuse by WHO as "the illegal or improper exploitation of funds or other resources of older persons" (2002, p.3). Based on the above, a relationship of trust necessarily implies that harm is done by people the older person knows or with whom they have a relationship, such as a spouse, partner or family member, a friend or neighbor, or people that the older person relied on for services, support or help (WHO, 2002). Despite this broad and wide definition, this concept of 'trust relationship' in this study only confine to 'family members, include nuclear and extended family and further exclude financial exploitation committed outside any trust relationship such as strangers or incidental criminal behavior.

The broad concept of definition of what constitute financial abuse is developed by professionals and little attention is given to the views of older people. There is a strong consensus between the researchers on the marked differences in professional's views and older people's perceptions in conceptualizing financial exploitation (Conrad et al., 2011b; Gilhooly et al., 2013; Gilhooly et al., 2016; Rabiner et al., 2005). Numerous studies have demonstrated that the culture and belief system of a particular community influences how older adults perceive financial exploitation, particularly when it involves family members (Mohd Yunus, 2021; Tan et. al., 2020; Myusk, Westendorp & Lindenberg, 2016). Strong belief systems in a population and conformity to a traditional culture and practice increase older people's tolerance to any form of exploitation (Sanchez, 1997; Lee et al., 2011; Chane & Adamek, 2015). Based on the literature, cultural consideration and tolerance plays a factor on how older people shape their perspectives. Literature has seen how knowledge and awareness influenced older adults' perception of financial exploitation. Increased levels of education may lead to a higher likelihood of recognition of financially exploitative situations. (Lee et al.,2011; Lee, Lee & Eaton, 2012). Some older population were not aware of such existence and perceived it as a rare occurrence in society, indicating a 'lack of awareness' of the problem (Dong et. al., 2011). This is supported by a study conducted in Malaysia, findings indicated that older adults exhibited an optimism bias and believed that incidents could only happen to wealthy older adults and only involves black magic (Ai Tan et al., 2020).

Numerous researchers have stressed the importance of older adults in perceiving their financial exploitation experiences by considering contextual or situational factors especially if the older parents lived together with adult children. In the context of family, older respondents did not identify an act of borrowing money with no intention of repayment as abusive act especially if the money was borrowed by their adult children. Here, we can see how older people exercise their own personal view rather than agreeing with the socially desirable opinions as agreed in the literature (Lee et al.,2011). Similarly, a study conducted by Ploeg, Lohfeld and Walsh (2013) the older male respondents' interpretation of financial abuse leaned towards 'denial' that it occurred within the community, whereas the women respondents leaned towards 'tolerance' for fear of losing state assistance which benefit them especially if they are not in good health. It is crucial to recognize the complexity in understanding elder financial exploitation especially involving family relationship.

### **ISLAMIC PERSPECTIVE ON RIGHTS OF PARENTS**

Islam is a beautiful religion which governs relationship between children and their parents. Parents are recognized to have high position in the family, based on Islamic family values. Evidently, Quran and Hadith of the Prophet place importance of recognizing the rights of parents. Children are required to be good and faithful to parents. It is the right of parents to be treated with kindness, obeyed, and honoured by their children. Children should avoid upsetting them and should seek their pleasure as much as possible. Pleasing parents is one of the most virtuous acts that is encouraged in Islam.

Islam put emphasize on the importance of respecting and providing good treatment to the parents. This can be seen in numerous verses in the Quran and Hadith describing the duty and responsibility of a child to his parents. The rights of parents have been enshrined in the Quran for example: Surah Al-Ankabut 29:8, "And We have enjoined upon man goodness to parents. But if they endeavour to make you associate with Me that of which you have no knowledge, do not obey them..." This verse has shown the importance of obeying parents' wishes but not to the extent that it defy the teaching of Islam. A child is also encouraged to give good treatment to his parents due to difficulty and sacrifices made by a mother during the gestational period of 9 months and also the difficulty of raising the child until fully grown after birth.

In Surah Al-Ahqaf 46:15, "And We enjoined upon man, to his parents, good treatment. His mother carried him with hardship and gave birth to him with hardship, and his gestation and weaning (period) is thirty months. [He grows] until, when he reaches maturity and reaches the age of forty years, he says, "My Lord, enable me to be grateful for Your favor which You have bestowed upon me and upon my parents and to work righteousness of which You will approve and make righteous for me and my offspring...". Notably, this verse has highlighted the importance of this value in a generational context where an adult child who reaches forty years of age is encouraged to continue being grateful for the blessings of his parents and pray that

his own children will reciprocate to being grateful and respectful toward him as a parent.

This message has been repeated in Surah Luqman 31:14 ; "We have enjoined on the human beings to be kind to his parents. In travail upon travail, did their mother bore them and in years twain was their weaning" (Saeidi et al., 2014). In one hadith of the Prophet (PBUH) narrated by `Abdullah bin `Amr: A man said to the Prophet, "Shall I participate in Jihad?" The Prophet PBUH said, "Are your parents living?" The man said, "Yes." the Prophet PBUH answered, "Do Jihad for their benefit." (Hadith. Al-Bukhari, Bab Al-Adab Juz 98:#5972). This hadith described the best form of Jihad that a child can exercised is to serve their parents.

Islam also teaches not only in terms of general context of being respectful towards parents but also the manner and the right communication to be practiced with parents especially older parents. Al-Isra:23, "And your Lord has decreed that you not worship except Him, and to parents, good treatment. Whether one or both of them reach old age (while) with you, say not to them (so much as), "uff" and do not repel them but speak to them with noble word.

Hadith of the Prohet PBUH, "when asked about the rights of parents upon their child: "He should not call his father by his name; he should not walk in front of him; he should not sit before him; and he should not be the cause of his father getting sworn at."

Islam also explain in numerous Hadith of the Prophet on the benefits of being good towards our parents. Some of the Hadiths include: "He who wishes to prolong his lifespan and increase his sustenance should do good his parents and keep ties with his kin." (Musnad Ibn Hanbal, vol. 4, p. 530). In another Hadith, Prophet mentioned: "The master of the righteous on Judgment Day is he who does good to his parents after their death." (Bihar al-Anwar, vol. 74, p. 86). Similarly, Prohet stated, "Blissful is he who does good to his parents, and Allah will increase his lifespan." (al-Adab al-Mufrad, p. 20). This values also reflect the manner on how the future offsprings will gives treatment to their parents for example, "Do good to your parents so that your children will do good to you." (al-Kafi, vol. 5, p. 554).

From the literature, Islam placed the role of parents above every other human. Muslims are encouraged to treat own parents with kindness and respect. Conduct of a child towards a parent must be in line with the Shariah teaching and Sunnah of the Prophet. Eventhough there is no specific ruling or *hukum* on elder abuse or elder financial abuse, clearly, an act of elder financial abuse by own children is against the Islamic principle and can be considered as grave sins (Bidin et al., 2019). An act of taking or misappropriation of parent's money or fund and sometimes couple with hurtful words or physical act clearly acts that is prohibited in Islam.

## **METHODOLOGY**

For this study, purposive and snowball sampling were chosen as the method for selecting participants to gather rich and detailed information. Morse (1994) concurred that a good informant possesses the necessary knowledge and experience, and is reflective, articulate and willing to participate in the study. Purposive sampling, according to Patton (2002), is used to elicit accurate and detailed information about specific research questions.

The primary method of recruitment includes distributing research flyers to each selected organization, institution and at community events. The technique of recruiting participants was by approaching the agencies and professionals who worked or came in contact with abused older people. These agencies and professionals played a role as intermediary persons between the researcher and the participants. This strategy was to ensure success in terms of victim's participations as well as gaining entry to the research site. The sensitive nature of the research as well as the negative stigma and taboo has made it difficult for effort to reach out participants. Additionally, participants were recruited through snowball sampling. According to Bradway (2005), the snowball technique is appropriate when the researcher is unable to identify useful information about participants, when participants are difficult to reach or when anonymity is a concern (Holloway & Wheeler, 2002).

This research enrolled a very small number of participants meeting the selection criteria. This reflects health problems, cognitive impairment and cultural sensitivity, particularly among Asians. However, Creswell (2018) asserted that a small sample size is sufficient for qualitative research. The number of participants required for a phenomenological study is determined by the depth and richness of each participant's description. According to Creswell (2018), a sample size of around six to ten participants is acceptable depending on the data quality and whether a saturation point is reached (Fusch and Ness, 2015).

The interview was conducted with a total of eight participants ranging in age from 61 to 86 years. Five females and three males participated and of different religions and races. After reaching the age of 60 years, all eight participants encountered financial exploitation by family members. Financial exploitation takes a variety of forms, including improper use of an elderly person's funds, adult children's sense of entitlement, unauthorised use of a bank account, entering a transaction involving legal documents without understanding them, caring for grandchildren and theft. Additionally, three participants had been victims of financial exploitation either by individuals not related to them or strangers, including theft. To protect their identities, all participants were given pseudonyms.

## **CASE STUDY: AN EXAMPLE OF ELDER FINANCIAL ABUSE**

Anggun a female aged 61 years, of Malay ethnicity and of Muslim faith. She had been divorced twice and was now living with her daughter, son-in-law and two grandchildren. She had four children from her first marriage and an additional two from her second marriage. She worked as a cleaner at a public university, earning

RM1,200 per month. She described her health status as not healthy as she had diabetes and high blood pressure.

Anggun is experiencing financial exploitation by having to provide for her adult children. She had been requested by her eldest daughter to pay a debt owed by her ex-husband but taken out in her name and that of her daughter. Reluctantly she gave her Amanah Saham Berhad (ASB; a saving scheme) in the amount of RM10,000 to her second daughter to finance her wedding. She added that it was normal for her adult sons to request money for their own spending. She expressed that her adult children would ask to borrow money from her; though the amounts may not be large, but this meant she could not enjoy her own money. She emphasised that most of the time, her son forgot to repay her money. At the time of interview, her second daughter had not been able to repay her ASB savings money, and continued to demand money from her mother every now and then. However, she defended them by saying that she understood that both her sons were looking for new jobs and she was helping them out. When asked whether she wanted to keep working, she answered that she knew her children were not able to be financially independent and she feared if she retired, no one was going to help them. She said that she enjoyed working but was disappointed that she could not use her money to treat herself. She said that she had pawned her jewellery to provide money for her children, and had not been able to redeem it. She was hoping that her children would help, but to no avail. She said that if her sons asked her for money, she would generally give them whatever money she had.

Upon reflection of her life events involving the above situations, Anggun believed it was unacceptable conduct for children to use their parents' money against their will. She also wished that children would understand that mothers, even in old age, still might value money to live and—more importantly—for after their death. Money is required for burial services, *fidyah* (a penalty for not carrying out certain religious duty) and other requirements imposed by religion as part of 'deeds after death'. She also wished that she and the rest of the older population could educate and advise their children on the value of money to older people. It is important to make them understand that old people have needs that their own children may not be able to provide for them. She was disappointed that most of her children chose to ignore this. She also believed that in extreme cases (where adult children started to injure the parents), parents should report incidents to the authorities. She added that if children do not take pity on their parents, why should their parents pity them. She admitted that reporting incidents would jeopardise the parent-child relationship but believed that doing so could serve as a lesson and punishment for children. She knew that in many cases children took advantage of their aged parents' money for their own benefit. She ended the conversation by emphasising that whatever happened, even though she only had a little money, she would keep on giving it to her children if they asked for it.



## DISCUSSION

The participant in the study expressed her experience with elder financial exploitation by her family members and consequently resulted to financial loss. When asked what the participant considered as a case of financial exploitation by family members, the participant described her experience by showing examples of wrongful conduct or violation of rights. In line with the literature and the definition of financial abuse by WHO, she defined it as an act of theft, misappropriation, deception to use money or property for their own benefit and one participant described it as deceived for repayment of borrowings. This wrongful conduct was a deliberate behaviour and knowingly has been committed against her by family in trust relationship. Anggun expressed how she must live with her adult sons that kept on asking her money and how her daughter and son in law deceit her to pay their debts. In line with Islam, this is not the value that has been stated in Quran and Hadith on how a child should treat his parents.

Anggun described her experience by acknowledging that if she continued to give money to her adult children, she would have no retirement savings. Anggun not only contributed to the household, but also occasionally assisted in the rearing of the grandchildren. Apart from that, she continued to give money to her sons and was also legally obligated to repay her former son-in-law's debts. She admitted that she wished to spend her own money on herself but was unable to do so because she was always giving money to her children. Consequently, Anggun suffered some emotional trauma and a great deal of mixed emotion, this was consistent with previous research. The emotional impact may manifest as embarrassment, stigma or psychological trauma (Dessin, 2003; Rabiner, 2005). This notion corroborated evidence presented by Lee and Eaton (2009) in their studies that highlighted on family values may contribute to emotional repression in victims of older adults, and it is safe to say that these values are all too familiar to the East Asian population.

As stated in Surah Luqman, 31:14; "We have enjoined on the human beings to be kind to his parents. In travail upon travail, did their mother bore them and in years twain was their weaning", adult child should always treat their parents with kindness." Adult children should not impose on obligation of paying own debt on their parents as this clearly would impose further financial obligation or financial commitment of third parties. When the participant wishes to enjoy their own money, as a child, he should honor the parents' wishes and ease their parents' affairs in old age.

Family expectations, family sacrifices and family obligations were all frequently expressed by participant regarding her experiences of financial exploitation. Anggun, viewed her experience of financial exploitation as a family sacrifice because of her current living situation. Anggun was a single mother who lived with her adult children, son-in-law and grandchildren and was expected to contribute to the household income. As a result, she viewed her experience of willingly giving money to her adult children as acceptable and a necessary form of sacrifice to remain a part of the family. According to Islamic perspective, one child

should not burden his parents with any financial obligations and asked the parents to repay for any expenditure that has been spent on them be it medical bills or the fact that they are living together in one household. This is equivalent to causing injustice to the parents and is against Islamic religion.

## CONCLUSION

Islam regard family relationship as one of the important principles in a family institution that needed to be protected and preserved. It has clearly prescribed guidelines in governing the relationship and rights between parents, children, and spouse. Elder financial abuse in a family is considered as domestic violence which need to be avoided. Though the cases are still underreported, this study suggest that the society can reduce such incidents if there is a strong Islamic foundation instilled in the hearts of younger generation and this is reflected when they are older through practice and knowledge of Islamic values and principles. Elder financial abuse can be prevented through public campaigns and social awareness that can be displayed in the society. Education based prevention also plays a vital role in effort to curb elder financial abuse in society. Older people empowerment through knowledge is needed to educate the rights of parents in Islam against such abuse. Perhaps, future research can be explored in developing a module to instil good family values to eradicate elder financial abuse based on Islamic teachings and principles.

## REFERENCES

- Abd Halim, N. H. (2020, July 23). *Kes Dera Ibu Bapa Naik 20% Musim PKP*. Retrieved June 25, 2021, from file:///C:/Users/Acer/Downloads/STATISTIC%20FOR%20RESEARCH/Kes%20dera%20ibu%20bapa%20naik%2020%25%20musim%20PKP%20-%20Utusan%20Digital.html.
- Ai, C. T. J., Yuen, C. W., Hairi, N. N., & Hamid, M. A. I. A. (2020). Voices of older adults: Understanding the meaning of elder financial abuse and exploitation in a Malaysian rural community. *ASM Science Journal*, 13(Special Issue 5), 156–161.
- Bidin, A., Harun, N., Salleh, K., & Hamid, N. A. (2019). Prevention of elder abuse in domestic setting: Islamic approach. *International Journal*, 4(15), 91-100.
- Chane, S., & Adamek, M. (2015). "Death is better than misery:" Elders' accounts of abuse and neglect in Ethiopia. *International Journal of Aging & Human Development*, 82, 54-78. doi: 10.1177/0091415015624226
- Conrad, K. J., Iris, M., Ridings, J. W., Fairman, K. P., Rosen, A., & Wilber, K. H. (2011). Conceptual model and map of financial exploitation of older adults. *Journal of Elder Abuse & Neglect*, 23(4), 304–325. <https://doi.org/10.1080/08946566.2011.584045>

- Dong, X., Chang, E.-S., Wong, E., Wong, B., Simon, M. A. (2011). How do US Chinese older adults view elder mistreatment? Findings from a community-based participatory research study. *Journal of Aging and Health*, 23, 289-312. <https://doi.org/10.1177/0898264310385931>
- Gilhooly, M. L. M., Cairns, D., Davies, M., Harries, P., Gilhooly, K. J., & Notley, E. (2013). Framing the detection of financial elder abuse as bystander intervention: Decision cues, pathways to detection and barriers to action. *The Journal of Adult Protection*, 15(2), 54–68. <https://doi.org/10.1108/14668201311313578>
- Jayamanogaran T. (2020, August 25). Bukit Aman: Bukan isteri, tapi kes dera ibu bapa meningkat semasa PKP. Malay Mail. Retrieved November 13, 2020, from <https://www.projekmm.com/news/berita/2020/08/25/bukit-aman-bukan-isteri-tapi-kes-dera-ibu-bapa-meningkat-semasa-pkp/1897024>
- Lee, H. Y., Yoon, H. S., Shin, N., Moon, J.Y., Kwon, J. H., Park, E. S., Nam, R., Kang, S.B., & Park, K. H. (2011). Perception of elder mistreatment and its link to help-seeking intention. A comparison of elderly Korean and Korean American immigrants. *Clinical Gerontologist*, 34(4), 287–304. <https://doi.org/10.1080/07317115.2011.573407>
- Lee, H. Y., Lee, S. E., & Eaton, C. K. (2012). Exploring definitions of financial abuse in elderly Korean immigrants: The contribution of traditional cultural values. *Journal of Elder Abuse & Neglect*, 24(4), 293–311. <https://doi.org/10.1080/08946566.2012.661672>
- Morse, J.M.(1994). Designing Funded Qualitative Research. In N.K. Denzin & Y.S. Lincoln (Eds.), *Handbook of qualitative research* (pp.220-235). Thousand Oaks, CA:Sage
- Mysyuk, Y., Westendorp, R. G., & Lindenberg, J. (2016). Older persons' definitions and explanations of elder abuse in the Netherlands. *Journal of Elder Abuse & Neglect*, 28, 95–113. <https://doi.org/10.1080/08946566.2015.1136580>
- Patton, M. Q. (2002). Two decades of developments in qualitative inquiry. *Qualitative Social Work: Research & Practice*, 1(3), 261–283. <https://doi.org/10.1177/1473325002001003636>
- Ploeg, J., Lohfeld, L., & Walsh, C. A. (2013). What Is “Elder Abuse”? Voices From the Margin: The Views of Underrepresented Canadian Older Adults. *Journal of Elder Abuse & Neglect*, 25(5), 396–424. <https://doi.org/10.1080/08946566.2013.780956>
- Rabiner, D. J., O’Keeffe, J., & Brown, D. (2005). A conceptual framework of financial exploitation of older persons. *Journal of Elder Abuse & Neglect*, 16(2), 53–73. [https://doi.org/10.1300/J084v16n02\\_05](https://doi.org/10.1300/J084v16n02_05)
- Saeidi, M., Ajilian, M., Farhangi, H., & Khodaei, G. H. (2014). Rights of children and parents in Holy Quran. *International Journal of Pediatrics*, 2(3.2), 103-113.

- Sanchez, Y. M. (1997). Distinguishing cultural expectations in assessment of financial exploitation. *Journal of Elder Abuse & Neglect*, 8(2), 49–59. [https://doi.org/10.1300/J084v08n02\\_05](https://doi.org/10.1300/J084v08n02_05)
- Sooryanarayana, R., Choo, W. Y., Hairi, N. N., Chinna, K., Hairi, F., Ali, Z. M., ... & Bulgiba, A. (2017). The prevalence and correlates of elder abuse and neglect in a rural community of Negeri Sembilan state: baseline findings from The Malaysian Elder Mistreatment Project (MAESTRO), a population-based survey. *BMJ open*, 7(8), e017025.
- Sooryanarayana, R., Ganapathy, S. S., Wong, N. I., Rosman, A., Choo, W. Y., & Hairi, N. N. (2020). Elder abuse: Nationwide findings among community-dwelling Malaysian older persons. *Geriatrics & gerontology international*, 20, 85-91. <https://doi.org/10.1111/ggi.13989>
- Tan, C. J. A., Choo, W. Y., M. Hairi, N. N., Abd. Hamid, A. I., (2020). Voices of Older Adults: Understanding the Meaning of Elder Financial Abuse and Exploitations in a Malaysian Rural Community. *ASM Science Journal.*, 13, Special Issue 5, 2020 for APRU 2018, 156- 161
- World Health Organization. (2020). *Elder abuse*. <https://www.who.int/news-room/fact-sheets/detail/elder-abuse>
- Yunus, Raudah Mohd, Nik Nairan Abdullah, and Muhammad Abbas M. Firdaus. "Elder abuse and neglect in the midst of COVID-19." *Journal of global health* 11 (2021). doi: 10.7189/jogh.11.03122
- Yunus, R. M. (2021). The under-reporting of elder abuse and neglect: a Malaysian perspective. *Journal of Elder Abuse & Neglect*, 33(2), 145-150. <https://doi.org/10.1080/08946566.2021.1919271>

# A CONCEPTUAL FRAMEWORK OF THE RELATIONSHIP BETWEEN TOTAL QUALITY MANAGEMENT, HUMAN RESOURCE MANAGEMENT PRACTICES AND JOB SATISFACTION AMONG RAS AL-KHAIMAH POLICE OFFICERS

Mohammad Ghanem Obaid Alzaa<sup>i</sup>, Khairunneezam Mohd Noor<sup>ii</sup>, Safiyyah Ahmad Sabri<sup>iii</sup>

<sup>i</sup> (Corresponding author). Faculty of Leadership and Management, Universiti Sains Islam Malaysia.  
S141090@ums.ae

<sup>ii</sup> Faculty of Leadership and Management, Universiti Sains Islam Malaysia.

<sup>iii</sup> Faculty of Leadership and Management, Universiti Sains Islam Malaysia.

## Abstract

*This study examines the mediating role of Human Resource Management (HRM) practices in the relationship between Total Quality Management (TQM) and job satisfaction among Ras Al Khaimah Police officers. TQM is a comprehensive approach aimed at improving quality at all levels of an organization, while job satisfaction is a critical factor for employee motivation and performance. The study focuses on the specific context of Ras Al Khaimah Police and aims to explore how HRM practices mediate the relationship between TQM and job satisfaction. The study utilizes a quantitative research design and collects data through surveys administered to Ras Al Khaimah Police officers. The survey measures TQM practices, HRM practices, and job satisfaction levels. Statistical analysis techniques, such as correlation analysis and mediation analysis, are employed to examine the relationships between the variables. The findings of this study are expected to provide valuable insights into the mediating role of HRM practices in the relationship between TQM and job satisfaction among Ras Al Khaimah Police officers. It is hypothesized that effective HRM practices will enhance the positive impact of Total Quality Management on job satisfaction. The study contributes to the existing literature by investigating the specific context of police officers and highlighting the importance of HRM practices in enhancing job satisfaction within a TQM framework.*

**Keywords:** *Total Quality Management, Human Resource Management, Job Satisfaction.*

## INTRODUCTION

Institutions and companies strive to gain a competitive advantage in the labor market and satisfy customers. The human element is crucial for achieving organizational goals and success. Total Quality Management (TQM) is a comprehensive approach that aims to improve quality at all levels. TQM involves the participation of management, workforce, suppliers, and customers to meet or exceed customer expectations. Human Resource Management (HRM) is an integral part of TQM, focusing on employee involvement and continuous improvement. Organizations recognize the importance of effective management practices in the evolving HRM environment influenced by globalization. TQM and HRM are both essential for achieving success and sustaining a competitive advantage. TQM principles have been

implemented successfully by many organizations, contributing to their competitive edge. HRM plays a crucial role in enhancing performance, developing employee talents, and fostering cooperation for organizational development. Effective HRM practices should be integrated with the overall organizational strategy to optimize the use of people and improve performance. In today's demanding markets, organizations must prioritize their human resources and involve employees at all levels to maintain a competitive edge.

## **LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK**

Total Quality Management (TQM) emphasizes the focus on constant improvement and customer satisfaction, which can have a direct impact on job satisfaction among Ras Al Khaimah Police Officers. HRM practices play a crucial mediating role in translating TQM principles into effective policies and procedures within the organization. Through recruitment, selection, and training, HRM practices ensure that the right individuals are hired and equipped with the necessary competencies to implement TQM successfully. By aligning HRM practices with TQM principles, job satisfaction can be enhanced as officers are more likely to feel empowered, engaged, and motivated in their roles.

HRM practices also influence the adoption and implementation of TQM within the Ras Al Khaimah Police force, thus indirectly affecting job satisfaction. Effective HRM practices such as performance appraisal systems, rewards and recognition programs, and career development opportunities can create a supportive organizational culture that encourages employees to embrace TQM. When employees perceive that their efforts towards TQM are recognized and rewarded, it can lead to increased job satisfaction. HRM practices provide the necessary infrastructure and support for TQM to thrive, making it a critical mediator in the relationship between TQM and job satisfaction.

Moreover, HRM practices can address any potential barriers or challenges that may hinder the successful implementation of TQM, thereby influencing job satisfaction among Ras Al Khaimah Police Officers. HRM practices can ensure effective communication channels, employee involvement, and training programs that facilitate the understanding and acceptance of TQM principles. By providing the necessary resources and training, HRM practices enable officers to embrace TQM and contribute towards its successful implementation. When officers have the knowledge and tools to effectively participate in TQM initiatives, it can enhance their job satisfaction by fostering a sense of purpose, autonomy, and personal growth within their roles.

Understanding the mediating role of HRM practices between TQM and job satisfaction can help organizations, such as the Ras Al Khaimah Police, in creating an environment that promotes continuous improvement, employee engagement, and overall job satisfaction among its officers.

This research is based on the empirical analysis conducted by Ahmed & Idris, (2020), as they examined the role of Total Quality Management and HRM on the

job satisfaction of the employees in Sudanese private sector organizations. They investigated the associations between HR-related quality management (QM) approaches and further their impacts on overall job satisfaction among the employees. As noted by (Sal & Raja, 2016), adopting the mutually agreed set of quality management approaches is one of the primary responsibilities of HRM, as they aim to attain the organizational goals by focusing on the welfare and motivation of the workforce individuals.

Exploring specifically the TQM in this research, the conceptual model has adopted five empirically tested and agreed approaches having direct relationships with job satisfaction among employees (See Figure 2.1). Theoretically, the approaches reflecting TQM are related to Locke's value theory in which values like training and development (Yaghoubi et al. 2019), and teamwork and empowerment are considered as providing pathways to job satisfaction and improved work performance among employees. Besides, the conceptualization of Locke's ' value theory also addresses the other approaches such as appraisals, employee well-being, and compensations as the employees' values and expectations are linked with their organizations (Wellalage et al., 2018).

Furthermore, the proposed mediation of HRM on the relationships between TQM and Job Satisfaction is empirically tested and approved by many studies. These studies especially emphasize the consideration by HRM managers to adopt TQM-based strategies to accelerate job satisfaction and eventually better job performance (Tanveer, 2021; (Loan, 2020) (Cai, 2019). Theoretically, the relevant role of HRM in TQM and Job Satisfaction can be traced to the conceptualization of Human Capital Theory in which, the core HRM values significantly focus on the approaches that may not only enhance the work capabilities of human force but also ensure their well-being and development (Kumar, 2018). This theoretical phenomenon is also applicable in this research as the mediation of HRM is considered as ensuring and accelerating job satisfaction among the employees of Ras Al Khaimah police department. Below in Figure 1, is the proposed conceptual framework for the study:

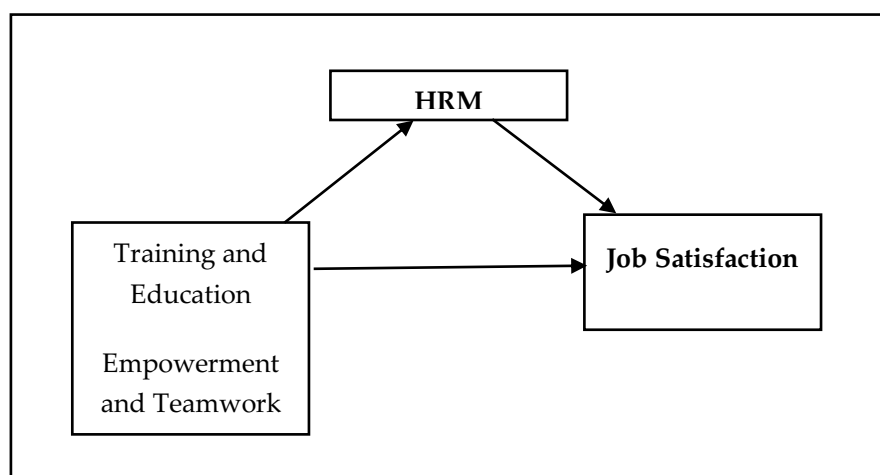


Figure 1: Conceptual Framework of Current Research

Finally, the role of TQM and HRM in polishing the employees' talent, capabilities, and morale is also witnessed empirically by the existing literature (Juma et al., 2022; Boon Ooi et al. 2019; Huang, 2019). Notably, the existing literature considers the role of HRM in strengthening the effects of TQM in realms of job satisfaction as motivating and empowering the workforce to perform their best (Boon Ooi et al. 2019). Theoretically, this argument can be referred to as the Ability, Motivation, and Opportunity (AMO) theory where the strong relationship between HRM practices ensures maximum output from the employees. As noted by Cherif, (2020), employees' performance can be enhanced by certain tactics including compensations, rewards, and remunerations, that may increase their satisfaction and commitment (Banfield et al. 2018).

## **METHODOLOGY**

### ***Research Design***

The research will be conducted using a quantitative approach to investigate the mediating role of human resource management (HRM) practices between the relationship of total quality management (TQM) and job satisfaction among Ras Alkhaimah police officers. A cross-sectional design will be employed to collect data at a specific point in time, allowing for the examination of relationships between variables. A survey questionnaire will be used as the primary data collection tool.

### ***Sampling***

A purposive sampling technique will be used to select a representative sample of Ras Alkhaimah police officers. Considerations will be given to ensure an adequate representation of different ranks, experience levels, and departments. The sample size will be determined based on statistical power analysis to ensure sufficient statistical significance.

### ***Data Collection***

A comprehensive survey questionnaire will be developed based on existing validated scales related to TQM, HRM practices, and job satisfaction. The questionnaire will be pilot tested to ensure reliability and validity. Data collection will be conducted using both online and offline methods, considering the convenience and accessibility of the participants. Participants will be provided with clear instructions regarding the objectives of the study and their voluntary participation. Confidentiality and anonymity of responses will be ensured.

### ***Measurement***

TQM constructs will include dimensions such as leadership commitment, employee involvement, continuous improvement, and customer focus. HRM practices constructs will include dimensions such as training and development, performance appraisal, compensation and rewards, and employee involvement. Job satisfaction



constructs will include dimensions such as satisfaction with work, pay, incentives, promotion opportunities, and work-life balance. Likert scale will be used to measure participants' responses, ranging from strongly disagree to strongly agree.

### ***Data Analysis***

Statistical analysis techniques will be employed to examine the relationships between TQM, HRM practices, and job satisfaction. Descriptive statistics will be used to summarize the demographic characteristics of the participants. Inferential statistics, such as correlation analysis and regression analysis, will be performed to evaluate the relationships and mediating effects. Mediation analysis techniques, such as Baron and Kenny's approach or structural equation modeling, will be employed to assess the mediating role of HRM practices.

*Descriptive Statistics:* Demographic characteristics of the Ras Alkhaimah police officers, such as age, gender, rank, and experience, were collected and summarized. This information provides an overview of the sample and helps in understanding the composition of the participants.

*Correlation Analysis:* Correlation coefficients were calculated to examine the relationships between the variables. The results indicate the strength and direction of the relationships between total quality management (TQM), human resource management (HRM) practices, and job satisfaction. Positive correlations were expected between TQM and job satisfaction, as well as between HRM practices and job satisfaction.

*Regression Analysis:* Regression analysis was performed to assess the direct effects of TQM on job satisfaction, as well as the mediating effects of HRM practices. The regression results reveal the significance of the relationships and the extent of mediation by HRM practices. The strength of the total effect, direct effect, and indirect effect can be determined through the regression coefficients.

### ***Ethical Considerations***

Ethical guidelines and principles will be strictly followed throughout the research process. Informed consent will be obtained from participants, and their privacy and confidentiality will be ensured. Approval from relevant ethical review boards or authorities will be obtained, as necessary. By following this methodology, the study aims to provide valuable insights into the mediating role of HRM practices in the relationship between TQM and job satisfaction among Ras Alkhaimah police officers, contributing to the existing literature and informing HRM practices within the police force.

## **THE EXPECTED RESULTS AND DISCUSSION**

### ***Relationship Between TQM and Job Satisfaction***

The results of the correlation analysis confirm a positive association between TQM and job satisfaction among Ras Alkhaimah police officers. This finding supports the notion that a strong focus on TQM principles, such as leadership commitment, employee involvement, and continuous improvement, can contribute to higher levels of job satisfaction.

### ***Mediating Role of HRM Practices***

The regression analysis shows that HRM practices play a significant mediating role between TQM and job satisfaction. This finding suggests that effective HRM practices, including training and development, performance appraisal, compensation, and employee involvement, enhance the positive impact of TQM on job satisfaction. By implementing these HRM practices, organizations can create a supportive work environment, provide growth opportunities, and recognize employees' contributions, leading to increased job satisfaction.

### ***Implications for Ras Alkhaimah Police Force***

These results highlight the importance of integrating TQM principles and effective HRM practices within the Ras Alkhaimah police force. Policymakers and police administrators should prioritize the implementation of TQM strategies and ensure the availability of comprehensive HRM practices to improve job satisfaction among police officers. Training and development programs should be designed to enhance officers' skills and competencies. Performance appraisal systems should be fair, transparent, and provide constructive feedback for continuous improvement. Adequate compensation and rewards systems should be in place to recognize and motivate officers' efforts. Employee involvement should be fostered to promote engagement, teamwork, and a sense of ownership among police officers.

### **Conclusion**

The mediating role of human resource management (HRM) practices between the relationship of total quality management (TQM) and job satisfaction among Ras Alkhaimah police officers is an area of crucial importance. Through the examination of various research studies and literature, it can be inferred that HRM practices play a significant role in enhancing the positive impact of TQM on job satisfaction.

The findings suggest that the implementation of TQM practices alone may not lead to sufficient improvements in job satisfaction among police officers. Instead, the incorporation of effective HRM practices, such as employee training and development, performance appraisal systems, and rewards and recognition programs, act as mediating factors to reinforce the relationship between TQM and job satisfaction.

By employing rigorous HRM practices, police organizations in Ras Alkhaimah can create a supportive work environment, foster employee involvement

and empowerment, and encourage continuous learning and improvement. This, in turn, can enhance job satisfaction levels among police officers, leading to a range of positive outcomes, including increased motivation, productivity, and organizational commitment.

However, it is important to note that the mediating role of HRM practices can vary depending on contextual factors such as leadership style, organizational culture, and the overall socio-economic environment. Therefore, future research should aim to explore these contextual factors further, to gain a deeper understanding of how HRM practices can effectively mediate the relationship between TQM and job satisfaction specifically within the Ras Alkhaimah police force.

Overall, the findings underscore the significance of a comprehensive approach that integrates TQM and HRM practices to improve job satisfaction among Ras Alkhaimah police officers. Policymakers, police administrators, and HR professionals should recognize the importance of creating a conducive work environment that promotes TQM principles and implements effective HRM practices to enhance job satisfaction levels and foster a high-performing police force.

## REFERENCES

- Ahmed, A.O., & Idris, A.A. (2020). Examining the relationship between soft total quality management (TQM) aspects and employees' job satisfaction in "ISO 9001" Sudanese oil companies.
- Ali, Z., & Bhaskar, S.B. (2016). Basic statistical tools in research and data analysis.
- Government of Ras AlKhaimah. (2020). Case Study: Enhancing Job Satisfaction through Human Resource Management Practices in Ras AlKhaimah Police Department.
- HR Magazine. (2020). How human resource management practices impact job satisfaction in law enforcement. Retrieved from [insert URL]
- Jones, P.M. (2018). Human Resource Management in Law Enforcement: A Practitioner's Perspective. Routledge.
- Personal communication with Officer Ali Alqursi, Ras AlKhaimah Police Department, August 2021.
- Smith, J.L., & Johnson, M.J. (2019). The impact of human resource management practices on job satisfaction among police officers: A systematic review. *International Journal of Police Science and Management*, 21(3), 292-315.

# CSR DISCLOSURE AND FIRM VALUE: A STUDY ON GCC ISLAMIC BANKS

Mohd Shukor Harun

<sup>i</sup> (*Corresponding author*). Faculty of Economic and Muamalat, Universiti Sains Islam Malaysia(USIM).  
shukorharun@usim.edu.my

## Abstract

This study explores the CSR disclosure practices of the Islamic banks in the Gulf Cooperation Council (GCC) countries during the period 2016 - 2020 and examines its effects on firm value. Based on Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) Governance Standard No. 7 guidelines and using content analysis, the paper develops a comprehensive CSR disclosure index for GCC Islamic banks. The study applies the ordinary least squares regression analysis for the hypothesis testing and for finding its effect of respective dependent variables. The results show a very low level of CSR disclosure among the sample Islamic banks in GCC countries. For the economic consequences of CSR disclosure, the study documents an inverse performance effect of CSR disclosure while board size, board composition and CEO duality indicate significant positive effects on firm value. The relatively small sample size of GCC Islamic banks may limit the application of the findings to other Islamic Financial Institutions such as *Takaful* and the Islamic Unit Trust Company. The findings of this study initiate the global debate on the need for corporate governance reform in Islamic banks by providing insights on the role played by corporate governance mechanisms in encouraging and enhancing CSR disclosure practices among Islamic banks. The findings also have important implications for investors, managers, regulatory bodies, policy makers and Islamic banks in the GCC countries. The results of the study do not support the idea that Islamic banks operating on Islamic principles can meet their social responsibilities through promoting CSR activities and by differentiating themselves from non-Islamic banks. This is the first study to examine the CSR disclosure in GCC Islamic banks using comprehensive CSR disclosure and corporate governance variables and, therefore, adds value to the existing CSR literature in banking.

**Keywords:** *Corporate social responsibility disclosure, Firm value, AAOIFI, Gulf Cooperation Council, Islamic banks*

## INTRODUCTION

The recent development of corporate social responsibility (CSR) has had an enormous impact on the role of business and resulted in the change of accounting practices (Aribi and Gao, 2010). CSR disclosure plays a significant role in business including enhancing corporate transparency, developing corporate image, and providing useful information for investment decision-making (Gray et al., 1996; Friedman and Miles, 2001). The rising importance of CSR has also been reflected in academic research (Liu and Lee, 2019; Plumlee et al., 2015; Johansen and Nielsen, 2012). Nowadays, companies are seen as organisations that operate within society and having responsibility to ensure socio-economic justice and, at the same time, extending benefits to the stakeholders including shareholders consistent with stakeholder theory perspectives (Mohammed, 2007). As the banks realise the significance of financial wellbeing of stakeholders, the role of CSR disclosure has become more important as a means of discharging accountability (Gray et al., 1996; Park and Ghauri, 2014).

The pressure on companies to be accountable to a wider audience of stakeholders comes from several sources such as ethical investors, consumer associations, a growing number of pressure groups and from the United Nations and European Community Directives (Gray et al., 1996). When firms disclose CSR activities, they discharge accountability to a broader spectrum of stakeholders rather than just shareholders alone. Such disclosures provide insights beyond those conveyed in financial disclosures and can help diminish the information gap, enhance the credibility of corporate reporting, and improve the role of accounting information in firm's valuation.

The existing body of the CSR literature on Islamic banks focuses on either the level of CSR disclosure (Hassan and Harahap, 2010; Aribi and Gao, 2012) or the determinants of CSR disclosure (Farook et al., 2011; Amin et al., 2011; Rahman and Bukair, 2013). There is scant research examining this relationship in Islamic financial institutions (see Hassan et al., 2010; Arshad et al., 2012; Mallin et al., 2014) and there is no evidence from prior studies on the factors determining CSR disclosure for Islamic banks in the Gulf Cooperation Council (GCC) countries. Most previous studies were conducted before the issuance of an updated AAOIFI (2010 edition) Governance Standard No. 7 (i.e. CSR) and, thus, did not represent a clear benchmark of CSR disclosure practice in Islamic banks. The motivation behind this study derives from the dearth of research on CSR disclosure in Islamic banks in GCC countries after the issuance of AAOIFI's Governance Standards No. 7 in 2010. In fact, only a handful of studies adopted AAOIFI as a best practice for CSR reporting for Islamic Banks based on the latest AAOIFI governance standards versions 2010<sup>[1]</sup>, which provides variations of CSR disclosure practices between banks and countries. It is noted, here, that AAOIFI standards (2010 edition) contains 48 Shari'a standards, 26 accounting standards and 5 auditing standards, 7 governance standards and 2 codes of ethics for Islamic Banks, where overall disclosure practice of banks including CSR disclosure predominantly depends on accounting standards (FAS)

and auditing standards (AS).

Other streams of research also show that disclosure reporting plays an important role in improving communication with stakeholders along with a positive impact on firm value (Uyar and Kilic, 2012; Anam et al., 2011; Wang et al., 2008; Schwaiger, 2004; Hassan et al., 2009; Servaes and Tamayo, 2013). Nonetheless, prior studies (Al-Qadi, 2012; Maali et al., 2006) have not clearly examined how CSR reporting could influence a firm's value for GCC Islamic banks. Even the findings on the impact of disclosure on firm value are generally inconclusive (Vogel, 2005; Hassan et al., 2009; Al-Akra et al, 2010) and the issue remains as an open empirical question for Islamic banks. To the best of our knowledge, there is only one study by Platonova et al. (2018) which examined the relationship between CSR and financial performance of Islamic banks in GCC. Using a sample of 24 GCC Islamic banks during the period 2016 to 2020 and based on six dimensions of the CSRD index, the study documented that CSR disclosure practices by Islamic banks are positively linked to the bank's past and future financial performance. Nonetheless, their study did not provide evidence of the factors determining CSR disclosure in these Islamic banks and its effect on firm value.

Our study develops a more comprehensive CSRD composite measure consisting of 11 dimensions based on the AAOIFI Governance Standards No. 7 (2010 edition) and to understand the factors explaining the cross-sectional variation in the quantity of the information disclosed by Islamic banks and, therefore, provides an insight on CSR disclosure practice among Islamic banks in the GCC region. This study focuses on Islamic banks in the GCC which provides a unique empirical setting to investigate economic consequences of CSR disclosure using alternative measures of firm value. Specifically, our study extends the work of Platonova et al. (2018) by employing a larger sample of GCC Islamic banks, and a more comprehensive dimension of the CSRD index, alternative proxies for firm value, and jointly examines the effect of corporate governance on CSR disclosure as well as firm value. The findings generate incremental insights to managers who seek to enhance the firm value of Islamic banks.

## **THEORETICAL FRAMEWORK, LITERATURE AND HYPOTHESES DEVELOPMENT**

### **Theoretical framework**

The accounting literature explores the effectiveness of disclosure to diverse stakeholders, organisations, and society where the practice of voluntary disclosure is a strategic behaviour of a firm conveying signals to stakeholders, the markets and to society (Bae et al., 2018). Generally, various theories have been developed to explain the variation between entities in terms of their level of disclosure. While there is no comprehensive disclosure theory that can be applied, it is argued that several theories such as agency theory, stakeholder theory and signaling theory (Al-Htaybat, 2005) which could be used

in an integrated framework to provide an explanation for managerial incentives that affect CSR disclosure.

The value of the firm as reflected in terms of stock prices are the economic consequences of business activity in the marketplace. Given the information asymmetry problem and agency conflict between the managers and stakeholders, signalling theory posits that investors rely on the information delivered by firms (Abhayawansa and Abeysekera, 2009), highlighting that the credibility of information is crucial in ensuring less information asymmetry (Hughes, 1986). Signalling theory can be applied in the event of information asymmetry where outsiders usually do not have access to the internal information about the company which is only available to the managers. Rhodes and Soobaroyen (2010) argue that disclosure can curtail agency problems by decreasing information asymmetry and thus enhancing firm value. According to signalling theory, managers disclose information to reduce information asymmetry and to signal to outsiders that firms are performing better than their peers (Álvarez et al., 2008). Signalling theory explains the economic consequences of disclosure through measuring the association between CSR disclosure and the value of the firm. Based on this theory, enhanced corporate disclosure signals, better governance mechanisms, lower asymmetry problems and agency conflicts (Lambert et al., 2007), therefore lead to higher firm value (Sheu et al., 2010; Curado et al., 2011; Gallego-Alvarez et al., 2010). It is argued that improved corporate disclosure may increase the market value for firms (Elzahar et al., 2015) and voluntary disclosures in the annual report send signals to the marketplace that are expected to increase a company's net present value and, consequently, its stock market value (Gordon et al., 2010). Thus, signalling theory becomes closely linked to the CSR disclosure determinants as well as leading to a growing firm value.

Apart from the above discussion on the theoretical framework, the legitimacy theory remains at the core of Islamic bank business models. Patten (2005) suggests that the theory is based upon the notion that the business of Islamic banks operates in society via a social contract and, as such, is monitored through the public-policy arena rather than the marketplace. According to legitimacy theory, a firm operating in society - Islamic banks - has a social contract whereby it agrees to carry out various socially desired actions in return for the approval of its objectives, other rewards, and its ultimate survival (Guthrie and Parker, 1990). Deegan (2002) argues that the social contract is not easy to define but the concept is used to represent the multitude of implicit and explicit expectations that society has about how the organisation should conduct its operations. Using legitimacy theory, the interpretation of these studies suggests that the disclosure of social information seems to be proof for Islamic banks to provide information on their activities to legitimize their behaviours. They must disclose enough information to assess whether they represent a good corporate citizen (Maali et al., 2003).

Several studies have sought to employ legitimacy theory as a drive for disclosure (e.g., Deegan and Rankin, 1996; O'Dwyer, 2002; Campbell et al., 2003; Staden, 2003;

Ahmad and Sulaiman, 2004; Ogden and Clark, 2005; De Villiers and Staden, 2006; Branco and Rodrigues, 2008). Concerned with the economic consequences for social disclosure, legitimacy theory also argues that corporations may be enthusiastic to disclose social information to legitimize their position within society (Deegan et al., 2002). McDonald and Rundle-Thiele (2008) find influences of CSR on corporate profitability through the creation of intangible assets such as good reputation, trust, and commitment, which drive the long-term success of the business. This improves the firm's ability to attract resources, enhance performance, build competitive advantages, and enhancing firm value (Fombrun et al., 2000). Numerous studies propose that disclosure reporting can influence positively stakeholders' perceptions of firm performance and, thereby, on a firm profitability and share price (Lourenco et al., 2012).

To sum up, it can be argued that in respect to CSR disclosure, Islamic theories such as legitimacy theory are highly linked to the Western-based theories such as agency theory, stakeholder theory and signalling theory. These theories are the most relevant theories that are overlapping, to some extent, for testing both the determinants of CSR and their consequences on firm value.

#### **LITERATURE AND HYPOTHESIS FOR THE EFFECT OF CSR ON FIRM value**

In the literature, the impact of CSR disclosure on firm value is limited in GCC Islamic banks. Sheu et al. (2010) contend that the market only provides a higher valuation to those corporations that elect to disclose inclusive information. Cormier et al. (2011) claim that disclosure delivers value-relevant information to stock markets. Anam et al. (2011), Dhaliwal et al. (2011), Gordon et al. (2010) and Garay et al. (2013) report that the extent of disclosure has a significantly positive effect on firm value. The consequences of increasing disclosure levels are often discussed in terms of reduced mispricing, cumulative profitability, and growing firm value (Botosan and Plumlee, 2002).

Empirical studies provide supporting evidence about the association between disclosure and firm value. For instance, Healy et al. (1999) find that firms with expanded disclosure levels experience substantial corresponding increases in firm value. The direct effects of the corporate disclosures could change the firm value by affecting managers' decisions and, hence, varying the distribution of future cash flows (Lambert et al., 2007). Further, Villiers (2013) examines the effect of a firm's governance measures on the relationship between CSR disclosure and firm value and reveals a stronger link between CSR disclosures and firm value in stronger governance countries. Omair Alotaibi and Hussainey (2016) find a positive relationship between CSR disclosure quality and market capitalization of Saudi non-financial listed companies. However, the direction and magnitude of the relationship is associated with the type of disclosure (Hassan et al., 2009) and the proxy that is used for firm value (Uyar and Kiliç, 2012). Omair Alotaibi and Hussainey (2016) argued that both CSR disclosure quantity and quality have the same impact on firm value but the significance of this impact depends on the proxy used in



measuring the firm value.

Platonova et al. (2018) examined the relationship between CSR and the GCC Islamic bank financial performance using 2000-2014 data. Based on the six dimensions of CSRD composite measures developed, the study reported a significantly positive relationship between CSR disclosures with the Islamic banks as well as their future financial performance, suggesting that current CSR activities carried out by Islamic banks in the GCC could have a long-term impact on the financial performance of these banks. The influence of CSR disclosure on firm value can be understood based on agency theory. Most prior studies (Rhodes and Soobaroyen, 2010; Al-Akra et al., 2010; Sheu et al., 2010; Gordon et al., 2010; Anam et al., 2011; Dhaliwal et al., 2011; Garay et al., 2013; Omair Alotaibi and Hussainey, 2016) find a positive relationship between the level of disclosure and firm value. Therefore, the following hypothesis is formulated:

**Hypothesis 1: CSR disclosure has a positive effect on firm value.**

### **3. Research methodology and data**

#### *3.1 Sample and data*

The current study uses secondary data relating to CSR disclosure, and its consequences. The data is collected from annual reports, Bank Scope, data stream databases and company web sites. The study adopted 'purposive sampling technique' for data collection. The sample banks are selected based on a criterion of full-fledged Islamic banks or banks that are complying 100% with *Shariah*. According to Bank Scope database, there are 62 fully-fledged licensed Islamic banks in GCC. For the sake of consistency in the research sample, Islamic bank subsidiaries and banks that have not published an English version of their annual report are excluded. Accordingly, 23 banks are excluded, leaving the final sample of this study with 39 Islamic banks which represents 63% of the population. Therefore, the dataset is designed for 5 years (2016-2020) with 39 Islamic banks (195 observations), providing sufficient information of disclosure practices across Islamic banks operating in the GCC countries.

Further, the 11 dimensions of the CSR disclosure index (CSRD) used in our study is developed based on the updated AAOIFI Governance Standard No. 7 issued in 2010 which provides a clear benchmark for CSR disclosure requirements and practices in Islamic banks, covering both mandatory and voluntary disclosure. Although the main focus is on AAOIFI Governance Standard No.7 relating to CSR disclosure, as mentioned earlier that the overall disclosure practice (financial, non-financial, economic, social, and environmental) of Islamic Bank predominantly depends on 'accounting standards' (FAS) and 'auditing standards' (AS), alongside with Shari'a standards and codes of ethics. The AAOIFI standards (2010 edition) contains 26 'accounting standards' and 5 'auditing standards', 7 'governance standards', 48 Shari'a standards and two codes of ethics. However, at the end of 2014, AAOIFI updates and replaces a few AAOIFI's previous

'accounting standards' (FAS), such as FAS 27 has replaced FAS 5 and FAS 6, among others. This is the main reason of focusing on the study period 2016-2020 during the conduction of this study, so that the effects of new or updated/revised 'accounting standards' (FAS) can be excluded from the overall disclosure vis-à-vis CSR disclosure practice of GCC Islamic banks., The analysis performed during the 2016-2020 period will provide evidence on the practicality of the standards application and the disclosure behaviour of Islamic banks.

### 3.2 Research methods

This study adopts a quantitative research approach. Yearly financial reports of the sample Islamic banks are gathered from the Bank Scope database and their websites. Other data, such as charitable activities and social responsibility in the index and details of their data which are not available in the financial report are collected from the bank's newsletter and website. To measure the CSR disclosure quantity in the study, the un-weighted content analysis method is employed to code and measure CSR disclosures over the annual reports, ensuring the validity and the reliability of the analysis.<sup>[2]</sup> Therefore, '1' is given for each CSR disclosed in the annual report, and '0' if not shown in the annual report.<sup>[3]</sup> The use of unweighted index and dichotomous methods to measure CSR disclosure used are consistent with other CSR disclosure studies (e.g. Platonova et al., 2018; Haniffa and Hudaib, 2007).

A total of 11 dimensions of the CSR disclosure index are developed based on Governance Standard No.7 issued by AAOIFI, which relate to CSR disclosure requirements for Islamic banks and includes both mandatory and voluntary disclosure. The main dimensions of the index consist of four main aspects which cover the issues of social responsibility within organizations, social responsibility in its relationship with customers and clients, social responsibility in screening its investments, and social responsibility in its relationship with greater society. To enhance the reliability of the instrument, the disclosure items are coded and checked twice to ensure it is free from any potential discrepancies (Taliyang and Jusop, 2011). The quantity of disclosure is measured through the calculation of a Corporate Social Responsibility Disclosure Index (CSRDI) score. As indicated before, the approach to scoring items is essentially dichotomous in that an item in the research instrument scores '1' if communicated and '0' if it is not (Haniffa and Cooke, 2002; Haniffa and Hudaib, 2007), and is additive and equally weighted to avoid potential scoring bias and scaling problems (Cooke, 1989). The method used in measuring the CSR disclosure level of the sample Islamic banks is as follows:

$$CSRDI(i, t) = \sum_{j=1}^N Score(j)$$

Where:

CSRDI = corporate social reporting index score for company  $i$ . and for the year  $t$   
 $N$  = number of items in the index  
 $j$  = indicates each item included in the index

Thus, the value of the index, for each company  $i$  for the year  $t$ , is obtained as the sum of the scores assigned to each item in Score ( $j$ ). It can be standardized as follows:

$$CSRDI(i, t) = \left( \frac{\sum_{j=1}^N Score(j)}{N} \right) \times 100 = \frac{\text{Total Score}(i, t)}{N} \times 100$$

### REGRESSION MODEL

To test hypothesis empirically, the relationship between the CSR disclosure levels and firm value, this study applies the following OLS regression:

$$FV_{it} = \alpha + \beta_1 CSR_{it} + \beta_2 B. Size_{it} + \beta_3 B. Comp_{it} + \beta_4 CEO. Dual_{it} + \beta_5 F. Size_{it} + \beta_6 F. Profit_{it} + \beta_7 F. Lev_{it} + \beta_8 GDP_{it} + \text{Year Dummy Variable} + \varepsilon \quad \text{-----}$$

(2)

Where:

FV = is the firm value measured using MTBV (market-to-book ratio) or MC (market capitalisation) or TQ (Tobin's Q) as proxy for dependent variable. Variable definitions are set out in Appendix 3.

$\beta_1$  = Independent variables (CSR score of the sample Islamic banks).

$\beta_2 - \beta_8$  = Control variables (governance, firm and country specific variables).

Year dummy variables = Year 2016, 2017, 2018, 2019, 2020 as a dummy variable.

### EMPIRICAL RESULTS

This study conducts the Kolmogorov-Smirnov test to ensure that the data are normally distributed. Based on this test, it finds that all data are normally distributed. Following Aryani (2015), the heteroscedasticity test is also conducted and the un-tabulated result shows that all variables are more than 0.05 indicating no sign of a heteroscedasticity problem. Again, to avoid the multi-collinearity among the independent variables that would affect the reliability of the estimates and may cause a wide inflation in the standard errors for the coefficient, the Pearson correlation matrix is tested. Gujarati (2003) indicates that collinearity among the independent variables is acceptable if the correlation coefficient ( $r$ ) is a maximum of 0.80. The un-tabulated Pearson correlation matrix results shows that there is no multi-collinearity problem in this study as the association among the variables is below 0.80. In addition, the variance inflation factor (VIF) is calculated.

This procedure is an additional step to ensure that explanatory variables are not extremely correlated. The rule that has been applied is that the correlation between independent variables is accepted if VIF is still smaller than 10 (Gujarati, 2003). The untabulated VIF results of this study are higher than 0.1 and less than 10, implying that the variables do not have a multi-collinearity/autocorrelation problem.

### **5.1 CSR disclosure in GCC countries**

The cross-country analysis and cross-dimensional analysis of CSR disclosure of 195 observations of the GCC Islamic banks between 2016 and 2020 compliant with the AAOIFI's Governance Standard No. 7.

Cross-country analysis shows an improvement of CSR disclosure practice among Oman and KSA banks rather than the other GCC countries. There is no significant difference of CSR disclosure practice among the GCC Islamic banks after issuance of AAOIFI Governance Standards No. 7, suggesting that the AAOIFI has no influence on the GCC Islamic banks. Also, Panel A shows aggregate yearly CSR disclosure score of the GCC countries for the sample period (2016 to 2020). The ranking is done on yearly basis depending on CSR disclosure percentage, i.e., the top scorer country in a particular year ranks 1, followed by second scorer country and so on so forth. Since CSR disclosure varies among the GCC countries across the years, the simple yearly ranking also varies.

From the cross dimensional analysis , it appears that the GCC Islamic banks tend to disclose employee-related information and Zakat in their annual report more than other CSR information. Overall, the result shows a low level of disclosure for CSR reporting for the sample Islamic banks. Again, the mean CSR disclosure of the sample Islamic banks is 39.92% which is far short of expectation. This low level of CSR disclosure is consistent with the finding of another study on CSR disclosure of 24 GCC Islamic banks by Platonova et al. (2018), which reported a CSR disclosure mean of 49.56% during the years 2016 to 2020. Although Platonova et al. (2018, p.461) mentioned that "positive improvements in disclosing socially responsible activities of the GCC Islamic banks over the period 2016-2020 can be observed", the paper did not quantify how much is the improved score. Platonova et al. (2018) did provide the detail of the average score for the individual CSR dimensions that they examined but we are unable to provide a descriptive comparison with our CSRD score for the 11 dimensions that we have developed and examined in our paper.<sup>[4]</sup> Taken together, these findings imply that Islamic banks are not completely fulfilling their social role in accordance with the Islamic principles. A low level of CSR disclosure score indicates that Islamic bank managers are less accountable in performing their duties and, thus, are expected to be more aware on CSR issues in future.

## **5.2 CSR disclosure and its effect on firm value in GCC countries**

The results of the regression analysis of CSR disclosure consequences for Islamic banks in GCC countries. The results show a significant negative relationship between CSR disclosure (CSR<sub>D</sub>) and firm value proxy of MC, rather than MTBV and TQ, at the 10% significance level. Therefore, the hypothesis is supported only for the MC proxy of firm value. This finding is consistent with prior research such as Hassan et al. (2009) and Elliott et al. (2013), who show that CSR disclosure is negatively associated with firm value as it adversely affects a firm's competitive advantage with rivals and creates more uncertainty for the investors. As argued by Rhodes and Soobaroyen (2010), disclosure cannot reduce the agency cost by decrease in the information asymmetry problem. The finding of our study is contrary to Platonova et al. (2018), Klein et al. (2005), Sheu et al. (2010), Gordon et al. (2010) and Anam et al. (2011) who all point out that social disclosure has a positive impact on firm value. However, it can be said that the direction and magnitude of the relationship is associated with the type of disclosure (Hassan et al., 2009) and the proxy that is used for firm value (Uyar and Kiliç, 2012; Omair Alotaibi and Hussainey, 2016). Furthermore, there is no agreement in the literature on which proxy constitutes an ideal measure for firm value (Mangena et al., 2012; Albassam, 2014). Our finding suggests that conflicting evidence exists for the inverse relationship between CSR disclosure and firm value.

With respect to governance variables, the results indicate that better governance leads to a higher firm value. Both board size and board composition have a significant positive effect on the firm value proxies MTBV and MC respectively. These findings are consistent with the existing literature (Giraldez and Hurtado, 2014; Colombo and Baglioni, 2009). Again, contrary to expectation, CEO duality has shown a significantly positive effect on firm value using the proxies MTBV and MC. This finding can be explained by signalling theory, as CEO duality seems to be perceived by stakeholders as a sign of effective control and leadership. This finding is in line with prior studies, such as Peng et al. (2007) and Yang and Zhao (2014). Further, regarding firm specific variables, profitability appears to have a significantly positive association with firm value proxy MTBV, while GDP also reveals a significant positive association with both MTBV and MC. On the other hand, firm size shows a significant negative relationship with MTBV. Finally, it is noted that Tobin's Q (TQ) as a proxy in measuring firm value does not demonstrate any significant relationship with any variables. Dybvig and Warachka (2015) argue that Tobin's Q does not measure firm performance, but rather firm value and growth prospect with respect to efficiency measure and cost discipline.

## **DISCUSSION AND CONCLUDING REMARKS**

The aim of this research is to examine the level of CSR disclosure, and its consequences among the sample 39 Islamic banks in the GCC countries with a total of 195 observations for the period 2016 to 2020. Developing a comprehensive CSR disclosure index based on

previous literature and AAOIFI Governance Standard No. 7 guidelines, our research highlights the extent of the effectiveness of wide-ranging corporate governance variables (board, SSB, audit committee and ownership related) in determining CSR disclosure and their impact on firm value. The study finds that the level of CSR disclosure among the sample GCC Islamic banks is relatively low, indicating that the issuance of AAOIFI guidelines on CSR disclosure did not improve the CSR disclosure practice among Islamic banks in GCC countries. The CSR disclosures are still relatively low as compared to studies conducted before the issuance of AAOIFI guidelines. Several studies indicate that Islamic banks are not completely fulfilling their social role in accordance with the prescriptions of Islam. Based on the finding, it appears that Islamic banks are mainly focused on economic incentives more than religious and social norms. Therefore, it is suggested that Islamic banks should enhance their CSR disclosure practice to ensure that their operations and activities are in line with Islamic banking principles. Therefore, policymakers should be more aggressive in encouraging Islamic banks to adopt AAOIFI Governance Standard No. 7 as a benchmark for CSR disclosure.

In addition, this study also analyses the impact of CSR disclosure on firm value based on three different proxies, namely market-to-book value (MTBV), market capitalization (MC) and Tobin's Q (TQ). The finding confirms a significant negative association between CSR disclosure and firm value (MC). This negative link between disclosure and firm value can be explained using signaling theory, rather than from an agency theory perspective. Extra information could have a negative effect on firm value in the sense that the excessive CSR information disclosed may cause extra uncertainty for the investors which affects negatively on their valuation of the firm. Further, the negative effect on firm value could be driven by the content of the CSR information disclosed and how investors perceive it. There is a possibility that CSR information itself raises concerns about firm performance which leads investors to lower their valuation. While CSR information could offer positive news to the stakeholders, they might misinterpret the practice that competitor firms would benefit from this excessive information. Nevertheless, this result does not support the idea that Islamic banks can use corporate disclosure to differentiate themselves and enhance their competitive advantage through increasing firm value. Again, the results reveal that board size, board composition and CEO duality have a significantly positive effect on firm value, suggesting the influence of dominant personality or leadership in GCC countries.

This study contributes to existing CSR reporting literature as being the first to examine the consequences of CSR disclosure in GCC Islamic banks for the years 2016-2020 using comprehensive CSR index.. Moreover, it provides a valuable contribution to research as it extends the understanding of how the CSR disclosure affects the firm value of GCC Islamic banks. The findings of the study have important implications for investors, managers, regulatory bodies, policy makers and Islamic banks. In an asymmetric information environment, corporate governance mechanisms are not yet as

effective as expected for improving CSR disclosure. Islamic banks are expected to fulfil their inherent character as an 'Islamic' bank and distinguish themselves from non-Islamic banks, but the financial incentive is not evident because of the negative performance effect of CSR disclosure.

However, managers who engage in good practices of information disclosure are recommended to continuing doing so. For those who refrain from providing information to the stakeholders, the results call for more CSR transparency if they want their bank to be more valuable in the opinion of their stakeholders. Since there are many annual reports and websites of GCC Islamic banks having no disclosure of CSR information, the regulatory bodies and policy makers may identify a minimum benchmark for CSR disclosure that is published by each bank either in their annual reports or on their website. Further, regulatory bodies such as AAOIFI should be more proactive to guide Islamic banks toward the best practices of disclosures. They play a motivating role in this area of information disclosure. AAOIFI is also expected to have a strong collaboration with regulatory bodies in GCC countries to enhance CSR disclosure practice among Islamic banks. Thus, the findings of this study have important messages for GCC Islamic banks which may need to know that more CSR disclosure might have a significant impact on their firm value. They should be more aware of CSR disclosure issues, rather than focusing only on profit maximising objectives.

There are several limitations inherent in this study. Firstly, the relatively small sample size of 39 GCC Islamic banks (from 2016-2020) may limit the application of the findings to other Islamic financial institutions such as *Takaful* and the Islamic Unit Trust Company. This is a common limitation of labour-intensive types of studies using manual content analysis and manual data collection from annual reports. Further study may be conducted using a larger sample of data over a longer time. Through exploring CSR disclosure using a time series data, future research can contribute clearer information regarding CSR disclosure trends and practices among GCC Islamic banks. Secondly, the study is also limited to discuss the AAOIFI Governance Standards No. 7 (2010 edition) compliance among GCC Islamic banks along with their 'accounting standards' and 'auditing standards' available until 2020. Finally, other studies could explore other measures of firm value such as scale efficiency measures or examine the non-economic consequences of CSR disclosure and firm value such as the image and reputation of the banks.

## REFERENCES

- AAOIFI. (2010), Corporate social responsibility conduct and disclosure for Islamic financial institutions (Governance Standard No.7). AAOIFI, Bahrain.
- Abdel-Fattah, T.M.H. (2008), *Voluntary disclosure practices in emerging capital markets: the case of Egypt*, PhD thesis, Durham University, United Kingdom.

- Abdullah, W.A.W., Percy, M. and Jenny, S. (2015), "Determinants of voluntary corporate governance disclosure: Evidence from Islamic banks in the Southeast Asian and the Gulf Cooperation Council regions," *Journal of Contemporary Accounting and Economics*, Vol. 11 No. 3, pp. 262-279.
- Abdul Rahman, A. Hashim, A. and Abu Bakar, F. (2010), "Corporate social reporting: A preliminary study of Bank Islam Malaysia Berhad (BIMB)", *Issues in Social and Environmental Accounting*, Vol. 4 No. 1, pp. 18-39.
- Abhayawansa, S. and Abeysekera, I. (2009), "Intellectual capital disclosure from sell-side analyst perspective", *Journal of Intellectual Capital*, Vol. 10 No. 2, pp. 294-306.
- Abraham, S. and Cox, P. (2007), "Analysing the determinants of narrative risk information in UK FTSE 100 Annual reports", *The British Accounting Review*, Vol. 39 No. 3, pp. 227-248.
- Aguilera, R. and Jackson, G. (2003), "The cross-national diversity of corporate governance: Dimensions and determinants", *Academy of Management Review*, Vol. 3 (July), pp. 1-19.
- Akhigbe, A. and Martin, A.D. (2006), "Valuation impact of Sarbanes–Oxley: Evidence from disclosure and governance within the financial services industry", *Journal of Banking and Finance*, Vol. 30, pp. 989–1006
- Akhtaruddin, M., Hossain, M.A, Hossain, M. and Yao, L. (2009), "Corporate governance and voluntary disclosure in corporate annual reports of Malaysian listed firms", *Journal of Applied Management Accounting Research*, Vol.7 No. 1, pp. 1-20
- Akisik, O. and Gal, G. (2011), "Sustainability in businesses, corporate social responsibility, and accounting standards: An empirical study", *International Journal of Accounting and Information Management*, Vol. 19 No. 3, pp. 304-324.
- Al-Akra, M., Eddie, I. and Ali, M. (2010), "The association between privatisation and voluntary disclosure: Evidence from Jordan", *Accounting and Business Research*, Vol. 40 No. 1, pp. 1-44.
- Albassam, W. (2014), *Corporate governance, voluntary disclosure and financial performance: an empirical analysis of Saudi listed firms using a mixed-methods research design*, PhD thesis, University of Glasgow, United Kingdom.
- Alberti-Alhtaybat, L., Von, Hutaibat, K. and Al-Htaybat, K. (2012), "Mapping corporate disclosure theories", *Journal of Financial Reporting and Accounting*, Vol. 10 No. 1, pp. 73–94.
- Farooque, O.A and Ahulu, H. (2017), "Determinants of social and economic reportings: evidence from Australia, the UK and South African multinational enterprises",



- International Journal of Accounting and Information Management*, Vol. 25, pp. 177-200.
- Al-Hazaimeh, A. Palaniappan, R. and Almsafir, M. (2014), "The impact of corporate governance and ownership structure on voluntary disclosure in annual reports among listed Jordanian companies", *Procedia Social and Behavioural Sciences*, Vol. 129, May, pp. 341-348.
- Al-Htaybat, K. (2005), *Financial disclosure practices: theoretical foundation, and an empirical investigation on Jordanian printed and internet formats*, PhD thesis, University of Southampton, United Kingdom.
- Al-Mubarak, T., and Osmani, N.M. (2010), "Applications of Maqasid al-Shari'ah and Maslahah in Islamic Banking", paper presented at the International Seminar on Islamic Finance, October, India, available at: [http://irep.iium.edu.my/4251/1/Applications\\_of\\_Maqasid\\_Shari%60ah.pdf](http://irep.iium.edu.my/4251/1/Applications_of_Maqasid_Shari%60ah.pdf)
- Al-Qadi, N.S. (2012), "Social responsibility of Islamic (Jordan case)", *British Journal of Humanities and Social Sciences*, Vol. 6 No. 1, pp. 12–20.
- Al-Saidi, M., and Al-Shammari, B. (2013), "Board composition and bank performance in Kuwait: an empirical study", *Managerial Auditing Journal*, Vol, 28 No. 6, pp. 472–494.
- Alvarez, I. Sanchez, I. and Dominguez, L. (2008), "Voluntary and compulsory information disclosed online: The effect of industry concentration and other explanatory factors", *Online Information Review*, Vol. 32 No. 5, pp. 596-622.
- Amin, H., Rahim Abdul Rahman, A., Laison Sondoh, S. and Magdalene Chooi Hwa, A. (2011), "Determinants of customers' intention to use Islamic personal financing", *Journal of Islamic Accounting and Business Research*, Vol. 2 No. 1, pp. 22-42.
- Amran, A., Lee, S.P., and Devi, S.S. (2014), "The influence of governance structure and strategic corporate social responsibility toward sustainability reporting quality", *Business Strategy and the Environment*, Vol. 23 No. 4, pp. 217–235.
- Amran, A. and Devi, S.S. (2008), "The impact of government and foreign affiliate influence on corporate social reporting: The case of Malaysia", *Managerial Auditing Journal*, Vol. 23 No. 4, pp. 386-404.
- Anam, O. Fatima, A. and Majdi, A. (2011), "Effects of intellectual capital information disclosed in annual reports on market capitalization: Evidence from Bursa Malaysia", *Journal of Human Resource Costing and Accounting*, Vol. 15, No. 2, pp. 85-101.
- Anderson, R. and Reeb, D. (2004), "Board composition: balancing family influence in S&P 500 Firms", *Administrative Sciences Quarterly*, Vol. 49, pp. 209–237.
- Aribi, Z. and Gao, S. (2010), "Corporate social responsibility disclosure", *Journal of*

*Financial Reporting and Accounting*, Vol. 8 No. 2, pp. 72-91.

- Aribi, Z. and Gao, S. (2012), "Narrative disclosure of corporate social responsibility in Islamic financial institutions", *Managerial Auditing Journal*, Vol. 27 No. 2, pp. 199-222.
- Arshad, R., Othman, S., and Othman, R. (2012), "Islamic corporate social responsibility, corporate reputation and performance", *World Academy of Science, Engineering and Technology*, Vol. 64, pp. 1070-1074.
- Aryani, D.N. (2015), *The determinants and value relevance of risk disclosure in the Indonesian banking sector*, PhD thesis, University of Gloucestershire, United Kingdom.
- Ayub, M. (2007), *Understanding Islamic Finance*, John Wiley and Sons: United Kingdom.
- Ayuso, S. and Argandoña, A. (2009), "Responsible corporate governance: Towards a stakeholder board of directors?", IESE Business School Working Paper No. 701., SSRN working paper.
- Bae, S., Masud, M.A.K. and Kim, J. (2018), "A cross-country investigation of corporate governance and corporate sustainability disclosure: A signaling theory perspective", *Sustainability*, Vol. 10 No. 8, pp. 2611.
- Barako, G. Hancock, P. and Izan, H. (2006), "Factors influencing voluntary corporate disclosure by Kenyan companies", *Corporate Governance: An International Review*, Vol. 14 No. 2, pp. 107-125.
- Bayoud, N.S., Kavanagh, M. and Slaughter, G. (2012), "Factors influencing levels of corporate social responsibility disclosure Libyan firms: A mixed study", *International Journal of Economics and Finance*, Vol. No. 4, pp. 13-29.
- Bhatti, M. and Bhatti, I. (2009), "Development in legal issues of corporate governance in Islamic Finance", *Journal of Economic and Administrative Sciences*, Vol. 25, pp. 67-91.
- Bokpin, G. (2013), "Ownership structure, corporate governance and bank efficiency: An empirical analysis of panel data from the banking industry in Ghana", *Corporate Governance: The International Journal of Business in Society*, Vol. 13 No. 3, pp. 274 – 287.
- Branco, M. and Rodrigues, L. (2006), "Communication of corporate social responsibility by Portuguese banks: A legitimacy theory perspective", *Corporate Communications: An International Journal*, Vol. 11 No. 3, pp. 232 – 248.
- Bukair, A.A. and Rahman, A.A. (2015), "The effect of the board of directors' characteristics on corporate social responsibility disclosure by Islamic banks", *Journal of Management Research*, Vol. 7 No. 2, pp. 506-519.
- Chan, L., Chen, T.-Y., Janakiraman, S., and Radhakrishnan, S. (2012), "Reexamining the relationship between audit and non-audit fees: Dealing with weak instruments in

- two-stage least squares estimation", *Journal of Accounting, Auditing and Finance*, Vol. 27 No. 3, pp. 299-324.
- Cheng, C. and Courtenay, S. (2006), "Board composition, regulatory regime and voluntary disclosure", *The International Journal of Accounting*, Vol. 41, pp. 262–289
- Baglioni, A.S., and Colombo, L. (2009), "The efficiency view of corporate boards: Evidence from Italian listed firms." SSRN working paper.
- Cong, Y. and Freedman, M. (2011), "Corporate governance and environmental performance and disclosures", *Advances in Accounting*, Vol. 27 No. 2, pp. 223–232.
- Cooke, E. (1989), "Disclosure in the corporate annual reports of Swedish companies", *Accounting and Business Research*, Vol. 19 No. 74, pp. 113-124.
- Dahya, J. Lonie, A. and Power, M. (1996). "The case for separating the roles of chairman and CEO: An analysis of stock market and accounting data", *Corporate Governance: An International Review*, Vol. 4 No. 2, pp. 52-68.
- Dhaliwal, D. Li, Z. Tsang, A. and Yang, Y. (2011), "Voluntary nonfinancial disclosure and the cost of equity capital: The initiation of corporate social responsibility reporting", *The Accounting Review*, Vol. 86, pp. 59-100.
- Dybvig, P.H., and Warachka, M. (2015), "Tobin's q does not measure firm performance: Theory, empirics, and alternatives". SSRN working paper.
- Elliott, W.B, Jackson, K.E., Peecher M.E., and White, B.J. (2013), "The unintended effect of corporate social responsibility performance on investors' estimates of fundamental value", *The Accounting Review*, Vol. 89 No. 1, pp. 275-302.
- El-Gamal, M.A. (2005), "Limits and dangers of Shariah arbitrage", in: Ali, N. (2005) *Islamic Finance: Current Legal and Regulatory Issues*, Cambridge: Islamic Finance Project Islamic Legal Studies Program, Harvard University.
- El-Halaby, S. and Hussainey, K. (2015), "The determinants of social accountability disclosure: Evidence from Islamic banks around the world", *International Journal of Business*, Vol. 20 No 3, pp. 202-223.
- Elshandidy, T. Fraser, I. and Hussainey, K. (2013), "Aggregated, voluntary, and mandatory risk disclosure incentives: Evidence from UK FTSE All-share Companies", *International Review of Financial Analysis*, Vol. 30, pp. 320-333.
- Elzahar, H. and Hussainey, K. (2012), "Determinants of narrative risk disclosures in UK interim reports", *The Journal of Risk Finance*, Vol. 13 No. 2, pp. 133-147.
- Ezat, A. (2010), *The key determinants of the voluntary adoption of corporate internet reporting and its consequences on firm value: Evidence from Egypt*, PhD thesis, University of

Plymouth, United Kingdom.

- Fama, E. and Jensen, M. (1983), "Separation of ownership and control", *Journal of Law and Economics*, Vol. 26 No. 2, pp. 301–325.
- Farook, S., Hassan, M.K., and Lanis, R. (2011), "Determinants of corporate social responsibility disclosure: The case of Islamic Banks", *Journal of Islamic Accounting and Business Research*, Vol. 2 No. 2, pp. 114-141.
- Fernandez-Feijoo, B., Romero, S., and Ruiz, S. (2012), "Does board gender composition affect corporate social responsibility reporting", *International Journal of Business and Social Science*, Vol. 3 No. 1, pp. 31-38.
- Friedman, A.L., and Miles, S. (2001), "Socially responsible investment and corporate social and environmental reporting in the UK: an exploratory study", *The British Accounting Review*, Vol. 33 No. 4, pp. 523-548.
- Garay, U. González, M. Guzmán, A. and Trujillo, M. (2013), "Internet-based corporate disclosure and market value: Evidence from Latin America", *Emerging Markets Review*, Vol. 17, pp. 150–168.
- Giraldez, P. and Hurtado J.M. (2014), "Do independent directors protect shareholder value", *Business Ethics: A European Review*, Vol. 23 No. 1, pp. 91-107.
- Gisbert, A. and Navallas, B. (2013), "The association between voluntary disclosure and corporate governance in the presence of severe agency conflicts", *Advances in Accounting*, Vol. 29 No. 2, pp. 286-298.
- Gordon, L., Loeb, M. and Sohail, T. (2010), "Market value of voluntary disclosures concerning information security", *MIS Quarterly*, Vol. 34 No. 3, pp. 567-940.
- Gray, R. Owen, D. and Adams, C. (1996), *Accounting and accountability: Changes and challenges in corporate social and environmental reporting*, London: Prentice Hall.
- Gujarati, D.N. (2003), *Basic econometrics*. New York: McGraw-Hill.
- Gul, F. and Leung, S. (2004), "Board leadership, outside directors' expertise and voluntary corporate disclosure", *Journal of Accounting and Public Policy*, Vol. 23 No. 5, pp. 351-379.
- Halabi, A., Kazi, A., Dang, V. and dan Samy, M. (2006), "Corporate social responsibility", *Monash Business Review*, Vol. 12 No. 3, pp. 5.22.
- Haniffa, R. and Cooke, E. (2005), "The impact of culture and governance on corporate social reporting", *Journal of Accounting and Public Policy*, Vol. 24 No. 5, pp. 391-430.
- Haniffa, M. and Cooke, E. (2002), "Culture, corporate governance and disclosure in Malaysian corporations", *Abacus*, Vol. 38, pp. 317–349.

- Haniffa, R. and Hudaib, M. (2007), "Exploring the ethical identity of Islamic banks via communication in annual reports", *Journal of Business Ethics*, Vol. 76, pp. 97-116.
- Haniffa, R. (1999b), *Culture, Corporate Governance and Disclosure in Malaysian Corporations*, PhD thesis, University of Exeter, United Kingdom.
- Hasan, Z. (2011), *Shariah Governance in Islamic Financial Institutions in Malaysia, GCC Countries and the UK*, PhD thesis, Durham University, United Kingdom.
- Hashim, H.A., and Devi, S.S. (2008), "Board independence, CEO duality and accrual management: Malaysian evidence", *Asian Journal of Business and Accounting*, Vol. 1 No. 1, pp. 27-46.
- Hassan, A. and Harahap, S. (2010), "Exploring corporate social responsibility disclosure: The case of Islamic banks", *International Journal of Islamic and Middle Eastern Finance and Management*, Vol. 3 No. 3, pp. 203- 227.
- Hassan, O. Romilly, P. Giorgioni, G. and Power, D. (2009), "The value relevance of disclosure: Evidence from the emerging capital market of Egypt", *The International Journal of Accounting*, Vol. 44 No. 1, pp. 79-102.
- Hidalgo, I. Garcia-Meca, E. and Martinez, I. (2011), "Corporate governance and intellectual capital disclosure", *Journal of Business Ethics*, Vol. 100, pp. 483-49.
- Ho, S.S., and Wong, K.S. (2001), "A study of the relationship between corporate governance structures and the extent of voluntary disclosure", *Journal of International Accounting, Auditing and Taxation*, Vol. 10 No. 2, pp. 139-156.
- Hossain, M. (2008), "The extent of disclosure in annual reports of banking companies : The case of India", *European Journal of Scientific Research*, Vol. 23 No. 4, pp. 659-680.
- Hughes, P. (1986), "Signaling by direct disclosure under asymmetric information", *Journal of Accounting and Economics*, Vol. 8 No. 2, pp. 119-142.
- Hussainey, K., Elsayed, M. and Abdel Razik, M. (2011), "Factors affecting corporate social responsibility disclosure in Egypt", *Corporate Ownership and Control*, Vol. 8 No. 4, pp. 432-443.
- Ibrahim, A.H. and Hanefah, M.M. (2016), "Board diversity and corporate social responsibility in Jordan", *Journal of Financial Reporting and Accounting*, Vol. 14 No. 2, pp. 279-298.
- IFSB (2018), *Islamic Financial Services Industry Stability Report 2018*. <http://www.ifsb.org/sec03.php> [Accessed 19/06/19]
- Javid Lone, E., Ali, A. and Khan, I. (2016), "Corporate governance and corporate social responsibility disclosure: evidence from Pakistan", *Corporate Governance: The International Journal of Business in Society*, Vol. 16 No. 5, pp. 785-797.

- Jo, H. and Harjoto, M. (2011), "Corporate governance and firm value: The impact of corporate social responsibility", *Journal of Business Ethics*, Vol. 103, pp. 351–383.
- Johansen, T.S., and Nielsen, A.E. (2012), "CSR in corporate self-storying — Legitimacy as a question of differentiation and conformity", *Corporate Communications: An International Journal*, Vol. 17 No. 4, pp. 434–448.
- Kelton, A.S., and Yang, Y.W. (2008), "The impact of corporate governance on Internet financial reporting", *Journal of Accounting and Public Policy*, Vol. 27 No. 1, pp. 62-87.
- Khan, F.M. and Porzio, M. (2010), *Islamic banking and finance in the European Union: A challenge*, Edward Elgar Publishing Limited: United Kingdom.
- Khan, A., Muttakin, M.B. and Siddiqui, J. (2013), "Corporate governance and corporate social responsibility disclosures: evidence from an emerging economy", *Journal of Business Ethics*, Vol. 114 No. 2, pp. 207-223.
- Klein, P. Shapiro, D. and Young, J. (2005), "Corporate governance, family ownership and firm value: the Canadian evidence", *Corporate Governance: An International Review*, Vol. 13 No. 6, pp. 769-84.
- Laksmana, I. (2008), "Corporate board governance and voluntary disclosure of executive compensation practices", *Contemporary Accounting Research*, Vol. 25 No. 4, pp. 47–82.
- Lewis, M.K. (2005), "Islamic Corporate Governance", *Review of Islamic Economics*, Vol. 9 No. 1, pp. 5–29.
- Li, J., Mangena, M., and Pike, R. (2012), "The effect of audit committee characteristics on intellectual capital disclosure", *The British Accounting Review*, Vol. 44 No. 2, pp. 98-110.
- Liu, H. and Lee, H. (2019), "The effect of corporate social responsibility on earnings management and tax avoidance in Chinese listed companies", *International Journal of Accounting & Information Management*, Vol. 27 No. 4, pp. 632-652.
- Maali, B. Casson, P. and Napier, C. (2006), "Social reporting by Islamic banks", *Abacus*, Vol. 42, No. 2, pp. 266-290.
- Majeed, S., Aziz, T. and Saleem, S. (2015), "The effect of corporate governance elements on corporate social responsibility (CSR) disclosure: an empirical evidence from listed companies at KSE Pakistan", *International Journal of Financial Studies*, Vol. 3 No. 4, pp. 530-556.
- Majumder, T.H., Akter, A. and Li, X. (2017), "Corporate governance and corporate social disclosures: a Meta-analytical review", *International Journal of Accounting and Information Management*, Vol. 25 No. 4, pp. 434-458.

- Mallin, C. Farag, H. and Ow-Yonga, K. (2014), "Corporate social responsibility and financial performance in Islamic banks", *Journal of Economic Behaviour and Organization*, Vol. 103, pp. 21-38.
- Mangena, M. and Pike, R. (2005), "The effect of audit committee shareholding, financial Expertise and size on interim financial disclosures", *Accounting and Business Research*, Vol. 35 No. 4, pp. 327-439.
- Mangena, M., Taurigana, V. and Chamisa, E. (2012), "Corporate boards, ownership structure and firm performance in an environment of severe political and economic crisis", *British Journal of Management*, Vol. 23 No. 1, pp. 23-41.
- Mohammed, J. (2007), *Corporate social responsibility in Islam*, PhD thesis, Auckland University of Technology, New Zealand.
- Olken, B.A., and Pande, R. (2012), "Corruption in developing countries", *Annual Review of Economics*, Vol. 4 No. 1, pp. 479-509.
- Omair Alotaibi, K. and Hussainey, K. (2016), "The determinants of CSR disclosure quantity and quality: Evidence from non-financial listed firms in Saudi Arabia", *International Journal of Disclosure and Governance*, Vol. 13, pp. 364.
- Pagano, R., Roell, A. and Zechner, J. (2002), "The geography of equity listings: why do European companies list abroad", *Journal of Finance*, Vol. 57 No. 6, pp. 2651-94
- Park, B. II, and Ghauri, P.N. (2014), "Determinants influencing CSR practices in small and medium sized MNE subsidiaries: A stakeholder perspective", *Journal of World Business*, Vol. 50 No. 1, pp. 192-204.
- Petra, S.T. (2005), "Do outside independent directors strengthen corporate boards"? *Corporate Governance: The International Journal of Business in Society*", Vol. 5 No. 1, pp. 55-64.
- Peng, M.W., Zhang, S., and Li, X. (2007), "CEO duality and firm performance during China's institutional transitions", *Management and Organization Review*, Vol. 3 No. 2, pp. 205-225.
- Platonova, E. (2013), "Corporate social responsibility from an Islamic moral economy perspective : A literature survey", *Afro Eurasian Studies*, Vol. 2 No. 1&2, 272-297.
- Platonova, E. (2014). *Corporate Analysis of CSR Disclosure and Its Impact on Financial Performance in the GCC Islamic Banks*, Durham University, United Kingdom.
- Platonova, E., Asutay, M., Dixon, R., and Mohammad, S. (2018), "The impact of corporate social responsibility disclosure on financial performance: Evidence from the GCC Islamic banking sector", *Journal of Business Ethics*, Vol. 151 No. 2, pp. 451-471.
- Plumlee, M., Brown, D., Hayes, R.M., and Marshall, R.S. (2015), "Voluntary

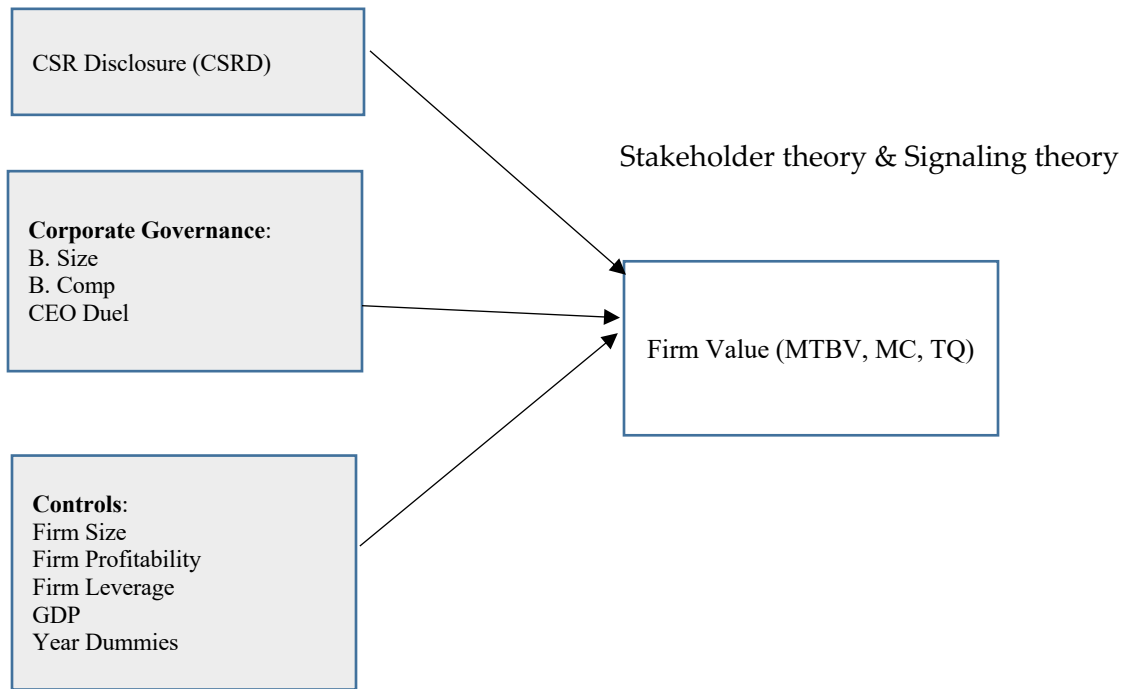
- environmental disclosure quality and firm value: Further evidence", *Journal of Accounting and Public Policy*, Vol. 34 No. 4, pp. 336-361.
- Cheng, E.C. and Courtenay, S.M. (2006), "Board composition, regulatory regime and voluntary disclosure", *The International Journal of Accounting*, Vol. 41 No. 3, pp. 262-289.
- Rahman, A.A., and Bukair, A.A. (2013), "The Influence of the Shariah Supervision Board on corporate social responsibility disclosure by Islamic Banks of Gulf Co-Operation Council countries", *Asian Journal of Business and Accounting*, Vol. 6 No. 2, pp. 65-104.
- Ramdani, D. and Witteloostuijn, A. Van. (2010), "The impact of board independence and CEO duality on firm performance: A quantile regression analysis for Indonesia, Malaysia, South Korea and Thailand", *British Journal of Management*, Vol. 21 No. 3, pp. 607-627.
- Rhodes, M. and Soobaroyen, T. (2010), "Information asymmetry and socially responsible investment", *Journal of Business Ethics*, Vol. 95, pp. 145-150.
- Samaha, K. Khlif, H. and Hussainey, K. (2015), "The impact of board characteristics and audit committee on voluntary disclosure: A Meta-Analysis", *Journal of International Accounting, Auditing and Taxation*, Vol. 24, pp. 13-28.
- Schadewitz, H. and Blevins, D. (1998), "Major determinants of interim disclosures in an emerging market", *American Business Review*, Vol. 16 No. 1, pp. 41-55.
- Schwaiger, M. (2004), "Components and parameters of corporate reputation- an empirical Study", *Schmalenbach Business Review*, Vol. 56, pp. 46-71.
- Servaes, H. and Tamayo, A. (2013), "The impact of corporate social responsibility on firm value: The role of customer awareness", *Management Science*, Vol. 59 No. 5, pp. 1045-1061.
- Setia-Atmaja, L.Y. (2009), "Governance mechanisms and firm value: The impact of ownership concentration and dividends", *Corporate Governance: An International Review*, Vol. 17 No. 6, pp. 694-709.
- Sharma, N. (2014), "Extent of corporate governance disclosure by banks and finance companies listed on Nepal Stock Exchange", *Advances in Accounting*, Vol. 30, pp. 425-439.
- Sheu, H. Chung, H. and Liu, C. (2010), "Comprehensive disclosure of compensation and firm value: The case of policy reforms in an emerging market", *Journal of Business Finance and Accounting*, Vol. 37, pp. 1115-1144.
- Sial, M., Chunmei, Z. and Khuong, N. (2019), "Do female and independent directors explain the two-way relationship between corporate social responsibility and



- earnings management of Chinese listed firms?", *International Journal of Accounting & Information Management*, Vol. 27 No. 3, pp. 442-460.
- Sicilian, J.I. (1996), "The relationship of board member diversity and organization performance", *Journal of Business Ethics*, Vol. 15 No. 12, pp. 1313-1320.
- Singh, M. Mathur, I. and Gleason, K. (2004), "Governance and performance implications of diversification strategies: Evidence from large US firms", *Financial Review*, Vol. 39, pp. 489-526.
- Soderstrom, N. and Sun, K. (2007), "IFRS adoption and accounting quality: A review", *The European Accounting Review*, Vol. 16 No. 4, pp. 675-702.
- Taha, H.N. (2010), *Corporate social responsibility disclosure: An examination of framework of determinants and consequences*, PhD thesis, Durham University, United Kingdom.
- Taliyang, S.M., and Jusop, M. (2011), "Intellectual capital disclosure and corporate governance structure: Evidence in Malaysia", *International Journal of Business and Management*, Vol. 6 No. 12, pp. 109-118.
- Taylor, G. Tower, G. and Neilson, J. (2010), "Corporate communication of financial risk", *Accounting and Finance*, Vol. 50, pp. 417-446.
- Thompson, P., and Zakaria, Z. (2004), "Corporate social responsibility reporting in Malaysia", *Journal of Corporate Citizenship*, Vol. 13, pp. 125-136.
- Tuggle, C.S., Sirmon, D.G., Reutzell, C.R., and Bierman, L. (2010), "Commanding board of director attention: Investigating how organizational performance and CEO duality affect board members' attention to monitoring", *Strategic Management Journal*, Vol. 31 No. 9, pp. 946-968.
- Ullah, M.H. (2013), "Compliance of AAOIFI guidelines in general presentation and disclosure in the financial statements of Islamic banks in Bangladesh", *International Journal of Social Science Research*, Vol. 1 No. 2, pp. 111-123.
- Ullah, M., Muttakin, M. and Khan, A. (2019), "Corporate governance and corporate social responsibility disclosures in insurance companies", *International Journal of Accounting & Information Management*, Vol. 27 No. 2, pp. 284-300.
- Uyar, A. and Kiliç, M. (2012), "Value relevance of voluntary disclosure: evidence from Turkish firms", *Journal of Intellectual Capital*, Vol. 13 No. 3, pp. 363-376.
- Vogel, D. (2005), "Is there a market for virtue? The business case for corporate social responsibility", *California Management Review*, Vol. 47 No. 4, pp. 19-45.
- Wang, M. and Hussainey, K. (2013), "Voluntary forward-looking statements driven by corporate governance and their value relevance", *Journal of Accounting and Public Policy*, Vol. 32 No. 3, pp. 26-49.

- Wang, Q. Wong, J. and Xiac, L. (2008), "State ownership, the institutional environment, and auditor choice: Evidence from China", *Journal of Accounting and Economics*, Vol. 461, pp. 112–134.
- Xiao, H. and Yuan, J. (2007), "Ownership structure, board composition and corporate voluntary disclosure: Evidence from listed companies in China", *Managerial Auditing Journal*, Vol. 22 No. 6, pp. 604 – 619.
- Yang, T. and Zhao, S., (2013), "CEO Duality and Firm Performance: Evidence from an Exogenous Shock to the Competitive Environment", *Journal of Banking and Finance*, Vol. 49, pp. 534-552.
- Young, M.N., Peng, M.W., Ahlstrom, D., Bruton, G.D., and Jiang, Y. (2008). Corporate governance in emerging economies: A review of the principal–principal perspective", *Journal of Management Studies*, Vol. 45 No. 1, pp. 196-220.

**Appendix 1:** Research framework: Relationship between CSR disclosure and firm value



## Appendix 2: Summary of CSR disclosure dimensions

Main Dimensions	Sub-Dimensions	Source
Social responsibility within organizations	1. Employee welfare (M)	AAOIFI, 2010; Vinnicombe, 2010; Ullah, 2013; Aribi, 2009; Taha, 2010
	2. Policy for social development and environment-based investment quotas. (V)	AAOIFI, 2010; Aribi, 2009; Aribi and Gao, 2012
	3. Earning and expenditure prohibited by <i>Shariah</i> (M)	AAOIFI, 2010; Maali et al., 2006; Aribi, 2009; Aribi and Gao, 2012
Social responsibility in its relationship with customers and clients	4. Par excellence customer services (V)	AAOIFI, 2010; Vinnicombe 2010; Ullah, 2013; Aribi, 2009; Taha, 2010
	5. Policy for dealing with clients (M)	AAOIFI, 2010; Belal et al., 2014
	6. <i>Qard-Hassan</i> (benevolent loan) (V)	AAOIFI, 2010; Vinnicombe, 2010; Ullah, 2013; Aribi, 2009; Taha, 2010; Haniffa, 1999
Social Responsibility in screening its investments	7. Micro and small business and social savings, investments and development. (V)	AAOIFI, 2010; Maali et al., 2006; Taha, 2010
	8. Policy for screening clients (M)	AAOIFI, 2010; Maali et al., 2006; Aribi, 2009; Aribi and Gao, 2012
Social responsibility in its relationship with greater society	9. <i>Zakat</i> (M)	AAOIFI, 2010; Vinnicombe, 2010; Ullah, 2013; Aribi, 2009; Taha, 2010; Haniffa, 1999
	10. Charitable activities (V)	AAOIFI, 2010; Vinnicombe, 2010; Ullah, 2013; Aribi, 2009; Taha, 2010
	11. <i>Waqf</i> (endowment) management (V)	AAOIFI, 2010; Aribi, 2009; Aribi and Gao, 2012
Note: (M) - Mandatory Conduct (V) - Voluntary/Recommended Conduct		

### Appendix 3: Summary of variables definitions

Variable	Definition	Measurement	Source
CSR	Quantity of CSR score by sample banks	The percentage of CSR information disclosure by Islamic banks	Annual Report
MTBV	Market-to-book value ratio	The natural logarithm of market value of equity to book value of equity ratio.	Data Stream
MC	Firm value based on market capitalization	By multiplying a company's shares outstanding by the current market price of one share	Data Stream
TQ	Tobin's Q	The natural logarithm of: (total assets + market value of equity - total common equity/ total assets	Data Stream

<sup>[1]</sup> From the researcher knowledge there is no update of governance standards which relate to CSR disclosure practice in AAOIFI (2010 edition).

<sup>[2]</sup> If the Cronbach's Alpha shows more than 70%, it means the measurement is reliable (Aryani, 2015). An un-tabulated result shows that Cronbach's alpha is 0.815 (> 0.70), meaning the initial checklist and items used in the study have high reliability.

<sup>[3]</sup> According to Gray et al. (1992), those who want to employ an un-weighted disclosure index have to treat all items in the list as equally important and the dichotomous method will be used to score the item.

<sup>[4]</sup> Platonova et al. (2018) examined six major dimensions of CSR which are; 'mission and vision statement', 'products and services', 'commitment towards employees', 'commitment towards debtors', 'commitment towards society'; 'zakah' (compulsory alms giving by those beyond a threshold level of wealth in the sense of 'returning the right of society to society'); charity and benevolent funding.

# FLEXIBILITY OF WORKING HOURS IN REDUCING CARBON FOOTPRINT : AN APPRAISAL ON MALAYSIAN LAWS AND POLICIES DURING THE COVID-19 PANDEMIC

Adzidah Yaakobi<sup>i</sup>, Nurfadhilah Che Amani<sup>ii</sup>

<sup>i</sup>(Corresponding author). Senior Lecturer, Faculty of Syariah and Law, Universiti Sains Islam Malaysia.  
[adzidah@usim.edu.my](mailto:adzidah@usim.edu.my)

<sup>ii</sup>Lecturer, Faculty of Syariah and Law, Universiti Sains Islam Malaysia  
[fadhilah.amani@usim.edu.my](mailto:fadhilah.amani@usim.edu.my)

## Abstract

*The world today is facing numerous environmental impacts and disasters due to climate change. In several studies, the researchers found that during Covid-19 pandemic, there was a sudden reduction of carbon footprint. The government at their best has formulated new policies and campaigned to meet the needs of the new normal. This contributes to environmental healing when there is lesser carbon emission from vehicles, workplace and industrial areas. This paper employs desk research by analysing several literatures, related laws and policies to see whether flexibility of working hours may possibly mitigate the impact of climate change due to reduction in carbon footprint. At present, the policies relating to the new normal are seen to be relevant as most of the public and private sector are still implementing the hybrid approach especially in scheduling online meetings and activities. Therefore, the government sector is seen to be the best medium to promote flexibility of working hours to reduce carbon emission that ultimately could mitigate the impact of climate change and disaster. In Islam, harm must be eliminated thus, all kinds of efforts in reducing carbon should be promoted.*

**Keywords:** *Climate Change, Flexibility, Working Hours, Carbon Footprint, Islamic Perspective*

## INTRODUCTION

The Covid-19 pandemic, caused by the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2), emerged in late 2019 and swiftly became a global health crisis. By early 2020, it had spread to every continent, challenging the resilience of countries, healthcare systems, economies, and societies worldwide. The first reported cases of Covid-19 emerged in Wuhan, China, in December 2019. The virus spread rapidly, prompting the World Health Organization (WHO) to declare it a Public Health Emergency of International Concern in January 2020. It quickly reached Europe, the Americas, Africa, and the rest of Asia including Malaysia, turning into a global pandemic (Elengoe, 2020).

The Covid-19 pandemic has had a significant impact on the sudden reduction of carbon in the atmosphere (Jackson, 2020) due to the implementation of lockdowns and travel restrictions. These measures, aimed at curbing the spread of the virus, led to drastic changes in human activities, resulting in reduced greenhouse gas emissions and air pollution. Indeed, the pandemic had influenced the sudden

reduction of carbon in the atmosphere in many ways due to various measures implemented by governments and changes in human behavior. The reduction in carbon emissions was an unintended consequence of the lockdowns and restrictions imposed to control the spread of the virus.

Most of the countries including Malaysia have had experienced of new normal when the government formulated and issued new laws and policies to control the outbreak of the Covid-19. Stay at home and work from home for non-essential services demand strict obedience by citizen. Evidently, there were fewer cars on the roads, the air and marine travel were reduced, the industrial transportation and the burning of fossil fuels were also decreased, declined in usage of energy due to partial or complete shutdowns of non-essential industries including manufacturing and construction. This paper seeks to study the possibility of adapting these policies to the current working practices especially the government sector to promote reduction of greenhouse gas that ultimately could possibly mitigate the impact of climate change and catastrophe. Besides, the significant of eliminating harm under Islamic jurisprudence is also addressed.

## THE LAWS AND POLICIES RELATING TO WORK FROM HOME (WFH)

Malaysia had implemented several policies related to work from home (WFH) both for government and private sectors in response to the Covid-19 pandemic. The Malaysian government implemented several phases of the Movement Control Order (MCO) to break the chain of Covid-19 infection and control the spread of the virus. During these periods, many non-essential businesses and services were required to close, and employees were encouraged to work from home whenever possible (Astro Awani, 2021).

**JABATAN PERKHIDMATAN AWAM**

**GARIS PANDUAN PENGOPERASIAN PEJABAT KERAJAAN DI BAWAH PERINTAH KAWALAN PERGERAKAN (PKP) 3.0**

**BERKUAT KUASA 25 MEI 2021** | **SEHINGGA 7 JUN 2021**

**20% KESELURUHAN KEHADIRAN KE PEJABAT TIDAK TERMASUK FRONTLINERS**

**Anggota Barisan Hadapan (Frontliners)**  
Menjaja kepada pegawai Perkhidmatan Awam yang terlibat secara langsung seperti:

- Pegawai-pegawai Kesihatan dan bukan Kesihatan yang mengurus pembendungan dan pengawalan wabak COVID-19;
- Pegawai-pegawai Keselamatan dan pegawai-pegawai Penguatkuasaan; dan
- Lain-lain kategori yang ditetapkan oleh Kerajaan dari semasa ke semasa.

Manamana anggota penguatkuasa yang melaksanakan aktiviti pengawalan perintah SOP dan memastikan kepatuhan umum juga termasuk daripada barisan sebanyak 20%.

- Ketua Syarikat/daerah dikehendaki melaporkan perubahan kehadiran pegawai di Kementerian dan jabatan-jabatan di bawahnya secara mingguan kepada Jabatan Perkhidmatan Awam pada setiap hari **JUMAAT** sebelum **12.00 tengah hari**.
- Semua Kementerian dan Jabatan hendaklah:
  - Memuat naik SOP dan Soalan Lazim (FAQ) PKP 3.0 bagi aktiviti di bawah bidang tanggungjawab masing-masing di laman sesawang Kementerian dan jabatan.
  - Membuka talian hotline bagi menjawab dan memperjelaskan apa-apa persoalan orang awam berkaitan SOP dan perkhidmatan utama (*core business*) Kementerian.
  - Memastikan pegawai-pegawai yang BDR membuat **forwarding call** ke telefon bimbit dalam tempoh masa bekerja bagi memastikan penyampaian perkhidmatan kepada pelanggan tidak terjejas.

Silalahkan Kad QR Surat Edaran (PA/106/1/A/2/136) 24 Mei 2021

www.jpa.gov.my | Jabatan Perkhidmatan Awam | @papgov | @pa3day

Source: KKM, 2021

In certain areas with lower Covid-19 cases, the MCO was relaxed to the Conditional Movement Control Order (CMCO). During this phase, some businesses and industries were allowed to operate with strict adherence to standard operating procedures (SOPs). However, companies were still encouraged to adopt WFH arrangements for their employees where feasible.

For high-risk areas or Covid-19 clusters, the Enhanced Movement Control Order (EMCO) was implemented with stricter restrictions. Most non-essential businesses in these areas were closed, and only essential services were allowed to operate. WFH was highly emphasized during the EMCO period to minimize the risk of transmission (MKN, 2023; Bernama.com, 2021).

**PKP 3.0 DIPERKETATKAN**  
**SOP SEKTOR PERDAGANGAN, PENGEDARAN**  
**BERKUATKUASA: 25 MEI 2021**

 <p><b>Waktu operasi premis peruncitan, pemborongan, pagedaran &amp; restoran</b></p> <p><b>8.00 PAGI – 8.00 MALAM</b></p>	 <p><b>Farmasi &amp; penjagaan diri</b> (tidak termasuk aktiviti tidak dibenarkan seperti spa, wellness &amp; penjagaan kuku)</p> <p><b>8.00 PAGI – 10.00 MALAM</b></p>	 <p><b>Had pelanggan semua premis termasuk kompleks beli-belah pada satu-satu masa</b></p> <p><b>1 ORANG BAGI SETIAP 4 METER PERSEGI</b></p>
 <p><b>Tempoh masa pelanggan dalam premis</b></p> <p><b>MAKSIMUM 2 JAM SAHAJA</b></p>	 <p><b>Pekerja di premis termasuk pengurusan, operasi &amp; sokongan</b></p> <p><b>60% KAPASITI</b></p>	 <p><b>Premis peruncitan/pusat beli-belah yang tersenarai dalam HIDE &amp; masih berisiko selepas penilaian KKM</b></p> <p><b>DITUTUP SERTA MERTA 3 HARI UNTUK PROSES SANITASI</b></p>

**DAPATKAN SOP & SOALAN LAZIM BERKAITAN DI:**  
[www.kpdnhep.gov.my](http://www.kpdnhep.gov.my)

PKP: Perintah Kawalan Pergerakan    SOP: Prosedur operasi standard  
HIDE: Hotspots Identification for Dynamic Engagement  
KKM: Kementerian Kesihatan Malaysia  
KPDNHEP: Kementerian Perdagangan Dalam Negeri & Hal Ehwal Pengguna

Sumber: Menteri KPDNHEP Datuk Seri Alexander Nanta Linggi

Diterbitkan: 23 Mei 2021  
Infografik Bernama

Source: KKM, 2021

The Malaysian government issued guidelines for employers to ensure a safe working environment for employees who needed to work on-site during the pandemic. These guidelines included implementing social distancing measures, providing personal protective equipment, and conducting regular sanitization of the



workplace. Whilst different sectors, such as manufacturing, retail, and services, were required to follow specific SOPs to resume operations during the pandemic.

Employers in each sector were encouraged to assess the feasibility of WFH for their employees and implement it where possible. In April 2020, the Malaysian government issued a directive for all public sector employees to work from home during the MCO period. This measure aimed to reduce the number of people commuting to offices and curb the spread of the virus.

In addressing the impact and aftermath of the COVID-19 pandemic in Malaysia, the Malaysian government finally passed the Temporary Measures for Reducing the Impact of Coronavirus Disease 2019 (COVID-19) Act 2020 (Act 829). The Act 829 provides for temporary measures to stem the fallout from the COVID-19 pandemic by modifying the provisions of 16 legislations i.e., the Limitation Act 1953, the Sabah Limitation Ordinance, the Sarawak Limitation Ordinance, the Public Authorities Protection Act 1948, the Insolvency Act 1967, the Hire-Purchase Act 1967, the Consumer Protection Act 1999, the Distress Act 1951, the Housing Development (Control and Licensing) Act 1966, the Industrial Relations Act 1967, the Private Employment Agencies Act 1981, the Land Public Transport Act 2010, the Commercial Vehicles Licensing Board Act 1987, the Courts of Judicature Act 1964, the Subordinate Courts Act 1948 and the Subordinate Courts Rules Act 1955 (Act 829). Thus, the Act 829 seeks to alleviate some of the contractual and other issues that arose from the COVID-19 pandemic and Malaysia's movement control orders as it provides legal certainties to resolutions of contractual disputes from the enforcement and litigation perspectives; and it reduces the financial and social impacts by way of making available reliefs to businesses and parties who have been unable to perform their contractual obligations due to the pandemic impact (Abu Daud, 2020).

## **METHODOLOGY**

This paper employs desk research by analysing literature published in journal, reports, documents that are available in libraries, websites, facts and data obtained from surveys that have already completed. Relevant policies and standard on WFH during Covid-19 pandemic are also studied to see whether flexibility of working hours may mitigate the impact of climate change due to reduction in carbon footprint. This paper also refers to the data stored in relevant organisations, government or non-government agencies that can be used for this purpose.

This research methodology aims at utilizing the existing data to justify the objective of this paper.

## **DISCUSSION**

In 2020, the global COVID-19 lockdowns caused fossil CO<sub>2</sub> emissions to decline by an estimated 2.4 billion tonnes. This is like taking 500 million cars off the world's roads for the year. (Jackson, 2020).

The shift to remote work or work from home for many employees during the MCO reduced the need for daily commuting, resulting in fewer carbon emissions

from vehicles. This trend also saved energy consumption in office buildings and reduced the overall carbon footprint associated with office operations. These practices more or less inspired some employers to keep the remote work policies to promote work-life balance and at the same time the employee's productivity remain the same as before the new normal. Apparently, the policies relating to the new normal are still seen to be in practice by some public and private sectors by implementing the hybrid approach especially in scheduling online meetings and activities. The hybrid approach is more flexible compared to previous routine of work before the new normal.

According to the 2019 data by CUEPACS, there are 1.7 million public servant in Malaysia. This signifies possible sudden reduction of carbon footprint during the Covid-19 outbreak where 80% of the public servant were instructed for remote work or work from home (Astro Awani, 2021). Hence, the adoption of remote work during the pandemic has shown that it can be an effective way to reduce carbon emissions related to commuting. Thus, encouraging flexible work arrangements particularly for government sector could be part of future emissions reduction strategies and eventually mitigate the impact of climate change.

The pandemic's impact on energy consumption patterns further influenced the reduction of carbon emissions. With a significant portion of the global population especially the public servants staying at home, energy consumption in government buildings and institutions declined. Office buildings, which typically contribute to a substantial portion of electricity consumption, experienced reduced energy usage due to remote work arrangements (Le Quéré et al., 2020). Additionally, the reduced economic activity in some sectors led to a temporary drop in power demand, further affecting emissions from power generation.

According to a survey by JobStreet, following the private sector HR experiences during the MCO, the employer is most likely to favour their employee to work from home due to several factors for instances employer of multinational businesses or corporation, employers with higher staff salaries, IT sector and also employer with high numbers of employee. With Malaysia well into the first phase of recovery following the lifting of the Movement Control Order (MCO), companies that prefer to work less hours from home now have more room to maneuver back to operating at their usual work spaces within the government's prescribed safety protocols. While working from home has had taxing effects on the work life of staff, 48% of employers cited reduced productivity in the same survey, there is still an opportunity for the employer to turn remote work into a valuable experience the employees as evidenced in JobStreet Malaysia's Laws of Attraction study (JobStreet, n.d.).



Source: JobStreet by SEEK

In Islamic perspectives, the concept of "elimination of harm" is derived from the broader principles of promoting benefit (maslahah) and preventing harm (mafsadah). Islam emphasises the preservation of life, well-being, and social harmony while prohibiting actions that may lead to harm or injustice. The principle of eliminating harm is deeply rooted in Islamic ethics and jurisprudence and is applicable to various aspects of life. Islam places great value on the sanctity of life and considers it a fundamental duty to protect and preserve human life. Any action that threatens the well-being and safety of individuals is considered harmful and is to be avoided (Fazlun, 1997).

Islamic teachings encourage believers to refrain from engaging in harmful behaviors and practices that may lead to negative consequences for oneself or others. This includes avoiding actions such as violence, deception, substance abuse, and other harmful activities. Islam also teaches believers to be responsible stewards of the environment. Actions that cause pollution, waste, or destruction of natural resources are discouraged as they can harm the environment and future generations (Osman, 2007). The concept of eliminating harm is central to Islamic ethics and jurisprudence. Islam advocates for the preservation of life, the avoidance of harmful practices, and the promotion of well-being for individuals and society as a whole. Muslims are encouraged to act responsibly and ethically, taking into account the principles of benefit and harm in their decision-making processes.

## CONCLUSION

The Covid-19 pandemic had a sudden and significant impact on reducing carbon emissions globally. Lockdowns, travel restrictions, industrial slowdowns, and changes in consumer behavior contributed to cleaner air and improved air quality in many regions. However, this reduction was temporary, and emissions rebounded as restrictions eased and economic activities resumed. Nevertheless, the pandemic

highlighted the feasibility of reducing emissions and the need for sustainable policies to address climate change effectively. At this juncture, it is crucial for the government to reduce the emission sustainably by promoting green initiatives for example electric car, solar panel etc. Accordingly, the government sector is seen to be the best medium to promote flexibility of working hours to reduce carbon emission that ultimately could mitigate the impact of climate change and disaster. In Islam, harm must be eliminated thus, all kinds of efforts in reducing carbon should be promoted. The lessons learned from the unprecedented experience of pandemic Covid-19 can indeed guide future efforts to combat climate change and transition towards a more sustainable and resilient world.

## REFERENCES

- Abu Daud Abd Rahim, Azmi & Associates. (4 November 2020). Malaysia – The Temporary Measures For Reducing The Impact Of Coronavirus Disease 2019 (Covid-19) Act 2020. Conventus Law. <https://conventuslaw.com/report/malaysia-the-temporary-measures-for-reducing-the/>
- Astro Awani. (22 May 2021). Mulai 25 Mei, 750,000 penjawat awam, 40 peratus kakitangan swasta bekerja dari rumah. <https://www.astroawani.com/berita-malaysia/mulai-25-mei-750000-penjawat-awam-40-peratus-kakitangan-swasta-bekerja-dari-rumah-299284>
- BERNAMA.com. (2021 January 11). *Chronology of MCO phases in the country.* [https://www.bernama.com/en/general/news\\_covid-19.php?id=1920867](https://www.bernama.com/en/general/news_covid-19.php?id=1920867)
- Elengoe A. (2020 June 11). *COVID-19 Outbreak in Malaysia.* *Osong Public Health Res Perspect.* 2020 Jun;11(3):93-100. doi: 10.24171/j.phrp.2020.11.3.08. PMID: 32494567; PMCID: PMC7258884.
- Fazlun M. Kalid. (1997). *Islam & Ekologi.* Sahabat Alam Malaysia (SAM): Pulau Pinang.
- Jackson R. (2020 December 10). *COVID lockdown causes record drop in carbon emissions for 2020.* <https://earth.stanford.edu/news/covid-lockdown-causes-record-drop-carbon-emissions-2020>
- JobStreet. (n.d.). *67% of Malaysian Companies Required Staff to Work from Home.* <https://www.jobstreet.com.my/en/cms/employer/laws-of-attraction/inspirations/67-of-malaysian-companies-required-staff-to-work-from-home/>
- Kementerian Kesihatan Malaysia. (23 June 2021). SOP Perintah Kawalan Pergerakan (PKP). <https://covid-19.moh.gov.my/faqsop/sop-perintah-kawalan-pergerakan-pkp>
- Le Quéré, C., Jackson, R. B., Jones, M. W., Smith, A. J. P., Abernethy, S., Andrew, R. M., ... & Peters, G. P. (2020). Temporary reduction in daily global CO<sub>2</sub> emissions during the COVID-19 forced confinement. *Nature Climate Change*, 10(7), 647-653.

Majlis Keselamatan Negara. (25 July 2023). SOP PKPD.  
<https://www.mkn.gov.my/web/ms/sop-pkpd/>

Osman Bakar. (2007). *Environmental Wisdom for Planet Earth The Islamic Heritage*.  
Center for Civilizational Dialogue: Kuala Lumpur.

Temporary Measures For Reducing The Impact Of Coronavirus Disease 2019  
(Covid-19) Act 2020.

# RESOLVING COMPETING CLAIMS BETWEEN ORIGINAL OWNER AND BONA FIDE PURCHASER IN LAND FRAUD CASES: SHOULD AN ASSURANCE FUND BE THE ALTERNATIVE SOLUTION?

Kamilah Wati Mohd <sup>i</sup>, Adzidah Yaakob <sup>ii</sup> & Norsuhaida Che Musa <sup>iii</sup>

<sup>i</sup>(Corresponding Author). Faculty Syariah & Law, Universiti Sains Islam Malaysia. [kamilah@usim.edu.my](mailto:kamilah@usim.edu.my)

<sup>ii</sup> Faculty Syariah and Law, Universiti Sains Islam Malaysia. [adzidah@usim.edu.my](mailto:adzidah@usim.edu.my)

<sup>iii</sup> Faculty Syariah and Law, Universiti Sains Islam Malaysia. [norsuhaida@usim.edu.my](mailto:norsuhaida@usim.edu.my)

## Abstract

*Despite the government various preventive measures, fraud and forgery incidents in land transactions have continue to emerge throughout the years. As for court, the main challenge in deciding the competing interest between the original owner and bona fide purchaser in fraud cases is whose interests should prevail. Under the concept of indefeasibility of title, one party will suffer loss over another at the end of the trial. To mitigate this issue, court has made several observations on the necessity to establish an assurance fund to compensate innocent parties who are deprived of their title or interest through no fault of their own. This study will investigate the role of the assurance fund in the land registration system using doctrinal legal research approach. Findings from the analysis will be able to identify several weaknesses in the system and generate recommendations to strengthen the land registration system in Malaysia.*

*Keywords: Torrens system, indefeasibility, fraud, assurance fund.*

## INTRODUCTION

Despite the government various preventive measures, fraud and forgery incidents in land transactions have continue to emerge throughout the years (Ainul & Hunud, 2010 & Syukri, 2011). This scenario suggests that fraudsters are becoming more inventive, and the land registration system is not impervious to fraud. A few reported incidents show that fraud or forgery can occur at any level of the conveyancing or property registration process. This involves multiple players and employs a wide variety of methods, including the use of falsified instruments of dealing or accompanying documents such as forged power of attorney and court order (Sharifah Zubaidah, 2008 & Noraida et al, 2013 & 2015) and hacking the computerised land registration system (Roushi Low, 2006 & 2008). In fraud cases, the main challenge face by courts when adjudicating the competing interest between the original owner and *bona fide* purchaser is whose interests should prevail. Under the concept of indefeasibility of title, one party over another will suffer loss at the end of the trial. Having foreseen this eventuality, Torrens land

registration system integrates the insurance principle in its system which requires setting up of an assurance fund to compensate the losing party. Regrettably, the assurance fund is currently unavailable in Malaysia land registration system which adopts modified Torrens system. Due to the difficulty in bringing the fraudsters or wrongdoers to court, land fraud victims have no assured remedy in the absence of this fund (Chai, 2008). Legal scholars, the bar, and the bench have long highlighted the urgent need for fixing this loophole. Through doctrinal legal research methodology, this paper will examine the role of the assurance fund in the land registration system and establish the necessity to incorporate the fund in the land registration system in Malaysia.

### **DILEMMA OF THE TORRENS SYSTEM**

Torrens land title registration system depends on the registration of documents at the land registry as the evidence for ownership. It identifies the land unit as the basis of record and advocates registration as the important step in acquiring title to a land (Stutt,2008). It is a system under which the state itself confers title and guarantees the validity of all registered title and interest in land. The cornerstone of this system is the principle of indefeasibility of title upon registration which serves two main objectives of the system namely to provide security of tenure or ownership to the registered owner and at the same time to accord security of dealings to a *bona fide* purchaser of land who expects that the title acquired is free from equitable or unregistered claims (Baalman,1979). When adjudicating fraud cases, courts are always faced with the challenge of balancing the competing rights and interests of the original owner *and bona fide* purchaser. If the court upholds the security of tenure by retaining the rights of the original owner who was wrongfully deprived of his title or interest via fraud, the right of a *bona fide* purchaser who innocently purchased the property without the knowledge of fraud will be jeopardised. This approach is referred to as 'deferred indefeasibility' theory and it is founded on the idea that instruments of dealings which is affected through fraud, forgery or insufficient instrument is in operative to affect any title or interest in land (O'Conner, 2003). The immediate purchaser who acquired the title or interest tainted with element of fraud, forgery or insufficient instruments will not acquire indefeasible title. The indefeasibility of title will be deferred to the subsequent purchaser who obtained the title or interest in good faith.

On the other hand, if the court advocate security of dealings by acknowledging the rights of a *bona fide* purchaser who in good faith purchases the property without notice of the fraud, then the interest of the original owner who is not at fault will be adversely affected. This method, also known as the "deferred indefeasibility" doctrine, grants the immediate purchaser indefeasibility of title or interest regardless of whether the instrument of deals was created through fraud, forgery, invalid transaction, or insufficient instrument. The 'immediate indefeasibility' theory support the objective of the Torrens system to facilitate land transactions by relying on the records at the land

registry thus removing the need for a purchaser to undertake expensive title investigation to ensure the chain on title is valid. Generally, the legal provision in the respective jurisdictions or decided cases determine whether 'immediate indefeasibility' or 'deferred indefeasibility' theory is adopted by the respective jurisdiction. In land fraud issue, the Torrens system's contradicting objectives resulted in an infinite series of opposing claims between the original owner and a *bona fide* purchaser. As a result, it generates uncertainty in land transactions and undermines public trust in the system, affecting the country's economy in the long run.

### COMPETING CLAIMS BETWEEN TWO INNOCENT PARTIES

In Malaysia, the principle of indefeasibility of title is embedded in section 340 of the National Land Code 2020 (NLC) which embrace the 'deferred indefeasibility' theory. Nevertheless, this notion was challenged by the decision of the Federal Court in infamous fraud case of *Adorna Properties Sdn. Bhd. v Boonsom Boonyanit @Sun Yok Eng* [2001] 1 MLJ 241 in which the court held that 'immediate indefeasibility' theory applies. The decision was highly criticised by many as against the spirit of the NLC. The confusion was later rectified by *Tan Ying Hong v Tan Sian San & Ors* [2010] 2 MLJ 1, which reaffirmed the deferred infeasibility theory as intended by section 340 of the NLC. Nevertheless, reference to the subsequent cases decided by the courts post *Tan Ying Hong*' case reveals that the issue is far from settled. As aptly mentioned by the judge in *See Leong Chye & Anor v United Overseas Bank Malaysia Bhd & Another appeal* [2021] 6 CLJ 650 the ghost of *Adorna Properties* was not laid, and it has continued to haunt the concept of indefeasibility of title to this day. From time to time the court needs to adjudicate the competing claims between two innocent parties in land fraud dispute.

In the case of *Kamarulzaman bin Omar & Ors v Yakub bin Husin* [2014] 2 MLJ 768, the competing claims is between the legal beneficiaries and *bona fide* purchaser. In this case, fraudulent transfer of a deceased's properties by third parties was made through order of distribution under Small Estates (Distribution) Act 1955 without the knowledge of the legitimate beneficiaries. The Federal court having found that fraudster has no title to pass to the new purchasers, held that the new purchasers became an immediate purchaser thus does not entitle to the protection warranted under the proviso of section 340(3). Consequently, the undivided shares which was the subject of the dispute were restored to the estate of the original owner. The decision of the court left the *bona fide* purchasers with no remedies except against the fraudster or the land registry if there is element of negligence or breach of statutory duty. The decision of the court in *Kamaruzaman's* case has been criticised by Ramesh (2014) as to produce another startling interpretation of section 340 of the NLC. It was claimed that the case has set an unexpected precedent that a *bona fide* purchaser's interest can be defeated if the vendor's title was quashed by the court for having fraudulently got onto the register by pretending to be the beneficiary thereof. The decision seems to suggest that court applied the



common law rule of *nemo dat quod non habet* and consequently did away with the exception to the rule contained in the proviso to s 340(3) of the NLC.

The court confronted a similar difficulty in the *Liputan Simfoni Sdn. Bhd. v. Pembangunan Orkid Desa Sdn. Bhd.* [2019] 1 CLJ 183. Without the knowledge of *Pembangunan Orkid Desa Sdn Bhd*, (the original owner), their land was fraudulently transferred to one party and subsequently sold to *Liputan Simfoni Sdn Bhd*. a *bona fide* purchaser. The Federal Court restored the land to the original owner on the ground that *Liputan Simfoni Sdn Bhd*, fail to discharge the burden of showing that it is a *bona fide* purchaser. The court preferred the broader concept of good faith by laying down the requirements that the purchaser must not only establish the absence of fraud and deceit or dishonesty but also proves that it had taken the ordinary precautions and investigations that a reasonable prudent purchaser would have taken in the circumstances. This case adds another interesting criterion for a *bona fide* purchaser in a land transaction.

Competing claims between original landowner and subsequent purchaser resurfaced in the case of *Pushpaleela R Selvarajah & Anor v Rajamani Meyappa Chettiar & Other Appeals* [2019] 3 CLJ 441. By using a replacement title obtained from the land office, the fraudster imposing as Rajamani, the original owner, sold the land to one party who later sold the land to Eng Beng Development Sdn Bhd., the subsequent purchaser. The Federal Court in this case ruled that Eng Beng Development Sdn. Bhd. being the subsequent purchaser in good faith and for valuable consideration obtained an indefeasible title to the land by virtue of the proviso to sub section 340(2) of the NLC. Rajamani failed to get the land restored into her name. However, the Federal court made a consequential order for the land office to pay damages to Rajamani for the loss suffered due to the wrongful deprivation of her land through the operation of the Torrens system.

In some fraud cases, competing claims arise between the original owner and the bank or between two competing banks. In *T Sivam Tharamalingam v Public Bank Bhd*, [2018] 6 CLJ 1, the contest is between the original owner and the subsequent chargee bank. While the Federal court recognised Public Bank's position as a subsequent purchaser, the court is reluctant to assist bank who failed to take ordinary precautions that is required before disbursement of the loan. The bank's failed to establish that they are a purchaser with good faith due to their carelessness and negligence. Thus, the original owners succeeded in restoring their rights in the land.

In *CIMB Bank Berhad vs AmBank (M) Berhad & Anor* [2017] 9 CLJ 145 the court was required to determine contending claims between the existing chargee whose discharge of charge was fraudulently registered (CIMB Bank) and the new chargee (AmBank) who granted a financing facility to the immediate purchaser. The High Court decided in favour of CIMB on the ground that AmBank was an immediate purchaser and thus was not entitled to the protection under the proviso of section 340(3) of the NLC. On appeal by AmBank, the Court of Appeal ruled that AmBank is a subsequent purchaser protected by the proviso of section 340(3) of the NLC in accordance with the

*deferred indefeasibility principle. At Federal court, the main question to be determined is whether a chargee comes within the meaning of 'purchaser' under the proviso to section 340(3) of the NLC. The Federal Court concurs with the Court of Appeal's findings that AmBank was a subsequent purchaser and being the holder of a subsequent interest in the land, AmBank is entitled to the protection under the proviso of section 340(3) of the NLC.*

While the decisions of the court are guided by section 340 of the NLC and the 'deferred indefeasibility' theory, yet it is not a straightforward A to B to C formula. Many considerations are given by the court particularly in determining whether the party is a *bona fide* purchaser. In general, a *bona fide* purchaser is a buyer who buys goods "in good faith" that is, not knowing the defects to the seller's title or the circumstances in which the seller acquired the goods (Norasiah, 2004 & Noraida & Jady, 2015). Whether a person is a *bona fide* purchaser is a question of fact. In *State Tailor Sdn. Bhd. v Nallapan*, [2005] 2 MLJ 136, the Court of Appeal held that the term "*bona fide* purchaser" meant a buyer in good faith and the basis of good faith is the absence of fraud, deceit or dishonesty and the knowledge or means of knowledge of such at the material time. In another case of *Au Meng Nam & Anor v Ung Yak Chew & Ors*, [2007] 4 CLJ 526, the Court of Appeal held that a purchaser in good faith does not include a purchaser who is careless or who had been negligent. Similarly, in *Dato' Capt Mohd Najib bin Abdullah v Natarjaya Sdn. Bhd & Ors*, [2016] 7 MLJ 532, the court held that to qualify as a *bona fide* purchaser, an honest dealing or honest conduct in the acquisition of title or interest in any property must be proved. Any person who in the circumstances of the case ought to have made the necessary inquiries but fails to do so may be guilty of wilful blindness or voluntary ignorance such that would amount to unfair conduct. The duty to make necessary inquiries regarding the dealing cannot be considered lightly as otherwise gross injustice would befall the innocent owner of the land. In the same case, the court observed that another element of *bona fide* transaction is that the purchaser gives valuable considerations for the goods.

Given the various exceptions to the indefeasibility principle and the courts continues inconsistency in its application, the principle is far from resolved. As a result, the significance of the concept of indefeasibility of title has been questioned by legal scholars (Low & Griggs, 2011), particularly the immediate indefeasibility principle in the Torrens system. In 2007, the Law Commission of New Zealand engaged in a thorough review of the principle of immediate indefeasibility contained in the Land Transfer Act 1952. The Commission gave due consideration to four options of the concept of indefeasibility of title. First, immediate indefeasibility, whereby registration cures any forged or otherwise invalid transfer instrument and gives good title to a *bona fide* purchaser immediately. Second, immediate indefeasibility with limited judicial discretion to order alteration of the register. Third, immediate indefeasibility subject to statutory exceptions. Fourth, deferred indefeasibility, whereby an original owner can defeat the title of a purchaser or mortgagee registered (even if innocently) through a forged or otherwise invalid transfer instrument, but only until such time as the land is

on-sold to a *bona fide* purchaser. Eventually, the Law Commission recommended for the second option that is immediate indefeasibility ought to be retained but may be modified by introducing discretion to avoid manifest injustice in particular cases. The 'discretionary indefeasibility' is considered to provide a better balance between 'immediate' and 'deferred' indefeasibility and should reduce lengthy and expensive litigation in fraud cases. In deciding the choice of indefeasibility, attention should be given to its objective to provide ease of transfer process, protection of purchasers, security of title and a state guarantee attached to a registered title (Pickering, 2011). Nevertheless, the concept of 'discretionary indefeasibility' will create further uncertainties in land dealings because the application of the law is left in the hand of the judges on the case-to-case basis.

Recognising this problem, the insurance principle has been integrated in the Torrens system based on the premise that if a title is duly registered by the state, then it should be guaranteed by the State through a statutory compensation scheme or assurance fund. The assurance fund will compensate those who have been unlawfully deprived of their title or interest due to the fraud, negligence, or mistake of the land registry. It softens the conflicts between the original owner and *bona fide* purchase by reducing the disparity in outcome for winners and losers, ensuring that the latter at least recover the monetary compensation *in lieu* of the land. (O'Connor, 2004)

### THE ASSURANCE FUND

Many Torrens jurisdictions, including Australia, Canada, Singapore, and New Zealand, have established assurance funds or compensation funds as part of their land registration system to address the frequent conflict in the application of the indefeasibility principle. Hogg (1920) concluded that the concept of indefeasibility of title and the compensation machinery provided by the assurance fund is interchangeable. Martin (2010) considers the existence of the compensation scheme is significant to give confidence to those using the system and encourage reliance on it.

The objective of the fund was highlighted by Edwards J. in the New Zealand Court of Appeal in *The Public Trustee v The Registrar General of Land*, (1899) 17 N.Z.L.R, 577,593:

*"The scheme of the Act is to provide a fund for compensating all persons who are deprived of their land by the operation of the Act, and reason and justice require that no qualification should be put upon the rights so given which is not in express term imposed by the statute. Under the Torrens system, a man is said to have either his interests in the land or adequate money as a compensation".*

There are a few reasons why an assurance fund should be incorporated in the Torrens system. First, the government as the service provider of the land registration system

should compensate anyone suffering losses because of their reliance on the government-run system (New South Wales Law Reform Commission Report 76. Torrens Title: Compensation for Loss). The existence of the fund minimizes the need to take expensive and time-consuming precautions to avoid losses which could, but are not likely to, occur under the Torrens system. It creates secure feeling among the user of the land registration system thus, promotes business efficiency in land administration system. Besides, by having an assurance fund, competing claims between the original owner and *bona fide* purchaser can be resolved speedily since the losing party will be statutorily compensated. In a nutshell, the insurance strategy in the Torrens system is important in mitigating the inherent risks in land dealings. It can be considered as a cost-effective form of consumer protection measure (New South Wales Law Reform Commission Report 76. Torrens Title: Compensation for Loss).

The assurance fund is available in two models: the 'last resort model' and the 'first resort model'. The 'last resort model' requires the deprived party to exhaust all legal avenues against the wrongdoer before claiming from the assurance fund. This model is presently adopted in Australia (in the states of Australia Capitol Territory, Western Australia, South Australia, Tasmania), Canada (in the states of Ontario, British Columbia, and Alberta) and Singapore. On the other hand, the 'first resort model' allows the deprived party to claim directly against the fund. The registrar has the power to decide as to whether the claimant is entitled to the compensation or otherwise. If the compensation is paid to the claimant, the registrar is subrogated to any rights the claimant has against any wrongdoer and the registrar can pursue the wrongdoer to recover the amount, which was paid out as indemnification. (Siebrasse, 2004). The 'first resort model' is adopted in Australia (in the states of Northern Territory, New South Wales, Queensland, and Victoria), Canada (in the states of Saskatchewan and New Brunswick) and New Zealand.

Supporters of the 'last resort model' argue the assurance fund should only operate as a last resort fund upon failure to get indemnified from the wrongdoer. This is because the deprived party is under a duty to protect their land and thus the burden is placed on them to pursue the wrongdoer. Furthermore, requiring the victim to obtain judgment against the wrongdoer proves that there was in fact wrongful deprivation. Consequently, it prevents fraudulent claims against the compensation fund. At the same time, it will reduce the burden on the assurance fund by ensuring that all other potential avenues of recovery are pursued before reverting to the fund. This is to avoid the floodgate of cases against the compensation fund. (New South Wales Law Reform Commission Report 76. Torrens Title: Compensation for Loss).

On the other hand, supporters of the 'first resort model' argue that it is not fair to push the burden on the deprived party who, through no fault of his/her own, but due to the nature of land title system, has been deprived of their property. If an innocent landowner is compelled to pursue a wrongdoer to judgment before claiming against the

fund, the promise of security ownership is significantly impaired. The costs incurred by the victim in the process of bringing the legal suits against the wrongdoer may increase the burden on the compensation fund. When the deprived party is unable to recover from the wrongdoer and brings a claim against the fund of last resort, the deprived party is entitled to recover all reasonable costs associated with the action, including the costs of pursuing the wrongdoer. In contrast, in the 'first resort model', the registrar who pays out is subrogated against the wrongdoer, so that any costs related to the action are imposed on the wrongdoer. It is further submitted that the fund should operate purely on insurance principle to remedy any loss incurred due to the malfunction of the system. As such it is not necessary to prove any faults or mistakes of any parties. The rationale behind the shift from the original 'last resort model' to the new 'first resort model' is to allow the deprived party easy access to the fund.

### RECOMMENDATION AND CONCLUSION

Regrettably, the insurance strategy is not part of the land registration system in Malaysia. The reason being the British administration who introduced the Torrens system did not consider it was important because at that time land transactions were still minimal and less complicated. Besides, fraudulent land dealings were not rampant (Dass,1963). Hence the party who has been wrongfully deprived of their land has no assured redress except through court process. However, nowadays, there are many reasons why the assurance fund needs to be considered as explained in Table 1 below. The importance of the assurance fund in resolving the competing claims between two innocent parties is viewed from the win-win perspective. If one party is allowed to retain the land, then the other party should be properly compensated through the state guaranteed fund.

Table 1: Justifications for An Assurance Fund

<b>Justification for Non-Adoption</b>	<b>Justification for Adoption</b>
The number of land transactions is minimal. Less possibility of mistakes and errors in the registration of dealings	The number of land transactions has increased. Possibility of mistakes and errors in the registration of dealings are high
In the past, fraud and forged transactions were virtually unknown.	In the present, fraud and forged transactions are quite prevalent and sometimes involve sophisticated scams. It is in the public interest that the public is protected against these risks.
The land office staff are not well trained, and the public were still ignorant of the newly introduced system. At this stage, it would be impractical for the state to guarantee the system since there was possibility of administrative errors and irregular dealings.	The Torrens system as embodied in the NLC has been implemented for more than 50 years. Throughout the years, the land office staff have acquired training and expertise and the system had reached certain levels of stability. Nevertheless, the inherent risks in the system itself requires the state to guarantee the dealings and the title.

The risks are confined to manual registration.	The introduction of the computerised land registration system exposes the system to new risks, not available in the manual registration
The land dealings are simple and straightforward.	The current land dealings are more complex with the introduction of more sophisticated concepts of land development and the use of underground land to maximize the land use.
	Continued application of equitable principle by the courts in land matters may to certain extent defeat the concept of conclusiveness of registration in the NLC.

The need for the establishment of an assurance fund to mitigate the loss suffers by land fraud victim has been highlighted by the courts in several cases. The Federal Court in the case of *See Leong Chye & Anor v United Overseas Bank Malaysia Bhd & Another appeal* [2021] 6 CLJ 650 make the following observation:

*“In the light of the land fraud and forgery cases keep cropping up over the years, the time is ripe for Parliament, as the legislative arm of the Government, to take into the most serious consideration the propriety of making provision for the setting up of an assurance fund. The assurance fund which is an integral feature of the Torrens system can be established to compensate innocent landowners and holders of interest in land who are deprived of their title and/or interest through no fault of their own. Exemplars of such schemes have been in places in the provinces of Ontario and British Columbia, Canada and in Australia where almost all States have got a fund to compensate persons who lost their interest in land through fraud. An assurance fund would also complement and enhance the credibility of the Torrens system of land registration under the NLC”.*

Richard Malanjum CJ in the case of *Pushpaleela R Selvarajah & Anor v Rajamani Meyappa Chettiar & Others Appeal* [2019] 3 CLJ 441 observed:

*“As the law now stands, our Code unfortunately, provides absolutely no remedy to innocent parties who are deprived of their lands due to fraud or forgery. It is high time for the relevant authorities to consider, as done in other jurisdiction, with the Torrens system of land registration, to establish a statutorily assurance fund to mitigate the losses suffered by registered owners because of fraud or forgery. The Torrens system ought to be implemented fairly and the relevant authorities must seriously look into amending the code to cater for an effective assurance fund”.*

Similar suggestion was proposed in the case *Chong Su Kong & Ors v Sia Hiong Hee & Ors*, [2014] 1 MLJ 19

*“...In a forgery of this nature, one innocent party was bound to suffer. It was either the registered owner or the bona fide purchaser for value without notice. The relevant authority should seriously look into setting up of an assurance fund to compensate for any loss to any innocent purchasers resulting from forgery similar in this case. Only with this fund can one say that the Torrens system guarantees the absolute and indefeasible title of a registered owner. The fund can be funded by the users of the land Registry by imposing a levy of say a sum of RM10 for each transaction”.*

While in *CIMB Bank Bhd v Ambank Berhad & Anor* [2017] 9 CLJ 145, Jeffery Tan FCJ observed:

*“...unless a security system is statutorily in place to prevent fraud and forgery, such as, but not limited to, the attendance of parties before the registering authority, as well as an indemnity scheme to compensate proprietors for the errors of the registering authority, deferred indefeasibility should remain, to protect innocent proprietors against fraud or forgery”.*

The proposal to provide an assurance fund to compensate any party who are wrongfully deprived of their title or interest is in line with the legal security and economic security guaranteed under article 13 of the Federal Constitution which states that no person shall be deprived of their property save and except in accordance with law and no law may provide for compulsory acquisition or use of property save with adequate compensation.

#### **ACKNOWLEDGMENT**

This paper is funded by USIM Grant (PPPI/FSU/0122/USIM/15222) entitled: “Compensation Scheme for Land Fraud Victims in Peninsular Malaysia”.

#### **REFERENCES**

- Adorna Properties Sdn. Bhd. v Boonsom Boonyanit @Sun Yok Eng* [2001] 1 MLJ 241  
*Au Meng Nam & Anor v Ung Yak Chew & Ors*, [2007] 4 CLJ 526  
*Ainul Jaria Maidin and Hunud Abia Kadouf.* (2010). Weaknesses in the Registration of Land Dealings System in Malaysia: Suggestions for Improvements for Enhancing the System. LNS (A), 1.

- Baalman, J (1979). *The Torrens System in New South Wales*. (2nd ed.) Sydney. Law Book Company.
- Caruthers, P. and Skead, N. (2011). 150 years on: The Torrens Compensation Provisions in the 'last resort' Jurisdictions. *Australian Property Law Journal* vol. 1 Retrieved Mei 5, 2014. [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2177459](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2177459).
- Chai, N. K. (2008, October 22-23). *Disclosing and Proving the Various Forms of Land Fraud*. Paper presented at Seminar on 'Risk Reduction in Land Fraud', Grand Blue Wave Hotel, Shah Alam, Selangor, Malaysia.
- Chong Su Kong & Ors v Sia Hiong Hee & Ors, [2014] 1 MLJ 19
- CIMB Bank Berhad v AmBank (M) Berhad & Anor [2017] 9 CLJ 145
- Dass, SK. (1963). *The Torrens System in Malaya*. Kuala Lumpur. Malayan Law Journal Ltd.
- Dato' Capt Mohd Najib bin Abdullah v Natarjaya Sdn. Bhd & Ors, [2016] 7 MLJ 532,
- Judith Sihombing. (1981). *National Land Code: A Commentary*. Kuala Lumpur. Malayan Law Journal.
- Kamarulzaman bin Omar & Ors v Yakub bin Husin [2014] 2 MLJ 768
- Law Commission Review of the Land Transfer Act 1952 (NZLC IP 10, 2008), 1.6 <https://www.lawcom.govt.nz/sites/default/files/projectAvailableFormats/NZLC%20IP10.pdf>
- Liputan Simfoni Sdn. Bhd. v. Pembangunan Orkid Desa Sdn. Bhd. [2019] 1 CLJ 183
- Low, R. (2006). *Opportunities for Fraud in an Electronic Land Registration System: Fact or Fiction?* eLaw J 13, 225.
- Low, R. (2008). *The Use of Technology to Automate the Registration Process within the Torrens System and its impact on Fraud*, (Unpublished doctoral dissertation, Queensland University of Technology, Australia. Retrieved 29 March 2017. [https://eprints.qut.edu.au/18301/1/Rouhshi\\_Low\\_Thesis.pdf](https://eprints.qut.edu.au/18301/1/Rouhshi_Low_Thesis.pdf)
- Low, R. and Griggs, L. (2011). *Immediate Indefeasibility-Is it under threat?* *Australian Property Law Journal* 19, 230. Retrieved October 25, 2017. <https://eprints.qut.edu.au/41094/1/41094.pdf>.
- M A Neave, CJ Rossiter and M A Stone, Sackville & Neave, *Property Law: Cases and Materials* (Sydney: Butterworths, 4<sup>th</sup> ed., 1988), 398.
- Martin Dixon, *Modern Land Law*, (London: Routledge Taylor & Francis Group, 8<sup>th</sup> edn., 2010), 36.
- Mohd Syukri Ismail. (2011). *Measures Undertaken to Safeguard Against Land Fraud in Land Dealings*. *Jarmal Pentadbiran Tanah*. Vol. 1, No.1



- Mohd Syukri Ismail, Yusri Zakariah, Anesh Ganeson. (2013). Land Administration System in Malaysia: The Torrens Assurance Fund. *Jurnal Pentadbiran Tanah* Jil. 3, Bil. 1, 57. Retrieved March 10, 2017. <http://www.kptg.gov.my>
- Mohd Syukri Ismail, Raja Nor Shahriza Abd Karim, Raja Azrina Raja Othman and Ainul Jaria Maidin, (2011). Identifying and Overcoming the Risks of Fraud in the Malaysian Electronic Land Administration System, Paper presented in 2011, International Conference on Research and Innovation in Information Systems. *2011 International Conference on Research and Innovation in Information Systems*.
- National Land Code 2020 (Act 828)
- New South Wales Law Reform Commission Report 76. Torrens Title: Compensation for Loss).
- Noraida Harun, Jady@Zaidi Hassim & Noor 'Ashikin Hamid. (2013). Penipuan, Rasuah dan Pencurian Maklumat Dalam Urus Niaga Tanah: Cabaran dan Penyelesaian. *Kanun*, 25 (2), 174-175.
- Noraida Haron and Jady@Zaidi Hassim. (2015). Pembeli Bona fide Dalam Penipuan Tanah: Isu dan Cabaran. *UUMJLS*, vol 6, no. 1, 100-117.
- Nor Asiah Mohamad. (2004, April 13-15). A Bona fide Purchaser for Valuable Consideration: A Special Creature under the Malaysian Land Law. Proceedings of the International Real Estate Research Symposium (IRERS) 2004, Pan Pacific Hotel, Kuala Lumpur. Retrieved April 18, 2016. <http://irep.iium.edu.my/25164/>
- O Connor, P. (2003). Security of Property Rights and Land Title Registration System. (Unpublished Phd Thesis). Monash University.
- Pushpaleela R Selvarajah & Anor v Rajamani Meyappa Chettiar & Other Appeals [2019] 3 CLJ 441
- Rajamani Meyappa Chettiar v Eng Beng Development Sdn. Bhd & Ors [2016] 4 CLJ 510
- Salleh Buang. (2013). Land Tenure in Malaysia: Prospects for Reform. Kuala Lumpur. Dewan Bahasa dan Pustaka.
- Salleh Buang. (2008, October 22-23). Title Insurance and Assurance Fund: Prospect for Adoption in Malaysia", Paper presented paper presented at Seminar on 'Risk Reduction in Land Fraud. Grand Blue Wave Hotel, Shah Alam, Selangor, Malaysia.
- Sharifah Zubaidah Syed Abdul Kader. (2008, October 22-23). Disclosing the Types of Land Fraud Under Malaysian Law. Paper presented at Seminar on 'Risk Reduction in Land Fraud', Grand Blue Wave Hotel, Shah Alam Selangor, Malaysia.
- See Leong Chye & Anor v United Overseas Bank Malaysia Bhd & Another appeal [2021] 6 CLJ 650

Siebrasse, N. (2004). Report on Land Title Conveyance Practices and Fraud. Canada. Canada Mortgage and Housing Corporation. Retrived July 6, 2016. [https://books.google.com.my/books/about/Report\\_on\\_Land\\_Title\\_Conveyance\\_Practice.html?id=9DM7AAAACAAJ&redir\\_esc=y](https://books.google.com.my/books/about/Report_on_Land_Title_Conveyance_Practice.html?id=9DM7AAAACAAJ&redir_esc=y)

State Tailor Sdn. Bhd. v Nallapan, [2005] 2 MLJ 136

Stutt, T. (2008). Transitions to Torrens: The Six-fold Path to the Ideal Land Administration System? Australian Property Law Journal, 15, no 2, 116.

Tan Ying Hong v Tan Sian San & Ors [2010] 2 MLJ 1,

T Sivam Tharamalingam v Public Bank Bhd, [2018] 6 CLJ 1,

The Public Trustee v The Registrar General of Land, (1899) 17 N.Z.L.R, 577,593:

Wong, D. SY. (1963). Tenure and Land Dealings in the Malay States. Singapore. Singapore University Press.

# QURANIC SUPPLICATIONS: THEMATIC ANALYSIS BASED ON JUZ BREAKDOWN

Norhasnira Ibrahim<sup>i</sup>

<sup>i</sup> (Corresponding author). Faculty of Quran and Sunnah, Universiti Sains Islam Malaysia.  
norhasnira@usim.edu.my

## Abstract

*Supplication or known as du'a or prayer is an essential aspect of worship in Islam, where Muslims call upon Allah the Almighty to seek assistance in various aspects of life. In Islam, supplications can be categorised into various types based on their content and purpose. Some common types of supplication are taken from the al-Quran, recitation by prophets, righteous people, and pious figures in Islamic history. This study focuses on specifically prescribed supplications from the Quraic verses which begins with the word 'Rabb' (رب). Objectives of this study are (i) to identify Quranic verses' supplications according to 30 Juz breakdown, and (ii) to analyse supplications in the Quran which are arranged based on the theme 'Rabb' (رب). This study is qualitative research by applying thematic analysis to report patterns or themes within a dataset. The finding shows that Quranic verses' supplications can be classified into three themes which begin with the word Rabbi (رَبِّ), Rabbana (رَبَّنَا), and Rabbuna (رَبُّنَا).*

**Keywords:** Quranic verses, Supplication, Theme-Based, 30 Juz Breakdown.

## INTRODUCTION

The act of making supplication is an important aspect of devotion and communication with Allah. It is considered a powerful act of worship and a way to strengthen one's faith and brings comfort, hope, and spiritual connection with Allah (al-Asqalani, 2000). It is also an act of humility, dependence, and acknowledgement of Allah's power and mercy (al-Nawawi, 1993, al-Sadhan, 2000). Some several Quranic verses and hadiths that highlight the importance of making supplication and the love of Allah for those who engage in this act of worship, for instance:

وَإِذَا سَأَلَكَ عِبَادِي عَنِّي فَإِنِّي قَرِيبٌ أُجِيبُ دَعْوَةَ الدَّاعِ إِذَا دَعَانِ فَلْيَسْتَجِيبُوا لِي وَلْيُؤْمِنُوا بِي  
لَعَلَّهُمْ يَرْشُدُونَ ١٨٦

Translation: When My servants ask you (O Prophet) about Me: I am truly nearby. I respond to one's prayer when they call upon Me. So let them respond (with obedience) to Me and believe in Me, perhaps they will be guided (to the Right Way).

Meanwhile in a hadith transmitted by Imam al-Tirmidhi in *Sunan al-Tirmidhi* (1996), the Prophet Muhammad PBUH stated that making supplication is the most noble of all acts in the sight of Allah:

عَنْ أَبِي هُرَيْرَةَ، رَضِيَ اللَّهُ عَنْهُ عَنِ النَّبِيِّ ﷺ قَالَ: "لَيْسَ شَيْءٌ أَكْرَمَ عَلَى اللَّهِ تَعَالَى مِنَ الدُّعَاءِ".

Translation: Abu Hurairah narrated that: The Prophet said: "There is nothing more honourable with Allah [Most High] than supplication."

(al-Tirmidhi, no. 3370)

The command to call upon Allah by His grace and kindness is stated in surah Ghafir verse 60. According to Ibn Kathir (1997) in *Tafsir al-Quran al-'Adhim*, Allah encourages His servants to call upon Him, and Allah guarantees to respond and accept their supplications and prayers:

وَقَالَ رَبُّكُمْ ادْعُونِي أَسْتَجِبْ لَكُمْ إِنَّ الَّذِينَ يَسْتَكْبِرُونَ عَنْ عِبَادَتِي سَيَدْخُلُونَ جَهَنَّمَ دَاخِرِينَ ٦٠

Ghafir: (7:60)

Translation: Your Lord has proclaimed, "Call upon Me, I will respond to you. Surely those who are too proud to worship Me will enter Hell, fully humbled."

Al-Tabari (1994) explained that we should worship Him sincerely rather than other idols. Besides that, Allah had mentioned in the Quran there may be some people that refuse to pray to Him due to arrogance (al-Asqalani, 2000). Allah has warned to those who show arrogance against worshipping Him will be sent to hell. (al-Tabari, 1994, Quraish Shihab, 2008). In Islam, arrogance is considered a negative trait, and humility is highly valued. Humbling oneself before Allah through acts of worship including reciting supplication, is an integral part of being a practicing Muslim. Allah says in the Quran:

ادْعُوا رَبَّكُمْ تَضَرُّعًا وَخُفْيَةً إِنَّهُ لَا يُحِبُّ الْمُعْتَدِينَ ٥٥

al-A'raf: (7:55)

Translation: Call upon your Lord humbly and secretly. Surely, He does not like the transgressors.

Thus, Muslims are encouraged to make supplications regularly, not just in times of need, but also during times of happiness and contentment, as a way of showing gratitude to Allah (Tantawi, 2010). The Prophet Muhammad PBUH says:

عَنْ أَبِي هُرَيْرَةَ، رَضِيَ اللَّهُ عَنْهُ قَالَ قَالَ رَسُولُ اللَّهِ ﷺ: "مَنْ سَرَّهُ أَنْ يَسْتَجِيبَ اللَّهُ لَهُ عِنْدَ الشَّدَائِدِ وَالْكَرْبِ فَلْيُكْثِرِ الدُّعَاءَ فِي الرَّحَاءِ".

Translation: Abu Hurairah narrated that: The Messenger of Allah said: “Whoever wishes that Allah would respond to him during hardship and grief, then let him supplicate plentifully when at ease.”

(al-Tirmidhi, no. 3382)

Muslims believe that the Quran is a book of guidance and mercy from Allah. In the Quran, several verses are considered supplications or dua's, and these verses are often recited by Muslims in daily life. There are various forms of supplications mentioned in the Quran, reflecting the diverse needs and situations of individuals. Some forms of supplication found in the Quran include supplications seeking guidance, seeking forgiveness, seeking protection, contentment, relief from difficulties, patience, mercy, prophet's supplications, righteous people supplications, and many more.

Meanwhile, previous studies discuss the concept and position of supplication in Islam (Zhila Jannati and Muhammad Ranchida, 2022; Maman Sutarman, 2018; Awaludin, 2017), types of supplication (Husna, 2022; Kafait Ullah and Hafiz Haris, 2020), benefits and effects of supplication (Amra Ahsan and Maryam, 2012) and many more. However, there is a lack of study on a compilation of supplications in the Quran that begins with particular words. Therefore, this article attempts to identify Quranic supplications according to 30 juz breakdown followed by arrangement based on the theme '*Rabb*' (رب).

## METHODOLOGY

The methodology used for this study is a qualitative study and thematic analysis. Thematic analysis is a technique used for the analysis and generation of themes or patterns from a set of data (Virginia Braun and Victoria Clarke, 2012). By applying thematic analysis methodology, the researcher gathers data from the Quran based on research objectives. Next, an identification of relevant Quranic verses was selected and the researcher begin to group similar codes to form potential themes. Finally, each theme is defined, and names are given to represent the essence of each theme. As a result, the thematic analysis of Quranic supplications found that there are three themes classified for entire supplications extracted from the Quran which begin with the word *rabbi* (رَبِّ), the word *rabbana* (رَبَّنَا), and the word *rabbuna* (رَبُّنَا) as follows:

## RESULTS AND DISCUSSION

### 1. *Rabb* (رَبِّ)

In Islam, '*Rabb*' is one of the fundamental attributes of Allah. The word '*Rabb*' is derived from the Arabic root 'الرب', one of the names of Allah the Almighty (Ibrahim Anis et al, 2004). It is a recitation of supplication in the singular form. By referring to Allah as '*Rabb*', Muslims acknowledge and affirm His role as the Creator and

Sustainer of the universe. It emphasises the belief that Allah is the One who brings everything into existence and provides for all creatures with His mercy and care. In the Quran, several Quranic supplications begin with the word 'Rabb' as below:

No.	Juz Surah	Verse
1.	Juz 1-3 Al-Baqarah	رَبِّ اجْعَلْ هَذَا بَلَدًا ءَامِنًا وَاَرْزُقْ اَهْلَهُ مِنْ التَّمْرَةِ مَنْ ءَامَنَ مِنْهُمْ بِاللّهِ وَالْيَوْمِ الْآخِرِ ... ۱۲۶
2.	Juz 3,4 Ali 'Imran	رَبِّ اِنِّي نَدَرْتُ لَكَ مَا فِي بَطْنِي مُحَرَّرًا فَتَقَبَّلْ مِنِّي اِنَّكَ اَنْتَ السَّمِيعُ الْعَلِيمُ ۳۵ رَبِّ اِنِّي وَضَعْتُهَا اُنْثَىٰ وَاَللّٰهُ اَعْلَمُ بِمَا وَضَعْتَ وَلَئِن سَأَلْتُكَ بِهَا لَأُنْثَىٰ ... رَبِّ هَبْ لِي مِنْ لَدُنْكَ ذُرِّيَّةً طَيِّبَةً اِنَّكَ سَمِيعُ الدُّعَاۗءِ ۳۸
4.	Juz 6 Al-Maidah	رَبِّ اِنِّي لَا اَمْلِكُ اِلَّا نَفْسِي وَاٰخِي فَاَفْرِقْ بَيْنَنَا وَبَيْنَ الْقَوْمِ الْفٰسِقِيْنَ ۲۵
5.	Juz 8 Al-A'raf	رَبِّ اَغْفِرْ لِي وَاٰخِي وَاَدْخِلْنَا فِي رَحْمَتِكَ وَاَنْتَ اَرْحَمُ الرَّحِيْمِيْنَ ۱۵۱
7.	Juz 13 Ibrahim	رَبِّ اجْعَلْ هَذَا الْبَلَدَ ءَامِنًا وَاَجْنُبْنِي وَبَنِيَّ اَنْ نَعْبُدَ الْاَصْنَامَ ۳۵ رَبِّ اجْعَلْنِي مُقِيمَ الصَّلٰوةِ وَمِنْ ذُرِّيَّتِي رَبَّنَا وَتَقَبَّلْ دُعَاۗءِ ۴۰
8.	Juz 15 Al-Isra'	رَبِّ اَرْحَمْهُمَا كَمَا رَبَّيْتَنِي صَغِيْرًا ۲۴ رَبِّ اَدْخِلْنِيْ مُدْخَلَ صِدْقٍ وَاَخْرِجْنِيْ مُخْرَجَ صِدْقٍ وَاَجْعَلْ لِيْ مِنْ لَدُنْكَ سُلْطٰنًا نَّصِيْرًا ۸۰
9.	Juz 16 Maryam	رَبِّ اِنِّي وَاَهْنُ الْعَظْمِ مَيِّ وَاَشْتَغَلَ الرَّاسُ شَيْبًا وَاَلَمْ اَكُنْ بِدُعَاۗءِكَ رَبِّ شَقِيْمًا ۴
10.	Juz 17 Ta Ha	رَبِّ اَشْرَحْ لِي صَدْرِي ۲۵
11.	Juz 17 Al-Anbiya'	رَبِّ لَا تَذَرْنِي فَرْدًا وَاَنْتَ خَيْرُ الْوٰثِقِيْنَ ۸۹ رَبِّ اَحْكَمْ بِالْحَقِّ ... ۱۱۲
12.	Juz 18 Al-Mukminun	رَبِّ اَنْزِلْنِيْ مُنْزَلًا مُّبٰرَكًا وَاَنْتَ خَيْرُ الْمُنْزِلِيْنَ ۲۹ رَبِّ اَنْصُرْنِيْ بِمَا كَدَّبُوْنَ ۳۹ رَبِّ فَلَا تَجْعَلْنِيْ فِي الْقَوْمِ الظّٰلِمِيْنَ ۹۴ رَبِّ اَعُوْذُ بِكَ مِنْ هَمَزَاتِ الشَّيْطٰنِ ۹۷ رَبِّ اَغْفِرْ وَاَرْحَمْ وَاَنْتَ خَيْرُ الرَّحِيْمِيْنَ ۱۱۸
13.	Juz 19 Al-Shu'ara'	رَبِّ هَبْ لِي حُكْمًا وَاَلْحِقْنِيْ بِالصّٰلِحِيْنَ ۸۳

14.	Juz 19 Al-Naml	رَبِّ أَوْرَعِي أَنْ أَشْكُرَ نِعْمَتَكَ الَّتِي أَنْعَمْتَ عَلَيَّ وَعَلَىٰ وُلْدِي ... بِرَحْمَتِكَ فِي عِبَادِكَ الصَّالِحِينَ ١٩
15.	Juz 20 Al-Qasas	رَبِّ إِنِّي ظَلَمْتُ نَفْسِي فَاغْفِرْ لِي فَغَفَرَ لَهُ إِنَّهُ هُوَ الْغَفُورُ الرَّحِيمُ ١٦ رَبِّ نَجِيٍّ مِنَ الْقَوْمِ الظَّالِمِينَ ٢١ رَبِّ إِنِّي لِمَا أَنْزَلْتَ إِلَيَّ مِنْ خَيْرٍ فَقِيرٌ ٢٤
16.	Juz 21 Al-Ankabut	رَبِّ أَنْصُرْنِي عَلَى الْقَوْمِ الْمُفْسِدِينَ ٣٠
17.	Juz 23 Al-Saffat	رَبِّ هَبْ لِي مِنَ الصَّالِحِينَ ١٠٠
18.	Juz 26 Al-Ahqaf	رَبِّ أَوْرَعِي أَنْ أَشْكُرَ نِعْمَتَكَ الَّتِي أَنْعَمْتَ عَلَيَّ وَعَلَىٰ وُلْدِي ... وَإِنِّي مِنَ الْمُسْلِمِينَ ١٥
19.	Juz 29 Al-Tahrim	رَبِّ ابْنِ لِي عِنْدَكَ بَيْتًا فِي الْجَنَّةِ وَنَجِّنِي مِنْ فِرْعَوْنَ وَعَمَلِهِ وَنَجِّنِي مِنَ الْقَوْمِ الظَّالِمِينَ ١١
20.	Juz 29 Nuh	رَبِّ لَا تَذَرْنِي عَلَى الْأَرْضِ مِنَ الْكٰفِرِينَ دَيَّارًا ٢٦ رَبِّ اغْفِرْ لِي وَلِوَالِدَيَّ وَلِمَنْ دَخَلَ بَيْتِي مُؤْمِنًا وَلِلْمُؤْمِنِينَ وَالْمُؤْمِنَاتِ وَلَا تَزِدِ الظَّالِمِينَ إِلَّا تَبَارًا ٢٨

Table 1 : Quranic supplications begins with the word 'Rabbi' (رَبِّ)

Table 1 shows that there are 31 Quranic supplications beginning which the word *Rabbi* (رَبِّ) extracted from juz 1 (surah al-Baqarah), juz 3 (Ali 'Imran), juz 6 (al-Ma'idah), juz 8 (al-A'raf), juz 13 (Ibrahim), juz 15 (al-Isra'), juz 16 (Maryam), juz 17 (Ta Ha and al-Anbiya'), juz 18 (al-Mukminun), juz 19 (al-Shu'ara' and al-Naml), juz 20 (al-Qasas), juz 21 (al-Ankabut), juz 23 (al-Saffat), juz 26 (al-Ahqaf), juz 29 (al-Tahrim), and juz 29 (Nuh).

## 2. *Rabbana* (رَبَّنَا)

*Rabbana* or (رَبَّنَا) is an Arabic word that translates to 'Our Rab (Allah)' in the plural form. It is commonly used in Islamic supplications and prayers by Muslims to humble themselves before their creator (Allah). Using the word '*Rabbana*' in supplications reflects the essence of submission and reliance on Allah's wisdom, acknowledging that all human affairs are ultimately under His guidance and control. The list of supplications begins with '*Rabbana*' and '*Rabbuna*' in the Quran is shown in Table 2:

No.	Juz Surah	Verse
-----	-----------	-------

1. Juz 1-3  
Al-Baqarah
- رَبَّنَا تَقَبَّلْ مِنَّا إِنَّكَ أَنْتَ السَّمِيعُ الْعَلِيمُ ١٢٧  
رَبَّنَا وَاجْعَلْنَا مُسْلِمِينَ لَكَ وَمِن دُرَيْبِنَا أُمَّةً مُسْلِمَةً لَكَ... إِنَّكَ أَنْتَ التَّوَّابُ الرَّحِيمُ ١٢٨  
رَبَّنَا وَابْعَثْ فِيهِمْ رَسُولًا مِنْهُمْ يَتْلُو عَلَيْهِمْ آيَاتِكَ وَيُعَلِّمُهُمُ الْكِتَابَ وَالْحِكْمَةَ وَيُزَكِّيهِمْ ... ١٢٩  
رَبَّنَا آتِنَا فِي الدُّنْيَا وَمَا لَهُ فِي الْآخِرَةِ مِنْ خَلْقٍ ٢٠٠  
رَبَّنَا آتِنَا فِي الدُّنْيَا حَسَنَةً وَفِي الْآخِرَةِ حَسَنَةً وَقِنَا عَذَابَ النَّارِ ٢٠١  
رَبَّنَا أَفْرِغْ عَلَيْنَا صَبْرًا وَثَبِّتْ أَقْدَامَنَا وَانصُرْنَا عَلَى الْقَوْمِ الْكَافِرِينَ ٢٥٠  
رَبَّنَا لَا تُؤَاخِذْنَا إِنْ نَسِينَا أَوْ أَخْطَأْنَا ...  
رَبَّنَا وَلَا تَحْمِلْ عَلَيْنَا إصْرًا كَمَا حَمَلْتَهُ عَلَى الَّذِينَ مِنْ قَبْلِنَا ...  
رَبَّنَا وَلَا تُحِيزْنَا مَا لَا طَاقَةَ لَنَا بِهِ... ٢٨٦
2. Juz 3-4  
Ali 'Imran
- رَبَّنَا لَا تُرِغْ قُلُوبَنَا بَعْدَ إِذْ هَدَيْتَنَا وَهَبْ لَنَا مِنْ لَدُنْكَ رَحْمَةً إِنَّكَ أَنْتَ الْوَهَّابُ ٨  
رَبَّنَا إِنَّكَ جَامِعُ النَّاسِ لِيَوْمٍ لَا رَيْبَ فِيهِ إِنَّ اللَّهَ لَا يُخْلِفُ الْمِيعَادَ ٩  
رَبَّنَا إِنَّا أَمَّا ءَامَنَّا فَاغْفِرْ لَنَا ذُنُوبَنَا وَقِنَا عَذَابَ النَّارِ ١٦  
رَبَّنَا ءَامَنَّا بِمَا أَنْزَلْتَ وَاتَّبَعْنَا الرَّسُولَ فَاكْتُبْنَا مَعَ الشَّاهِدِينَ ٥٣  
رَبَّنَا اغْفِرْ لَنَا ذُنُوبَنَا وَإِسْرَافَنَا فِي أَمْرِنَا وَثَبِّتْ أَقْدَامَنَا وَانصُرْنَا عَلَى الْقَوْمِ الْكَافِرِينَ ١٤٧  
رَبَّنَا مَا خَلَقْتَ هَذَا بَطُلًا سُبْحَانَكَ فَقِنَا عَذَابَ النَّارِ ١٩١  
رَبَّنَا إِنَّكَ مَنْ تَدْخُلِ النَّارَ فَقَدْ أَخْرَجْتَهُ وَمَا لِلظَّالِمِينَ مِنْ أَنْصَارٍ ١٩٢  
رَبَّنَا إِنَّا سَمِعْنَا مُنَادِيًا يُنَادِي لِلْإِيمَانِ أَنْ ءَامِنُوا بِرَبِّكُمْ فَآمَنَّا  
رَبَّنَا فَاغْفِرْ لَنَا ذُنُوبَنَا وَكَفِّرْ عَنَّا سَيِّئَاتِنَا وَتَوَفَّنَا مَعَ الْأَبْرَارِ ١٩٣  
رَبَّنَا وَءَاتِنَا مَا وَعَدْتَنَا عَلَى رُسُلِكَ وَلَا تُخْزِنَا يَوْمَ الْقِيَامَةِ إِنَّكَ لَا تُخْلِفُ الْمِيعَادَ ١٩٤
3. Juz 5  
Al-Nisa'
- رَبَّنَا أَخْرِجْنَا مِنْ هَذِهِ الْقَرْيَةِ الظَّالِمِ أَهْلُهَا ... وَاجْعَلْ لَنَا مِنْ لَدُنْكَ نَصِيرًا ٧٥
4. Juz 6  
Al-Ma'idah
- رَبَّنَا ءَامَنَّا فَاكْتُبْنَا مَعَ الشَّاهِدِينَ ٨٣  
رَبَّنَا أَنْزِلْ عَلَيْنَا مَائِدَةً مِنَ السَّمَاءِ تَكُونُ لَنَا عِيدًا لِأَوَّلِنَا وَءَاخِرِنَا ... وَأَرْزُقْنَا وَأَنْتَ خَيْرُ الرَّزُقِينَ  
١١٤
5. Juz 8  
Al-A'raf
- رَبَّنَا ظَلَمْنَا أَنفُسَنَا وَإِنْ لَمْ تَغْفِرْ لَنَا وَتَرْحَمْنَا لَنَكُونَنَّ مِنَ الْخَاسِرِينَ ٢٣  
رَبَّنَا لَا تَجْعَلْنَا مَعَ الْقَوْمِ الظَّالِمِينَ ٤٧  
رَبَّنَا وَسِعَ رَبُّنَا كُلَّ شَيْءٍ عِلْمًا عَلَى اللَّهِ تَوَكَّلْنَا ...  
رَبَّنَا افْتَحْ بَيْنَنَا وَبَيْنَ قَوْمِنَا بِالْحَقِّ وَأَنْتَ خَيْرُ الْفَاتِحِينَ ٨٩  
رَبَّنَا لَمَّا جَاءَتْنَا رَبَّنَا أَفْرِغْ عَلَيْنَا صَبْرًا وَتَوَفَّنَا مُسْلِمِينَ ١٢٦
6. Juz 11  
Yunus
- رَبَّنَا لَا تَجْعَلْنَا فِتْنَةً لِّلْقَوْمِ الظَّالِمِينَ ٨٥
7. Juz 13
- رَبَّنَا إِنَّكَ تَعْلَمُ مَا نُخْفِي وَمَا نُعْلِنُ وَمَا نَحْفِي عَلَى اللَّهِ مِنْ شَيْءٍ فِي الْأَرْضِ وَلَا فِي السَّمَاءِ ٣٨



8.	Ibrahim Juz 15 Al-Kahfi	رَبَّنَا ءَاتِنَا مِنْ لَدُنْكَ رَحْمَةً وَهَيِّئْ لَنَا مِنْ أَمْرِنَا رَشَدًا ١٠
9.	Juz 17 Ta Ha	رَبَّنَا إِنَّا نَخَافُ أَنْ يُفْرِطَ عَلَيْنَا أَوْ أَنْ يَطَّعَى ٤٥
10.	Juz 18 Al-Mukminun	رَبَّنَا ءَامِنَّا فَاعْفُرْ لَنَا وَارْحَمْنَا وَأَنْتَ خَيْرُ الرَّاحِمِينَ ١٠٩
11.	Juz 19 Al-Furqan	رَبَّنَا اصْرِفْ عَنَّا عَذَابَ جَهَنَّمَ إِنَّ عَذَابَهَا كَانَ غَرَامًا ٦٥ رَبَّنَا هَبْ لَنَا مِنْ أَزْوَاجِنَا وَذُرِّيَّاتِنَا فُرْقَةً أَعْيُنٍ وَاجْعَلْنَا لِلْمُتَّقِينَ إِمَامًا ٧٤
12.	Juz 22 Al-Ahzab	رَبَّنَا ءَاهِبْهُمْ ضِعْفَيْنِ مِنَ الْعَذَابِ وَالْعَنُتُمْ لَعْنًا كَبِيرًا ٦٨
13.	Juz 22 Saba'	رَبَّنَا بَعْدَ بَيْنِ أَسْفَارِنَا وَظَلَمُوا أَنْفُسَهُمْ فَجَعَلْنَاهُمْ... إِنَّ فِي ذَلِكَ لَآيَاتٍ لِكُلِّ صَبَّارٍ شَكُورٍ ١٩
14.	Juz 24 Ghafir	رَبَّنَا وَسِعْتَ كُلَّ شَيْءٍ رَحْمَةً وَعِلْمًا فَاغْفِرْ لِلَّذِينَ تَابُوا وَاتَّبَعُوا سَبِيلَكَ وَقِهِمْ عَذَابَ الْجَحِيمِ ٧ رَبَّنَا وَأَدْخِلْهُمْ جَنَّاتِ عَدْنٍ الَّتِي وَعَدْتَهُمْ وَمَنْ صَلَحَ مِنْ ءَابَائِهِمْ... إِنَّكَ أَنْتَ الْعَزِيزُ الْحَكِيمُ ٨
15.	Juz 28 Al-Hashr	رَبَّنَا اغْفِرْ لَنَا وَلِإِخْوَانِنَا الَّذِينَ سَبَقُونَا بِالْإِيمَانِ وَلَا تَجْعَلْ فِي قُلُوبِنَا غِلًّا لِلَّذِينَ ءَامَنُوا... رَبَّنَا إِنَّكَ رَءُوفٌ رَحِيمٌ ١٠
16.	Juz 28 Al-Mumtahanah	رَبَّنَا عَلَيْنَا نَوَكَلْنَا وَإِلَيْكَ أَنَبْنَا وَإِلَيْكَ الْمَصِيرُ ٤ رَبَّنَا لَا تَجْعَلْنَا فِتْنَةً لِلَّذِينَ كَفَرُوا وَاعْفُرْ لَنَا رَبَّنَا إِنَّكَ أَنْتَ الْعَزِيزُ الْحَكِيمُ ٥
17.	Juz 28 Al-Tahrim	رَبَّنَا آتِنَا لَنَا نُورًا وَاعْفُرْ لَنَا إِنَّكَ عَلَىٰ كُلِّ شَيْءٍ قَدِيرٌ ٨

Table 2: Quranic supplications begins with the word 'Rabbana' (رَبَّنَا)

Table 2 shows that there are 43 Quranic supplications begin with the word 'Rabbana' (رَبَّنَا) that were identified from juz 1 and 2 (surah al-Baqarah), juz 3 and 4 (Ali 'Imran), juz 5 (al-Nisa'), juz 6 (al-Ma'idah), juz 8 (al-A'raf), juz 11 (Yunus), juz 13 (Ibrahim), juz 15 (al-Kahf), juz 17 (Ta Ha), juz 18 (al-Mukminun), juz 19 (al-Furqan), juz 22 (al-Ahzab), juz 22 (Saba'), juz 24 (Ghafir), juz 28 (al-Hasyr), and juz 28 (al-Mumtanah and al-Tahrim).

### 3. Rabbuna (رَبُّنَا)

No.	Juz Surah	Verse
1.	Juz 17 Al-Anbiya'	وَرَبُّنَا الرَّحْمَنُ الْمُسْتَعَانُ عَلَىٰ مَا تَصِفُونَ ١١٢

Table 3: Quranic supplication begins with the word 'Rabbuna' (رَبُّنَا)

Table 3 shows only one Quranic supplication begins with the word 'Rabbuna' (رَبُّنَا) was identified from juz 17 (surah al-Anbiya'). The Table 4 below shows the quantity of Quranic supplications which begin with the word 'Rabbi' (رَبِّ) with 31 supplications, 'Rabbana' (رَبَّنَا) 43 supplications, and 1 supplication for 'Rabbuna' (رَبُّنَا):

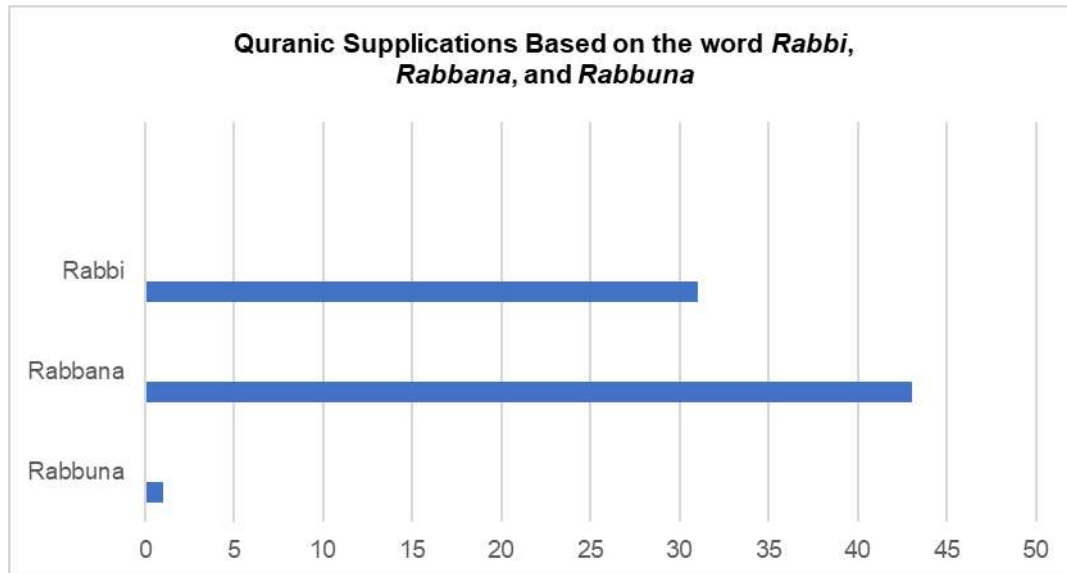


Table 4: Quranic supplication based on theme 'Rabbi' (رَبِّ) 'Rabbana' (رَبَّنَا) and 'Rabbuna' (رَبُّنَا)

## CONCLUSION

Supplications, also known as *du'a* or prayer hold a significant status in Islam, particularly when derived from the Quran. Quranic verses that are recited in supplications are considered highly esteemed and valued. Therefore, Muslims are highly recommended to be recited and practiced in their daily life. Based on an analytical study on Quranic supplications extracted based on 30 juz breakdown, it can be concluded that Quranic supplications which begin with the word *rabb* can be classified into three themes which are (i) *Rabbi*, (ii) *Rabbana*, and (iii) *Rabbuna*. Meanwhile, the total frequency of the word 'Rabbana' (رَبَّنَا) found in Quranic supplications is 43 times, followed by the word *Rabbi*' (رَبِّ) 31 times, and 1 Quranic verse for the word 'Rabbuna' (رَبُّنَا).

## REFERENCE

Al-Quran.

Al-Asqalani, Ahmad bin 'Ali Ibn Hajar. 2002. *Fath al-Bari Syarah Sahih al-Bukhari*. Al-Riyad: Dar al-Salam.

Al-Sadhan, 'Abdullah bin Nasir. 2000. *Ad'iyah Jami'ah min al-Kitab wa al-Sunnah*. al-Riyad: Dar al-Salam.

Al-Tabari, Muhammad Ibn Jarir. 1994. *Jami' al-Bayan 'an Ta'wil Ayi al-Qur'an*. Beirut: Mu'assasah al-Risalah.

Al-Tirmidhi, Abu 'Isa Muhammad. 1996. *Al-Jami' al-Kabir*. Beirut: Dar al-Gharb al-Islami.

Amra Ahsan and Maryyam Khan. 2012. The Helaing Power of Prayer in Islam. *Indian Journal of Positive Psychology*, 3(2), 168-172.

Awaludin Hakim. (2017). Doa Dalam Perspektif AlQuran Kajian Tafsir Ibnu Kathir Dan Tafsir Al-Azhar. *Jurnal al-Fath*, 11, 45-70.

H. Maman Sutarman. (2018). Kedudukan Doa Dalam Islam. *Jurnal Ilmu Tarbiyah dan Ekonomi Syariah*, 5, 79-93.

Husna Husain. (2022). Huraian Tema Ayat-Ayat Berkaitan Doa Di Dalam Al-Quran. *Jurnal al-Abqari*, 27, 145-157. Penerbit Universiti Sains Islam Malaysia.

Ibn Kathir, Abu al-Fida' Isma'il. 1997. *Tafsir al-Quran al-'Azim*. Al-Riyadh: Dar Taybah.

Ibrahim Anis, Abdul Halim Muntasir and Khalaf Allh Ahmad. 2004. *Al-Mu'jam al-Wasit*. Egypt: Maktabah Syuruq al-Dawliyyah.

Kafait Ullah Hamdani and Hafiz Salim (2020). The Supplication & Its Various Forms in the Holy Quran. *Ihya' al Ulum Journal*, 130-144. Department of Quran & Sunnah, joqs-uok.com.

Mohd Faez Mohd Shah & Noor Naemah Abdul Rahman. (2014). Kepentingan kaedah penyelidikan moden dalam fatwa semasa. *Jurnal Pengurusan dan Penyelidikan Fatwa*, 4, 1242-1256. Penerbit Universiti Sains Islam Malaysia.

Quraish Shihab. 2008. *Wawasan Al-Quran Tentang Dzikir dan Doa*. Jakarta: Lantera Hati.

Tantawi, Muhammad Sayyid. 2010. *Al-Du'a*. Cairo: Dar al-Ghad al-'Arabiyy.

Virginia Braun and Victoria Clarke. (2012). *Thematic Analysis*. USA: American Psychological Association.

Zila Jannati and Muhammad Randicha Hamandia. (2022). Konsep Doa Dalam Perspektif Islam. *Jurnal Komunikasi Islam dan Kehumasan*, 6, 36-48.

# CORPORATE SOCIAL RESPONSIBILITY (CSR) FROM ISLAMIC PERSPECTIVE: A LITERATURE DISCUSSION

Mohd Shukor Harun

<sup>i</sup> (Corresponding author). Faculty of Economics and Muamalat, Universiti Sains Islam Malaysia (USIM).  
shukorharun@usim.edu.my

## Abstract

*Islamic banking industry has been established for almost fifty years since 1970s. Although an Islamic bank still makes up only a fraction of the banking assets of Muslims, it has been growing faster than projected. The Shariah based concept, products and services provided have been well accepted worldwide. However, there still lack of discussion on how Islamic banks adopted all the Islamic ethical principles in performing their CSR. The paper aims to discuss the CSR concept from Islamic perspective. It is a conceptual attempt to discuss on how Islamic principles can influence the Islamic banks to the implementation of CSR. The religious characteristics that acted as a foundation for the establishment of Islamic banking are expecting to have an influence on corporate social responsibility. For that reason, the paper examines and analyse the relevant literature on Islamic bank and CSR discussions. The paper finds that, Islamic principle has a strong influence of CSR practice among Islamic banks. Thus, it is expected that the Islamic banks should be more proactive in CSR practice rather than conventional bank in fulfilling its religious obligation and their exemplary as a financial intermediary. Our study offers an original contribution to Islamic banking literature by develops a link between Islamic banking and Islamic ethical principle in CSR practice.*

**Keywords:** *Islamic Bank, Corporate Social Responsibility, Islamic Ethical Principle*

## INTRODUCTION

The corporate social responsibility concept has been discussed since 1930s and the contemporary era of CSR discussion began in the 1950s (Caroll, 1999). In Islam, the CSR concept have been clearly highlighting and discuss in the Holy Quran since 1436. Corporate Social Responsibility (CSR) is a priority issue should be highlighted by all Islamic banking managers to avoid a management issue and business scandal such as frauds, breaches of trust and other unethical behaviours such happened to Barings, Enron WorldCom and number of companies around the world (Snider,2003; Dusuki 2009).

Nowadays, in the Western countries, consultancy firms have sprung up to advice corporations on how to implement CSR and how to let the public know they are doing it. This have been followed by AAOIFI with the establishment of a comprehensive ethical reporting guideline in 2010 to enhance and promoting CSR reporting among Islamic banks. The emergence of CSR in the West today requires an instructive examination from an Islamic perspective. Thus, this paper, therefore, aims to discuss the concept of CSR in Islamic banks from the Islamic perspective. In

doing so, it examines the concept of CSR from Islamic point of view to enhance the practice of CSR among Islamic banks.

Numerous theoretical and empirical studies have investigated the phenomenon of CSR in Islamic banks (such as: Mohammed 2007; Khan 2010; Aris et al. 2013; Hassan et al. 2012). Notwithstanding the progress made to date to illuminate the importance of CSR, there still a limited study (see: Mohammed 2007; Rashid et al. 2013; Williams & Zinkin 2009) which discuss CSR practice from an Islamic perspective especially among Islamic banks. This study attempts to fill that gap.

The paper is arranged as follows: first, the introduction section, then the discussion of Islamic banks and CSR, prior study of CSR from Islamic point of view, Islamic principle in CSR, a brief discussion about AAOIFI, a critique of Islamic teaching and practice, finally, the concluding remarks.

### **THE ISLAMIC BANKS AND CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The establishment of Islamic banks was due to criticism of conventional banks charging interest on their banking activities (Beck et al. 2013). The practice of interest has been reported to have a negative effect on the development of the socioeconomic system (Siddiqi, 1983; Ariff, 1988; Lewis and Algaoud, 2001; Ahmad and Hassan, 2007). Chong and Liu (2010) state that the prohibition of interest or *Riba* in Islam can be viewed as part of Islam's general vision of a moral economy. Thus, Islamic banking was introduced as an alternative to conventional banking. Islamic banks have a strong responsibility to society, to establish a fair distribution of income, justice in the economy, and efficient capital mobilisation. These requirements clearly suggest that Islamic banks should display a strong fundamental sense of social responsibility towards society. The study on the corporate social responsibility of Islamic banks was therefore important in order to establish whether their CSR practice is in accord with the spirit of their establishment to be *Shariah* (Islamic Law) compliance bank.

Islamic banks' commitment to CSR can be decoded through the philosophy underlying their establishment. According to Dusuki and Abdullah (2007b), Islamic banking system is based on three main philosophies which distinguish it from the conventional counterpart. First, Islamic banking strives for a just, fair and balanced society, as envisioned by Islamic economics. Second, Islamic banking is constructed upon the principles of brotherhood and cooperation, and a system of equity sharing and stake taking. Last, as a system grounded in the ethical and moral framework of the *Shariah*, Islamic banking is characterised by ethical norms and social commitments.

Ahmad and Hassan (2007) indicated that one of the main objectives of Islamic banks is to work towards the establishment of an Islamic society and to create a deepening of the religious spirit among the people. Islamic banks' existence is based on the religious view and spirit. Thus, Islamic banks must ensure that their

activities adhere strictly to the rules of the *Shariah*. Therefore, they must ensure that all actions and business activities reflect Islamic principles. For these reasons, they have contended that Islamic banks' obligations towards society are greater than those of conventional banks for the following three main reasons: 1. An Islamic bank has a certain philosophical mission to achieve. According to Islamic principles, God (*Allah*) is the creator and ultimate owner of all resources. Humans and institutions have a viceregency role to play in society. Therefore, Islamic banks are not free to do as they wish; rather they should integrate moral values with economic action. 2. An Islamic bank must provide credit to those who have talent and expertise, thereby strengthening the economic foundations of society. 3. An Islamic bank should aim to create harmony in society based on the Islamic concept of sharing and caring to achieve economic, financial and political stability.

The activities and operations of Islamic banks are not only based on government rules and regulations but, at the same time, must comply with the *Shariah* law. Therefore, Islamic banks' permissible activities are limited compared to those of conventional banks which are not subject to such restrictions, instead being obliged to comply solely with legislation and not with additional religious obligations. Any activities that contradict with Islamic values and principles must be avoided. Islamic banks also should not invest in companies that violate human rights and affected the natural environment (Ullah and Jamali, 2010). Moreover, Islamic banks are not allowed to finance any enterprise involved in activities relating to pork, pornography, tobacco, gambling, and alcoholic liquor (Nathan and Ribiere, 2007). Therefore, Islamic banks bring ethical values and corporate social responsibility to banking practices simply because they are required to abide by Islamic law and the *Shariah*, which full of moral values (Kahf, 1999; Dusuki and Abdullah, 2007b).

While the above principles restrict Islamic banks' activity, they support Islamic banks' core values and activities that cultivate entrepreneurship, trade and commerce, and bring societal development or benefit (BNM, 2010). Khan (1987) indicated that these core values are one of the major principles underlying Islamic banking. Thus, the contribution of Islamic banks to CSR practice is very important such as *zakat* (tax) and *Waqf*.(endowment) The *zakat* payment obligation is one of the examples which shows the commitment and contribution of Islamic banks to CSR. It is a valuable tool for redistribution of income. Moreover, it contributes to better and more efficient economic development to the country. Thus, Islamic banks that are driven by religious philosophy should, theoretically, evidence more ethically-founded CSR policies rather than conventional banks.

#### **CSR FROM ISLAMIC POINT OF VIEW.**

From the Islamic perspective, CSR (corporate social responsibility) represents one's accountability to Allah and encompasses one's accountability to society; therefore, they can be interpreted as an institution, which promote social justice and social

responsibility (Maliah, 2000). As Muslims entities, Islamic banks are accountable towards Allah (God), as stated in the Quran: "And fear a Day when you will be returned to Allah. Then every soul will be compensated for what it earned, and they will not be treated unjustly" (Quran, 2:281). Corporate social responsibility (CSR) in general shows how the companies meet their obligation to their employees and community (Luan, 2005). In the Islamic context, social responsibilities represent the concept of brotherhood "ukhuwah" from one to another. Thus, the social role is very important for Islamic banks and they can be described as banks who have a social face towards the society (Haniffa & Hudaib, 2007; Al-Mubarak & Osmani, 2010; Hasan, 2011). This role is mainly a reflection of the importance of upholding the Islamic principles upon which these banks operate and how they address these social issues (Maali et al., 2003).

Consequently, as banks that operate in Islamic surroundings, it expected that they are aware of the impact of their activities on the community. In other words, Islamic banks should be more active on promoting CSR, rather than just focusing on profit maximisation. Islamic banks are also accountable towards stakeholders and society in general. These accountabilities can be proven through disclosure and full transparency, as stated in the Holy Quran: "And O my people, give full measure and weight in justice and do not deprive the people of their due and do not commit abuse on the earth, spreading corruption" (Quran, 11:85). Disclosure discussion from Islamic perspective is not relatively new, it has been discussed since the companion's era and have been clearly stated in the Holy *Quran* and *Hadith*. Such example:

*O you, who believe, do not devour each other's property by false means, unless it is trade conducted with your mutual consent. Do not kill one another. Indeed, Allah has been Very-Merciful to you. (Quran 4: 29)*

*Anybody who believes in Allah and the Day of Judgement should not harm his neighbour, and anybody who believes in Allah and the Day of Judgement should entertain his guest generously, and anybody who believes in Allah and the Day of Judgement should talk what is good or keep quiet (i.e. abstain from all kinds of evil and dirty talk). (Al-Bukhari, Vol 8, Hadith No.47).*

Both *Quranic* and *Hadith* above clearly stated that all Muslims have an obligation to practice a good ethical attitude in conducting business and in their daily activities. There are accountable in every deed. Lewis (2006) emphasises that if the purpose of accounting information is to serve the public interest, this therefore implies that, in an Islamic context, the *Umma* (community) has the right to know about the effect of the operations or investment of the Islamic banks on its well-being and ensure it is in line with the requirements of *Shariah*. Thus, Islamic in fulfilling their CSR obligation towards community, Islamic banks manager must disclose relevant information to public.

Ali Aribi & Arun (2014) conduct a study on how Islamic financial institutions (IFIs) in Bahrain are responding to the CSR needs of society. Using 18 in-depth semi structured interview among 9 IFIs managers and content analysis of the disclosures of 7 IFIs from 2006-2010, their study attempts to understand management perceptions of corporate social responsibility (CSR) in IFIs. The finding stated that based on a thorough understanding of CSR by managers, as evident in the interviews, it has not been translated fully into practice in the institutions. The partial use of IFIs' potential role in social welfare would add further challenges in the era of Islamic banking and finance industry. Islamic banking and finance regulatory body supposed to be more proactive to counter this problem and fully utilize the IFIs values rather than just focus on profit maximization.



Table 3.1: Islamic Ethical Principles in CSR as stated in Quran and Hadith

Source from Quran and Hadith	Values to business practice	Values to CSR practice
<p>-The Holy Prophet said "I will be foe to three persons on the day of judgment, one of them being the one who. when he employs a persons that has accomplished his duty, does not give him his due" (Al Bukhari, No . 2109).</p> <p>-"No Arab has superiority over a non-Arab and no non-Arab has any superiority over an Arab; no dark person has superiority over a white person and no white person has superiority over a dark person. The criterion of honour in the sight of God is righteousness and honest living (saying of prophet Muhammad(PBUH) (Cited in Ali Aribi,Zakaria and Arun 2014).</p>	<p>-Employee fair treatment, equal opportunity, and non-discriminatory behaviour</p>	<p>-Responsibility to employees.</p>
<p>-God likes that when someone does anything, it must be done perfectly well (saying of the prophet Muhammad pray and peace upon Him) (cited in Sallam and Hanafy, 1988).</p>	<p>-Excellence and quality of work</p>	<p>-Responsibility to the employer.</p>
<p>-“And do not do mischief on the earth, after it has been set in order, and invoke Him with fear and hope; Surely, Allah's Mercy is (ever) near unto the good-doers”.(Quran 7:56)</p> <p>-“If the Final Hour (Al-Qiamah) is come, and one of you has a palm seeding in his hand and it is within his power to plant it, then let him do so”(Narrated by Ahmed, Hadith No.12689)</p>	<p>-The importance to protect environment.</p>	<p>-Responsibility to environment.</p>
<p>-“And O my people, perfect the measure and the balance with justice and do not make the people short of their things, and do not go about the earth spreading disorder (Qur'an 11: 85).</p>	<p>-Honesty and transparency in conducting business transactions.</p>	<p>-Responsibility to customers and clients</p>

<p>-“He who cheats is not one of us.” (saying of the Prophet Mohamed-pray and peace upon Him) (Cited in Keller, 1994).</p>		
<p>-The acquisition of knowledge is a duty incumbent on every Muslim, male and female (saying of the prophet Muhammad-PBUH) (Sallam and Hanafy, 1988)</p>	<p>-Importance of knowledge seeking, research and development, scientific activities, training programme</p>	<p>-Responsibility for personal development program/employee/staff.</p>
<p>-“It is not righteousness that ye turn your faces to the East and the West; but righteous is he who believeth in Allah and the Last Day and the angels and the Scripture and the prophets; and giveth wealth, for love of Him, to kinsfolk and to orphans and the needy and the wayfarer and to those who ask, and to set slaves free; and observeth proper worship and payeth the poor-due. And those who keep their treaty when they make one, and the patient in tribulation and adversity and time of stress. Such are they who are sincere. Such are the God-fearing”.(Quran 2: 177)</p>	<p>-Socio economic justice towards all level of people.</p>	<p>-Responsible to the community.</p>
<p>-“And if the debtor is in straitened circumstances, then (let there be) postponement to (the time of) ease; and that ye remit the debt as almsgiving would be better for you if ye did not know”. Quran 2:280</p>	<p>-Tolerate with the debtor when involve in difficulties to make a repayment.</p>	<p>-Responsibility to debtors.</p>
<p>-“O you who believe, be upholders of justice - witnesses for Allah, even though against (the interest of) your selves or the parents, and the kinsmen. One may be rich or poor; Allah is better caretaker of both. So do not follow desires, lest you should swerve. If you twist or avoid (the evidence), then, Allah is all-aware of what you do”. (Quran 4:135)</p>	<p>-An order to promote social justice</p>	<p>-Responsibility towards society</p>

<p>-“Allah (SWT) says: I will be an opponent to three persons on the day of judgement: One who makes a covenant in My name, but he prove treacherous, and who sells a free person(as slave) and eats the price, and one who employs a labourer and gets the full work done by him but he does not pay him wages”(Sahih Al-Bukhari Vol 3:Hadith No. 2)</p>	<p>-Promoting social justice among community.</p>	<p>-Responsibility to employee and community</p>
<p>-O you, who believe, do not devour each other’s property by false means, unless it is trade conducted with your mutual consent. Do not kill one another. Indeed, Allah has been Very-Merciful to you. (Quran 4: 29)</p>	<p>-Honesty in wealth management and business trade.</p>	<p>-Social responsibility in conducting and managing business trade.</p>
<p>-Anybody who believes in Allah and the Day of Judgement should not harm his neighbour, and anybody who believes in Allah and the Day of Judgement should entertain his guest generously, and anybody who believes in Allah and the Day of Judgement should talk what is good or keep quiet(i.e. abstain from all kinds of evil and dirty talk).(Al-Bukhari, Vol 8, Hadith No.47.)</p>	<p>-Enhance a good ethics among society.</p>	<p>-Social responsibility to the community.</p>
<p>-“So, observe taqwa (total obedience to Allah in awe of Him) as far as you can, and listen and obey, and spend (in Allah’s way), it being good for you. And those who are saved from the greed of their hearts are the successful”.(Quran 64:16)</p> <p>-The Prophet Muhammad (PBUH) said: Every Muslim must pay sadaqah (charity). Then the Companions asked: What about someone who has nothing to give? The Prophet replied: Then let him do something with his two hands and benefit himself. That will be charity. The companion asked again: But what if he cannot do that?</p>	<p>-Philanthropy</p>	<p>-Responsibility to employee and the community.</p>

<p>The Prophet replied: Then he can help someone who is needy. Again the companion asked: What if he cannot do that? The Prophet replied: Then he should enjoin the doing of good. The companion asked again: But what if he cannot do that? The Prophet said that: Then he should give respite from evil, for that is a form of charity.(Hadith narrated by <i>Al-Bukhari</i>, Hadith No.225)</p>		
--	--	--

(Source: Adapted from Mohammed (2007) and Zakaria (2009).

## ISLAMIC PRINCIPLES IN CSR

In contrast to the Western theories such as legitimacy, agency and stakeholder theory, the Islamic view of CSR takes a rather holistic approach. It offers a holistic spiritual view based on the teachings of the *Quran* and the *Sunnah* which provide a better philosophical framework for managers in performing their duties as a vicegerent. In fact, the moral and ethical principles derived from divine revelations are more enduring, eternal, and absolute (Ahmad, 2002 ;Ahmad, 2003b), thus it may serve as better guidelines for Islamic banks when exercising their business and social responsibilities towards its stakeholders or shareholders.

Islamic ethical principles provide a broader framework for CSR. In terms of responsibility and accountability, Muslims believe that they will be accounted for whatever they do in this world and hereafter. Thus, it requires that every deed and word in this world must be in line with the Islamic teachings. The importance of accountability to the man's life also has been manifested by the Prophet Muhammad (PBUH) as "*Narrated by 'Abdullah bin 'Umar:: Allah's Apostle said, "Surely! Every one of you is a guardian and is responsible for his charges: The Imam (ruler) of the people is a guardian and is responsible for his subjects; a man is the guardian of his family (household) and is responsible for his subjects; a woman is the guardian of her husband's home and of his children and is responsible for them; and the slave of a man is a guardian of his master's property and is responsible for it. Surely, every one of you is a guardian and responsible for his charges."* (Shahih Bukhari: Volume 9,:252).

The influence of Islam on business practices are well documented in the Holy *Quran* and *Sunnah*. Islamic business values such as benevolence, socio-economic justice, human well-being, public interest can be considered as the core of CSR principle in Islam. Islamic financial Institutions (IFIs) such as Islamic banks are considered as having an ethical identity and they have different social and economic objectives since the foundation of their business is based on *Islamic* principles (Ali Aribi & Gopinath Arun, 2012; Haniffa & Hudaib, 2007; Maali, Casson, & Napier, 2006). Within the range of *Shariah* (Islamic law), Islamic banks are expected to be guided by an Islamic economic worldview, which is based on the principle of social justice and the wellbeing of society (Wajdi Dusuki, 2008). Thus, Islamic banks obligated to give a full commitment towards promoting social justice among the society (Hassan & Latiff, 2009).

According to (Farook (2007) "any notion that IFIs or any other institution that claims to be Islamic, should be socially responsible and must derive its justification from Islamic law and principles, as contained within the Qur'an and the Sunnah of the Prophet Muhammad (P.B.U.H)". This obligation has been clearly stated in the Holy Quran and Hadith as guidance to all Muslims to be practice. Table 3.1 lists an example of Islamic ethical principle in CSR as stated in the Holy Quran and Hadith.

### **The Shariah (Islamic Law)**

In Islam, the *Shariah* or 'Islamic Law' is the foundational basis in understanding CSR. The concept of the *Shariah* in Islam consists of ethics and values covering all aspects of life (e.g. personal, social, political, economic, and intellectual). Dusuki and Abdullah (2007a) stated that the concept of the *Shariah* reflects the holistic view of Islam, which is a complete and integrated code of life, it encompassing all aspects of life, either individual or social, both in this world and the hereafter. Zinkin (2007) stated that the *Shariah* is not just a legal, but it also functions as moral framework. It differs from secular laws, where laws and ethics may differ.

*Shariah* has grown within the guidelines set by the objective (*Maqasid Al-Shariah*) which aims to promote the well-being of mankind. According to Al-Ghazali cited in Dusuki and Abdullah (2007a, p. 31), "The main objective of the *Shariah* is to promote the well-being of all mankind, which lies in safeguarding their religion (*din*), their human-self (*nafs*), their intellect (*aql*), their family (*nasl*) and their wealth (*mal*)".

For example, to achieve the objective of *Shariah* in protecting wealth, Islamic banks provide an alternative of a conventional banks which based on interest that give a negative impact on the distribution of income and fairness in economic (Basah 2012). Not just focus of elimination of interest in transactions, the activities of Islamic banks also should be in line with the objective of the *Shariah* and they have to be more concern on the CSR issues as widely practice by conventional bank.

Dusuki and Abdullah (2007a) also stated that the concept of *Shariah* has three implications of the concept of corporate social responsibility. First, in Islam, corporate social responsibility is an initiative of the religious and moral based on the belief that the corporation should be good despite the financial impact. Based on this concept, business is not driven by profit maximisation alone, but with the pursuit of ultimate happiness in this world and in the hereafter. Second, the guidelines set out by the Islamic principles of bring out a balance between individual rights and duties, responsibilities towards other people and between personal interest and altruism. Finally, the concept of reward is developed to incorporating within its reward in this world and the Hereafter. This provides a strong motivation and self-propelling motivation, without denying a person's natural instinct for personal gain. The principles above act as guidelines and a value added of Islamic banks in the financial industry. The *Shariah* acts as an internal control over Islamic banks alongside secular legislation. It supposed to act as internal controls which make Islamic banks more sensitive towards CSR issue than the conventional banks.

### **Transparency**

When it comes to transparency in business, Islam goes much further than the UN Global Compact transparency standards (Williams & Zinkin 2009). For example, clear written contracts are required for all business transactions as stated in the Holy *Quran* (*Quran*, 2, p. 282), and in Islam, as in Judaism, the principle of caveat emptor

does not apply. Many *Hadiths* outline that principles such as, “It is not permissible to sell an items without making everything about it clear, nor is it permissible for anyone who knows about its defects to refrain from mentioning it” (*Hadith* narrated by *Al Hakim and Al-Baihaqi*). Muslim businesses are therefore expected to ensure the high quality standards in performing their job and be transparent in their transactions. The issue of quality standards can also be seen in Quranic teaching on weights and measures (Qur’an, 6, p. 152; 17, p. 35; 83, pp. 1–6), for example “Give just measure and cause no loss (to others by fraud). And weigh with scales true and upright. And withhold not things justly due to men, nor do evil in the land working mischief” (Qur’an, 26, pp. 181–183). Whilst this does not of itself imply that the same standard should be applied everywhere, it does require that full information is provided on the standards used, which requires greater transparency and accountability. In Islamic banking perspective, all required information supposes to be transparent and disclose to the public such example CSR information of the banks. The effective medium of disclosure in financial companies such as Islamic banks is annual report and newsletter. It is the best tools for communication towards stakeholder and shareholder (Arvidsson 2011).

### **Accountability**

According to Haniffa (2001), under the Western accountability models, companies are accountable to their stakeholders. In this model, the responsibility and accountability are not considered to extend beyond human society, and the frameworks do not envisage any accountability to God (Allah). From an Islamic perspective, the perceived relationship of individuals and firms with God (*Allah*) affects the concept of accountability (Maali, 2006). Muslims, as required by Islam, have to question their actions or hold themselves accountable before being held accountable by Allah on the Day of Judgment for what they have done in their life (Abdul-Rahman and Goddard, 1998). As a vicegerent and trustee of *Allah*, every human act in this world will be questioned on the Day of Judgement. Farook (2007) called this concept ‘divine accountability’ and it is the basis for all actions of Muslims and, in turn, representative organisations of Muslims. The concept of divine accountability is clearly stated in the holy Quran in such verses as: “When you are greeted with a greeting, greet in return with what is better than it or (at least) return it equally. Certainly Allah is Ever a Careful Account Taker of all things” (Quran 4:86).-

The word *Hisab* in Arabic, which is a synonym to account or accountability, is repeated more than eight times in different verses in the Holy *Quran* (Askary and Clarke, 1997), it shows of how important the accountability in Islam. According to Lewis (2006), the basic similarity between *Hisab* or account and accountability lies in the responsibility of individuals and businesses to carry out duties as prescribed by Islam. Accountability in this context means accountability to the Islamic community at large, which has the right to know about the effects of the operations of

organisations on its well-being (Lewis, 2006). Ibrahim (2000) elaborates this aspect of accountability as follows: "Accountability is the duty of an entity to use (and prevent the misuse) of the resources entrusted it in an effective, efficient and economical manner, within the boundaries of the moral and legal framework of the society and to provide an account of its actions to accountees who are not only the person(s) who provided it with the financial resources but to groups within society and society at large".

### **CRITIQUES BETWEEN ISLAMIC TEACHING AND PRACTICE**

In theory, Islamic banks are expected to be fully convergence with the *Shariah* and implement all the Islamic values in their operation, but that's have few arguments of its implementation in real world (Khan 2010b). Islamic values give high influence to the business and socio-economic of Muslims life and it's have been practice since the time of Prophet Muhammad (PBUH). Values and principles that practiced by Islam since the time of Prophet Muhammad (PBUH) 1436 years ago may serve as a foundation for notions of corporate social responsibility alike as what have been practice in Europe (Williams & Zinkin 2009). The holy *Quran* has enjoined that the economic success of business will flourish if it is underpinned by morality, *Quran* says that: "... give full measure when you measure, and weigh with a balance that is true..." (*Quran*, 17: 35). From this verse, it shows that the convergence between morality and the economic orientation of business is clear stated in the Holy Quran, thus Muslims are expected to practice it in their daily life.

A Hadith by Prophet *Muhammad* (PBUH) as narrated by *Abu Hurairah* stated that: "Prophet Muhammad said: Do you know who is poor? They (the companions of the Prophet) answer that: A poor man amongst us is one who has neither Dirham with him nor wealth. The Prophet explain that: The poor of my followers (*ummah*) would be he who would come on the Day of Judgement with prayers, fasts and *zakah* but he would find himself bankrupt on that day as he would have exhausted his funds of virtue since he hurled abuses upon others, brought calumny against others and unlawfully consumed the wealth of others and shed the blood of others and beat others, and his virtues would be credited to the account of one who suffered at his hands. And if his good deeds fall short to clear the account, then his sins would be entered in his account and he would be thrown in the Hell-Fire" (Sahih Muslim, No.6251).

This Hadith clearly demonstrates of how emphasis Islam places on the maintenance of social responsibility and socio economic justice to the society. Islam has clearly defined responsibilities for the individual, the corporation and the nation-state regarding to CSR issue. In Islam, features of social responsibility and justice are deeply rooted in the *Quran* and *Hadith*. A number of commandments in *Quran* and *Hadith* stipulate what must be done in order to establish socio-economic justice among the society. Such example Islam have set an obligatory payment out of income and wealth (*Zakah*) and encourage Muslims to set an endowment fund



(*Waqf*), alms and charity (*Sadaqah*), interest free loans (*Qard al Hassan*), etc to ensure socio-economic justice among the community and create a harmony community.

However, a study by (Williams & Zinkin 2009) find that there is often a difference between teaching and practice, and it must be recognised that not all of the Islamic teachings and practiced in many Islamic countries. For example, when it comes to equal treatment of women in a workplace, many Islamic countries fall short of basic standards of equality as defined by the global standards, and the issues related to basic human rights and transparency of the judicial process (Beekun and Badawi, 2005; UNDP, 2002). In addition, statistics of corruption, such provided by Transparency International, shows that Islamic countries are often high on the corruption scale. It cannot be deny that its happened due to several factor such as other socio-political factors related to the nature of government and the development of civil society, but it's still clearly shows that they are not purely practice all the CSR values as highlighted in the Holy Quran. Furthermore studies by Hofstede(2005) based on the World Values Survey show that Islamic countries tend to be more deferential to hierarchies, less equal in their treatment of women and minority groups, and less supportive of the rights of individuals in the workplace. Even these issues are almost certainly not related directly to Islam per se, but as Muslims who represent Islam to the world, they have to practice all the values as stated in the Holy Quran(Jafar, 2005 )

A final possible area of difference arises in the focus on individual responsibility in Islam, an idea reinforced by the lack of priestly intermediation between Muslims and God (Allah), and the apparent recognition that the corporation is no more than a legal entity that has no responsibilities that can be separated from those of the individuals who make up the organisation (Bhatia, 2004). Nonetheless, in general, the close conformity between Islamic ethical standards in business and the universal global standards such example the UN Global Compact is very encouraging since it suggests that a discourse based on the UNGC Ten Principles and discussions of how best to develop CSR can usefully emphasise the commonalities and convergence between modern stakeholder capitalism and Islam. 'European Islam' along the lines suggested by Tariq Ramadan, who suggests that many of the habits that Muslims display are not Islamic per se, but rather are cultural traits specific to the Middle East, Africa or Asia, and "Muslims living in Europe have an opportunity to reread our religion" (Ramadan, 2004). Thus in Islamic banking perspective, it is expected that all Islamic banks who carried out the name of "Islam", implement the values and ethics which is in line with the Islamic teaching. It is their obligation to show to the world the beauty of Islam.

## CONCLUSION

In conclusion, an argument regarding to the current Islamic banking activities deviate from the Islamic spirit, which is their implementation and practice still have

no different from those conventional banking activities (Chong and Liu ,2010). Thus, a study of the current practice of Islamic banking was important to identify the holistic view of CSR in Islamic banking perspective. In this way, the correlation between theory (compliance with religious norms) and practice can be ascertained. It was also important to study if and how Islamic teachings and views have impacted upon Islamic banking activities. Islamic ethical principles provide a broader framework for CSR and it should motivate Islamic banks to actively pursue it. From the above discussion, it shows that the Islamic ethical principle has a significant influence towards CSR practice in Islamic banks. Islamic banks should also have a greater affinity to CSR because they are guided by strong religious/ethical principles and obligated to adhere to these principles. Importantly, Islamic principles must be translated into action and actual practice in Islamic banks industry. If not, such principles and guidance would just become theoretical only.

The rapid development of Islamic banks in today's world requires an instructive examination of their CSR practices. Islamic banks should play a leading role in CSR implementation such as environmental risk management, human resource development, human rights, and community development. Therefore, it is advisable for the future study to be conducted empirically to measure the CSR disclosure level of Islamic banks, its determinants, and consequences.

## REFERENCES

- Ali Aribi, Zakaria and Arun, T.G., 2014. Corporate Social Responsibility in Islamic Financial Institutions (IFI): A Management Insight. *Journal of Business Ethics*, (ISSN 0167-4544).
- Ali, Z., 2006. Islam: Religion, History, and Civilization (review). *Philosophy East and West*, 56(3), pp.495–497.
- Al-Mubarak, T. & Osmani, N.M., 2010. Applications of Maqasid al-Shari'ah and Maslahah in Islamic Banking.
- Arieli, S., Grant, A.M. & Sagiv, L., 2014. Convincing Yourself to Care About Others: An Intervention for Enhancing Benevolence Values. *Journal of Personality*, 82(1), pp.15–24.
- Aris, N.A., Othman, R. & Azli, R.M., 2013. Pyramid of Maslahah for Social and Economic Welfare : The Case of Bank Islam Malaysia Berhad. *Energy Technology and Policy*, 3, pp.457–470.
- Arvidsson, S., 2011. Disclosure of non-financial information in the annual report: A management-team perspective. *Journal of Intellectual Capital*, 12(2), pp.277–300.
- Al Banna Choiruzzad, S. & Nugroho, B.E., 2013. Indonesia's Islamic Economy Project and the Islamic Scholars. *Procedia Environmental Sciences*, 17, pp.957–966.
- Basah, M. & Yusuf, M., 2013. Islamic Bank and Corporate Social Responsibility (CSR). *European Journal of Business and Management*, 5(11), pp.194–209.
- Basah, M.Y.A., 2012. Corporate social responsibility and natural environmental risk management in the context of the banking sector of Malaysia. , (April).
- Beck, T., Demirgüç-Kunt, A. & Merrouche, O., 2013. Islamic vs. conventional banking: Business model, efficiency and stability. *Journal of Banking and Finance*, 37, pp.433–447.
- Bhuiyan, A.B. et al., 2012. The approaches of Islamic and conventional microfinancing for poverty alleviation and sustainable livelihood. *American Journal of Applied Sciences*, 9(9), pp.1385–1389.
- Cebeci, I., 2012. Integrating the social maslaha into Islamic finance. *Accounting Research Journal, Emerald Group Publishing Limited*, Vol. 25, p.19.
- Dusuki, A.W., 2009. Challenges of Realizing Maqasid al-Shariah (Objectives of Shariah) in Islamic Capital Market: Special Focus on Equity-Based Sukuk. In *USM-ISDEV International Islamic Management Conference on Islamic Capital Market*. pp. 1–30.
- Farook, S., 2007. On corporate social responsibility of Islamic financial institutions. *Islamic Economic Studies*, 15(1), pp.31–46.
- Hassan, M.T. et al., 2012. Corporate Social Responsibility Disclosure (A Comparison

- between Islamic and Conventional Financial Institutions in Bahawalpur Region). *International Journal of Learning and Development*, 2(1), pp.628–642.
- Jafar, A., 2005. Women, Islam, and the State in Pakistan. *Gender Issues*, 22(1), pp.35–55.
- Khan, F., 2010. How “Islamic” is Islamic Banking? *Journal of Economic Behavior and Organization*, 76(3), pp.805–820.
- Mohammed, J.A., 2007. *Corporate Social Responsibility in Islam*.
- Rashid, M. et al., 2013. Customer-centric corporate social responsibility: A framework for Islamic banks on ethical efficiency. *Management Research Review*, 36(4), pp.359–378.
- Vinnicombe, T., 2012. A study of compliance with AAOIFI accounting standards by Islamic banks in Bahrain. *Journal of Islamic Accounting and Business Research*, 3(2), pp.78–98.
- Williams, G. & Zinkin, J., 2009. Islam and CSR: A Study of the Compatibility Between the Tenets of Islam and the UN Global Compact. *Journal of Business Ethics*, 91(4), pp.519–533.

## SYSTEMATIC LITERATURE REVIEW ON CUSTOMARY LAND MANAGEMENT IN NEGERI SEMBILAN

Mualimin Mochammad Sahid <sup>i</sup>, Wan Abdul Fattah Bin Wan Ismail <sup>ii</sup>, Lukman Bin Abdul Mutalib <sup>iii</sup>, Ahmad Syukran Baharuddin <sup>iv</sup>, Mahmoud Mohamed Ali Mahmoud Edris <sup>v</sup>, Syed Mohammad Chaedar <sup>vi</sup>, Muhammad Hazim Bin Ahmad <sup>vii</sup>

<sup>i</sup> Faculty of Syariah and Law, Universiti Sains Islam Malaysia (USIM), Nilai 71800, Negeri Sembilan

<sup>ii</sup> Faculty of Syariah and Law, Universiti Sains Islam Malaysia (USIM), Nilai 71800, Negeri Sembilan

<sup>iii</sup> Faculty of Syariah and Law, Universiti Sains Islam Malaysia (USIM), Nilai 71800, Negeri Sembilan

<sup>iv</sup> (*Corresponding author*). Faculty of Syariah and Law, Universiti Sains Islam Malaysia (USIM), Nilai 71800, Negeri Sembilan

ahmadsyukran@usim.edu.my

<sup>v</sup> Faculty of Syariah and Law, Universiti Sains Islam Malaysia (USIM), Nilai 71800, Negeri Sembilan

<sup>vi</sup> Faculty of Syariah and Law, Universiti Sains Islam Malaysia (USIM), Nilai 71800, Negeri Sembilan

<sup>vii</sup> Faculty of Syariah and Law, Universiti Sains Islam Malaysia (USIM), Nilai 71800, Negeri Sembilan

### Abstract

*This article explores the cultural tradition of Perpatih, a practice observed in Malaysia's Negeri Sembilan and Melaka regions, rooted in Minangkabau heritage from Indonesia. Perpatih's foundation is in familial customs, encompassing social, economic, political, and legal aspects. The study examines the hierarchical customary law system, including Undang, Lembaga, Buapak, Perut, and the general public, with a democratic selection process for the Yamtuan. Perpatih's exogamous marriage system is also discussed. The article highlights the significance of a well-organized land management system for customary land. It delves into the Customary Tenure Enactment Chapter 215, detailing regulations for customary land inheritance and division. Abandoned customary land becomes a central concern, with factors contributing to abandonment explored, such as incomplete property division and location challenges. Through systematic review methodology, the study examines existing research on customary land in Negeri Sembilan. It identifies challenges in customary land management and discusses a proposed comprehensive forensic model utilizing forensic science to address abandoned customary land. In conclusion, the article emphasizes the importance of efficient customary land governance to prevent abandoned land and suggests the development of a forensic model to address this issue. Further research is recommended to enhance customary land management and uphold the rich cultural heritage of Perpatih.*

## INTRODUCTION

The cultural tradition of perpatih, observed in Malaysia, is limited to a specific segment of the populace residing in the regions of Negeri Sembilan and Melaka (Sahid, Chaedar, Hasan, & Amar, 2021; Zainon, Bakar, Zaghoul, Urus, & Abd Azzis, 2021). It is widely believed that the practise of perpatih was introduced by the Minangkabau people who migrated from Pagaruyong, Indonesia (Radzuan, 2021; Sahid et al., 2021; Sunarti, Sari, & Haghia, 2021). The foundation of the Perpatih customary law is rooted in the customs that are traditionally observed and passed down from one generation to the next among the progeny of each forebear (Radzuan, 2023; Zainon et al., 2021). In brief, the research conducted by Haron (1992, 1997) indicates that the perpatih custom is a social norm that is grounded in the familial group system. The rules in question encompass a wide range of areas, including but not limited to social, economic, political, and legal aspects. Thus, the prevalent arrangement of perpatih in this community is founded upon the familial structure to a great extent. The Papatih custom's division and practise system bears minimal dissimilarity to the Temenggung custom system's practise observed in various states (Karim, 2021). The governmental perspective on the implementation of customs is characterised by a hierarchical structure, wherein each level or stage is assigned specific responsibilities and entitlements (Radzi & Yusoff, 2023; Saludin, 2022). These entities are commonly referred to as Undang, Lembaga, Buapak, Perut, and the general public.

The Yamtuan in the state of Negeri Sembilan is selected through a democratic process whereby each chief from every tribe, referred to as Undang, participates in the election (Maamor, Kahn, & Taif, 2022). The appointment and election of all Undang within the tribe is determined based on the consensus of all members of the tribe (Sahid et al., 2021). From a legal perspective on property division, the customary practise of pepatih accords significance and precedence to the female gender as opposed to the maternal lineage (Wan, Rushdan, & Mohd, 2023). In the case of mortality, inherited assets, such as customary land, will be directly passed down to the daughter. Neither the spouse nor the offspring possess the entitlement to possess or inherit the bequest. In the event that a mother does not have a female offspring, the inheritance of property shall devolve upon her younger sister, daughter of her younger siblings, granddaughters, or any other female heir in succession. It is imperative that the customary land inheritance distribution guarantees that women belong to the same tribe. The Papatih community follows the exogamy system in customary marriages (Radzuan, 2021; Tono, Syibly, Mu'allim, Nurozi, & Purwanto, 2019). The exogamy system is a form of marital practise that prohibits individuals from marrying within their own tribe. As per the findings of Aunurrochim et al. (2017) research, intra-tribal marriage is prohibited due to the belief that such unions do not foster progress.

The establishment of a well-organized and efficiently run land management system is of paramount importance (Azizan & Hussin, 2017; Maidin, 2023). Primarily, it is imperative to establish a management framework for customary land, which pertains

to the customary practises of a particular community in Malaysia (Wook, Yusof, Khan, Mohd, Hassan, & Mohad, 2020). The effective management of customary land and its inheritance necessitates the appointment and establishment of responsible parties to oversee its division and maintenance within the customary land management system. Every state possesses the authority to introduce their respective customary laws. Diverse customary practises indicate variations based on the beliefs, customs, and ancestral traditions transmitted across successive generations. The customary tenure enactment chapter 215 and the customary tenure enactment (Lengkongan land) 1960 have stipulated that customary land is a type of land that is owned by the land office and is passed down from one generation to another within the same tribe in groups, in accordance with the rules of inheritance (Radi, 2019; Wan, Rushdan, & Mohd, 2023). Subsequently, during the registration process of the customary land register certificate, the appellation of the corresponding ethnic group is documented (Ismail, 2011). This practise is exclusive to certain communities residing in Negeri Sembilan and Melaka.

In accordance with Chapter 215 on customary tenure enactment, there exist several provisions of customary regulations that must be adhered to when executing inheritance procedures on customary land (Ismail, 2011; Wan, Rushdan, & Mohd, 2023). As per Chapter 215, Section 2 of the customary land tenure enactment, the term "customary land" refers to land that has been duly registered and endorsed in accordance with the customary land tenure enactment of 1909. Additionally, such land must be subject to customary administration and regulations for its maintenance and management. Section 2 of the regulation enforces stricter regulations by forbidding the allocation of customary land to individuals who do not share the same tribal affiliation. According to Section 4 of the Customary Tenure Act, Chapter 215, it is mandated that the management and data records pertaining to the recording of "customary land" must be overseen by the land administrator and documented in the land office title document. Section 5 of the aforementioned legislation stipulates that any matters or activities pertaining to customary land, including but not limited to land ownership transfer and customary land collateral, must adhere to customary practises. Hence, it is imperative for communities adhering to the customary system of *pepatih* to conform to the regulations stipulated in the customary tenure enactment chapter 215, in order to streamline the processes of inheriting and partitioning their customary land. The Customary Tenure Enactment Chapter 215, in conjunction with the Customary Tenure Enactment (Lengkongan Land) 1960, serves as a guiding principle for practitioners of the *Pepatih* customary law in the transfer of customary land ownership (Radi, 2019; Wan, Rushdan, & Mohd, 2023).

## **METHODOLOGY**

Systematic reviews offer a comprehensive analysis of the available evidence pertaining to a particular area of inquiry, consolidating the findings of numerous studies (Davies, 2019; Tawfik et al., 2019). They continue to be regarded as one of the most reliable types of evidence, and mitigate the inherent bias present in alternative methodologies (Xiao & Watson, 2019). It fulfils numerous essential functions. Systematic reviews can offer comprehensive overviews of the current state of knowledge within a particular field, thereby facilitating the identification of future research priorities. Additionally, they can tackle questions that individual studies alone may not be able to answer, identify issues within primary research that require rectification in future studies, and generate or evaluate theories regarding the underlying mechanisms or causes of observed phenomena. Systematic reviews, is therefore, producing diverse forms of knowledge that cater to the distinct needs of various review users.

The present qualitative study has employed a systematic review to acquire an initial understanding of customary land management concerns in Negeri Sembilan, with a particular focus on the matter of abandoned customary lands. The present investigation conducted an online inquiry for scholarly works pertaining to the research objective. The study employed multiple primary search engines, namely MyJurnal, Google Scholar, PMC Pubmed, Scopus, and Science Direct. This research will solely consider literary works composed in Malay and English, and disseminated from 2015 to 2023, to the extent that they are accessible. The outcomes of the inquiry will be expounded upon in the subsequent segment and will be subjected to a more comprehensive discussion therein.

## **FINDING AND DISCUSSION**

### **The matter of relinquished customary land in Negeri Sembilan**

In the Malaysian context, customary land refers to land that has been acquired or is jointly owned by a community, such as the Minangkabau, Orang Ali, and Dayak tribes (Azaldin & Mat Zain, 2018; Manaf, Alias, & Omar, 2022; Wan, Rushdan, & Mohd, 2023; Wook et al., 2020). The foundation of Perpatih customs in Negeri Sembilan is commonly attributed to customary land (Wan, Rushdan, & Mohd, 2023). As previously mentioned, this category of land is a heritable asset that is passed down through generations in accordance with the matrilineal system, specifically the mother's side tribe. It serves as a significant symbol of the Negeri Sembilan ethnic community, which continues to be upheld to this day.

The regulation and administration of customary lands in Negeri Sembilan are subject to three enactments, as posited by Manaf (2009), Idris, Hussin, and Yussof (2015), Aunurrochim et al. (2017), Wook et al. (2020), and Shah et al. (2017). The Enactment of Pemegangan Adat Chapter 215 is a regulatory framework that oversees the management of several customary lands located in various districts, including Kuala Pilah, Jelebu,



Jempol, Rembau, Kecil Gemas, and Tampin. These lands encompass the Customary Territories of Luak Tanah Mengandung (Luak Terachi, Luak Ulu Muar, Luak Inas, Luak Jempol, Luak Gunung Pasir), Luak Rembau, Luak Jelebu, Tengku Besar Tampin Customary Territory, Air Kuning Pusaka Customary Territory, and Luak Gemenchek. The second regulation is the Enactment of Pemegangan Adat (Tanah Lengkongan) Year 1960, which presides over the management of traditional land in the Kuala Pilah district, encompassing Luak Gunung Pasir, Luak Ulu Muar, and a portion of Luak Jempol. The third matter pertains to the Enactment of Undang Rembau (Land) 1949, which regulates the management of five parcels of traditional land located within the Rembau district that are owned by Undang Luak Rembau and their successors. Despite the existence of regulations that oversee the administration of customary lands in Negeri Sembilan, research conducted by Hajah Makiah Tussaripah, Jamaliah Kadimi, and Izawati et al. indicates a declining significance of customary land institutions.

According to data from 1996, a mere 6.39% of customary land was documented under the Title of the Registrar's Office and the Title of the Land Office (Wook et al., 2017). The recorded area of customary land in Negeri Sembilan constitutes a mere 2% of the total expanse (Wook et al., 2017). The size of customary land documented in the district of Rembau is only 12.4% of the district's total area (Kadimi, 2015). According to data from 2012, the proportion of customary land records in the Kuala Pilah district accounted for only 11.4% of the overall land area in the district (Jamil & Taib, 2012). Prior research has demonstrated that customary land owners exhibit hesitancy in registering their land as customary land in accordance with current legislation.

Furthermore, the issue of abandoned land is also prevalent in customary lands located in Negeri Sembilan. As posited by Mohd Sabree and Mohd Sopiee (2015), Islamic jurisprudence and law outline four defining features of land that is deemed abandoned. These include the absence of an owner, lack of irrigation, non-utilization, and remoteness from inhabited settlement areas. Murad et al. (2017) conducted a study which revealed that as of 2017, an estimated 35,000 acres of land in Negeri Sembilan had been categorised as customary land. The aforementioned categorization encompasses around 20,458 parcels of land, which are associated with roughly 20,346 distinct ownership entitlements (Murad et al., 2017). In 2016, data indicated that there existed approximately 10,309.14 hectares of deserted land in the state of Negeri Sembilan (Murad et al., 2017). The abandoned lands encompass seven districts located in Negeri Sembilan, which are Tampin, Kuala Pilah, Rembau, Jelebu, Jempol, Port Dickson, and Seremban. Tampin spans an area of 2,309.63 hectares and comprises 424 land lots. Kuala Pilah covers an area of 2,305.73 hectares and encompasses 2254 land lots. Rembau spans an area of 1,512.70 hectares and comprises 1136 land lots. Jelebu covers an area of 1,365.24 hectares and encompasses 693 land lots. Jempol spans an area of 1,058.59 hectares and comprises 714 land lots. Port Dickson covers an area of 1,032.75 hectares and encompasses 811 land lots. Lastly, Seremban spans an area of 724.50 hectares and comprises 372 land lots. Based on

the information presented in the data, it can be inferred that the majority of abandoned land in Negeri Sembilan pertains to customary land in regions such as Kuala Pilah, Jempol, Rembau, Jelevu, and Tampin.

Previous research has identified several factors that contribute to the presence of abandoned customary land. These include the privatisation of customary land, resulting in its transfer from communal ownership to individual ownership; the marginalisation of customary institutions; the issue of multiple ownership of customary land; incomplete property division; inheritance laws that grant ownership rights solely to female heirs; the lack of guaranteed ownership status for customary land; the location of customary land in non-strategic areas, far from transportation networks; and the high initial costs associated with the development or exploitation of customary land.

### **The need to improve the customary land management system to reduce abandoned land**

The customary practise of perpatih remains prevalent among the populace of Negeri Sembilan, particularly in the domain of customary land legislation, in tandem with the advancement of scientific and technological knowledge. In Negeri Sembilan, the estimated area of customary land is limited to 34,550.07 acres (Murad et al., 2017). However, to ensure the preservation of customary land institutions in the region, a well-structured system of customary lands management is imperative.

In actuality, most customary lands are backward, abandoned, and underdeveloped (Manaf, Alias, & Omar, 2022; Murad et al., 2017; Radi, 2019). The customary land management practises in Negeri Sembilan give rise to several issues, including legal challenges pertaining to the preservation and development of such lands (Idris, Hussin, & Yussof, 2015; Radi, 2019; Shah et al., 2017; Wook et al., 2017). Challenges pertaining to the management and administration of customary land, coupled with the community's misconceptions regarding land ownership, have resulted in various issues. These include prolonged disputes over land division, conflicts among rightful heirs to customary land, and the presence of uncultivated customary lands. Research done by Manaf (2009), Wook et al. (2017), as well as Azaldin and Mat Zain (2018) assert that the implementation of written laws, specifically land laws, has given rise to various predicaments concerning customary land, including conflicts over customary land ownership, issues pertaining to abandoned land, and the marginalisation of customary land institutions. According to the research conducted by Idris, Hussin, and Yussof (2015), it was discovered that the Perpatih Custom exhibits certain weaknesses in both its administrative structure and practical implementation.

### **The lack of a comprehensive model for the utilisation of forensic science in customary land legislation**

Most of the scholarly literature and research has centred on predicaments and concerns pertaining to customary land in the state of Negeri Sembilan. This is evident and prevalent by looking back at previous discussions. The research was conducted to determine the extent of community engagement with customary land and customary land legislation in the state of Negeri Sembilan. However, the aforementioned studies lack a clear discussion of the comprehensive solution steps that can be implemented. Prior research has also explored the notions of customary land and deliberations from the Sharia standpoint (Aunurrochim et al., 2017; Azaldin & Mat Zain, 2018).

To date, there has been no established model or specialised tool developed to address instances of abandoned customary land in Negeri Sembilan. The issue of neglected traditional land warrants attention and resolution, as it carries significant implications. This is due to the fact that land is a primary determinant of a nation's development. The implementation of effective land administration has the potential to act as a driving force for worldwide economic progress (Mohd Sabree & Mohd Sopiee, 2015; Radi, 2019). The utilisation of forensic science within the legal framework of customary land, known as the comprehensive forensic model of customary land, has been proposed as a viable approach to address the issue of unresolved cases of abandoned customary land (Azizan & Hussin, 2017).

### **Improve the customary land law administration system**

Initially, regulations pertaining to land were informal and not documented until the introduction of the Customary Tenure Enactment (CTE) or Enactment of Pemegangan Adat (EPA) in 1909 and 1926, which aimed to systematise customary practises within contemporary legal frameworks (Idris, Hussin, & Yussof, 2015; Wook et al., 2017). Nevertheless, the clauses encompassed therein are exclusive to land that has undergone registration as customary land. In cases pertaining to non-registered land, the application of customary land regulations is contingent upon the claimant's assertion and the judicial interpretation of "personal law".

Chap. 215 on Customary Tenure Enactment delineates the regulations governing the management of customary land in the districts of Kuala Pilah, Jempol, Jelebu, Rembau, Tampin, and the minor district of Gemas. The Tanah Adat (Tanah Lengkongan) 1960 was enacted with the specific purpose of governing the lands that are under the ownership of the "Adat Lengkongan" community. This legislation is solely applicable to the administration of Lengkongan Adat land in the Kuala Pilah district. The formulation of these legislative measures indicates that endeavours have been undertaken to enhance the customary land governance mechanism at the local level. Paradoxically, the introduction of written regulations engendered a conflict or dichotomy between the Perpatih Customary rules in Negeri Sembilan and the codified law.

The inadequacy of the customary land administration system can be attributed to the inherent inadequacy of customary law. Section 65 of the Customary Tenure and Estates Chapter 215 outlines certain limitations on customary land transactions, some of which may have unfavourable implications for land development. The complexity of customary legal procedures contributes to the protracted resolution of disputes pertaining to customary land ownership.

## CONCLUSION

The availability and quality of land are critical determinants of a country's development. The development of abandoned customary land has the potential to generate profits for the owning family and contribute to the enhancement of the global economy. The present research is grounded on the necessity to enhance the efficiency of the extant customary land governance mechanism with the aim of mitigating occurrences of deserted customary land. A number of concerns pertaining to customary land management in Negeri Sembilan have been effectively identified. These include the matter of relinquished customary land in the region, the requirement for enhancing the customary land management system to minimise the prevalence of abandoned land, the absence of a comprehensive model for the application of forensic science in customary land legislation, and the need to enhance the customary land law administration system.

Additional investigation is required to identify strategies for enhancing the efficacy of the extant customary land governance framework with the aim of mitigating instances of relinquished customary land. One recommendation is to develop a customary land forensic model to address instances of relinquished customary land. This aligns with the Negeri Sembilan Land and Mines Office's objective of establishing proficient, high-quality, and effective land management, and is consistent with their vision of achieving outstanding state land management.

## ACKNOWLEDGMENT

This article was supported by the Universiti Sains Islam Malaysia Grant [Research Code: PPPI/FSU/0121/USIM/14421] entitled: *Kajian Pemodelan Forensik Tanah Adat Ke Arah Penyelesaian Kes-Kes Tanah Adat Terbiar Di Negeri Sembilan*.

## REFERENCES

- Aunurrochim, M., Saleh, M., Wajis, N. R. N., Sahid, M. M., Gunardi, S., Majid, M. N. A., . . . Ramli, N. A. (2017). Perwarisan Tanah Adat/Ulayat di Indonesia dan Malaysia Dalam Adat Perpatih: Satu Tinjauan Syarak. *Malaysian Journal of Syariah and Law*, 5(1), 1-17. doi:10.33102/mjssl.vol5no1.44
- Azaldin, N. A. B., & Mat Zain, M. N. B. (2018). Isu Status Kedudukan Tanah Adat Perpatih di Negeri Sembilan: Perspektif Syarak dan Undang-undang. *Jurnal LAND*,

- 7(1), 75-92. Retrieved from <https://myjms.mohe.gov.my/index.php/land/article/view/23266>
- Azizan, M. U., & Hussin, K. (2017). Pengenalan Kepada Forensik Tanah di Malaysia: Satu Transisi Masa Depan Pentadbiran Tanah. *Jurnal LAND*(1), 27-40%V 26. Retrieved from <https://myjms.mohe.gov.my/index.php/land/article/view/23170>
- Davies, A. (2019). Carrying out systematic literature reviews: an introduction. *British Journal of Nursing*, 28(15), 1008-1014. doi:10.12968/bjon.2019.28.15.1008
- Haron, N. (1992). Pelaksanaan peraturan adat dalam sistem pentadbiran tanah di Negeri Sembilan. *Jebat: Malaysian Journal of History, Politics and Strategic Studies*, 20, 43-55.
- Haron, N. (1997). *Pemilikan dan pentadbiran tanah adat, 1800-1960* (1<sup>st</sup> ed.). Negeri Sembilan: Jawatankuasa Penyelidikan Budaya, Muzium Negeri Sembilan.
- Idris, A. S., Hussin, N., & Yussof, I. (2015). Pelaksanaan Customary Tenure Enactment (CTE) Zaman Kolonial Dan Kesannya Ke Atas Pentadbiran Tanah Adat Di Negeri Sembilan (1921-1940). *Kajian Malaysia: Journal of Malaysian Studies*, 33(1), 67-92.
- Ismail, M. S. (2011). Malaysia's land policy framework. *Jurnal Pentadbiran Tanah*, 1(1), 16-30.
- Jamil, H. M. T. H., & Taib, J. M. (2012). Kajian Adat Perpatih Di Negeri Sembilan: Satu Tinjauan Menurut Perspektif Islam. In N. Zainal, A. R. A. Kadir, M. S. A. Latof, S. A. Omar, & M. Z. M. Zin (Eds.), *Membongkar Rahsia Pendidikan Islam* (pp. 619-624). Bandar Seri Begawan: Kolej Universiti Perguruan Ugama Seri Begawan.
- Kadimi, S. (2015). *Pemahaman dan Pengamalan Tanah Adat di Negeri Sembilan*. Paper presented at the Kolokium Tanah Adat Negeri Sembilan Anjuran Kursi Syariah dan Undang-undang pada.
- Karim, W. J. B. (2021). In body and spirit: redefining gender complementarity in Muslim Southeast Asia. In Z. Ibrahim, G. Richards, & V. T. King (Eds.), *Discourses, Agency and Identity in Malaysia: Critical Perspectives* (pp. 105-125). Singapore: Springer.
- Maamor, F. R., Kahn, S. M., & Taif, B. (2022). Kedudukan Buah Buton di Luak Tanah Mengandung: Simbolik Terhadap Status Pemimpin Adat Perpatih dan Masyarakat. *Jurnal Pengajian Melayu*, 33(2), 44-62.
- Maidin, A. J. (2023). Peninsular Malaysian Land Administration System: A Historical Analysis. *Jurnal LAND*, 4(1), 1-24.
- Manaf, A. A. (2009). Masalah dan cabaran tanah adat Minang di dunia Melayu Malaysia dan Indonesia. *GEOGRAFIA Malaysian Journal of Society and Space*, 5(1), 69-78.
- Manaf, A. A., Alias, M. H., & Omar, I. (2022). *Pembangunan Tanah Adat Terbiar di Daerah Rembau, Negeri Sembilan Halatuju Mengikut Pendekatan Institusi Ekonomi*. Paper

presented at the Islamic Banking, Accounting and Finance International Conference - The 10th iBAF 2022.

- Mohd Sabree, N., & Mohd Sopiee, S. (2015). *Pengurusan dan pembangunan tanah terbiar: Tinjauan khusus pada awal pemerintahan Islam dan undang-undang di Malaysia*. Paper presented at the Prosiding Seminar Pengurusan Islam: Ke Arah Pemantapan Ummah, Bangi.
- Murad, A. H. A., Shahrudin, Y. R. R. R., Muda, R., Salleh, A. Z., Mokhtar, A. W., Aziz, M. Y. A., . . . Ibrahim, N. H. (2017). Pembangunan Tanah Adat di Negeri Sembilan: Halatuju dan Cabaran. *Malaysian Journal of Syariah and Law*, 5(Special Issue of 'Tanah Adat'), 1-12. doi:10.33102/mjssl.vol5no1.50
- Radi, M. F. B. M. (2019). *Implementasi Pengurusan Tanah Adat Di Negeri Sembilan*. (Bachelor of Geomatics Engineering). Universiti Teknologi Malaysia, Johor.
- Radzi, N. S. M., & Yusoff, M. Y. M. (2023). Adat Perpatih di Luak Johol, Negeri Sembilan: Peranan Ibu Soko. *Jurnal Wacana Sarjana*, 7(3), 1-13.
- Radzuan, A. W. (2021). Suku as self-representation for the Adat Perpatih community in Negeri Sembilan, Malaysia. *PalArch's Journal of Archaeology of Egypt/Egyptology*, 18(4), 6853-6864.
- Radzuan, A. W. (2023). The Intergenerational Knowledge Transfer in Safeguarding the Customary Law of Adat Perpatih in Negeri Sembilan, Malaysia. *Lex Humana*, 15(3), 165-181.
- Sahid, M. M., Chaedar, M., Hasan, B. M. M., & Amar, F. (2021). Leadership System of Adat Perpatih In Malaysia As A Model of Consensus and Democracy Concept: An Analytical Study. *Psychology And Education Journal*, 58(3), 1199-1206.
- Saludin, M. N. (2022). *Bijaksana Pemimpin dalam Pengurusan Kepimpinan Adat di Minangkabau dan Adat Perpatih di Negeri Sembilan*. Paper presented at the Prosiding Seminar Antarabangsa Kebudayaan Adat Minangkabau Negeri Kembar 50 Koto & Negeri Sembilan Ke-2, Webex.
- Shah, H. A. R., Yaakob, A., Osman, S., Abd Ghafar, A., Ali, N. M., Muda, F. S., . . . Basir, N. (2017). Dinamika Undang-Undang Tanah Adat di Negeri Sembilan: Kajian Perkembangan dan Isu Undang-Undang. *Malaysian Journal of Syariah and Law*, 5(1).
- Sunarti, L., Sari, N. F. L., & Haghia, R. S. (2021). *Kebaya Setengah Tiang: Minang Cultural Identity in a Traditional Costume of Negeri Sembilan, Malaysia*. Paper presented at the Proceedings of the Tenth International Conference on Languages and Arts (ICLA 2021).

- Tawfik, G. M., Dila, K. A. S., Mohamed, M. Y. F., Tam, D. N. H., Kien, N. D., Ahmed, A. M., & Huy, N. T. (2019). A step by step guide for conducting a systematic review and meta-analysis with simulation data. *Tropical medicine and health*, 47(1), 1-9.
- Tono, S., Syibly, M. R., Mu'allim, A., Nurozi, A., & Purwanto, M. R. (2019). The harmonious relationship between Minangkabau custom and Islam in the distribution of inheritance. *Al-Shajarah*(Special Issue: Shariah and Law as Catalysts for Global Peace), 39-55.
- Wan, W. N. A. i. M., Rushdan, M. Z. M., & Mohd, Z. (2023). The Difference between The Inheritance of Common Heritage and Customary Heritage in The Practice of Adat Perpatih. *Journal of Academic Research in Business and Social Sciences*, 13(3), 24-37.
- Wook, I., Sholehuddin, N., Amani, N. C., Hassan, S. S. C., Rahman, A. A., Zakaria, M. Z., & Abidin, T. M. T. Z. (2017). Tanah Adat di Negeri Sembilan: Undang-Undang, Pelaksanaan dan Realiti. *Malaysian Journal of Syariah and Law*, 5(Special Issue of 'Tanah Adat'), 1-10. doi:10.33102/mjssl.vol5no1.48
- Wook, I., Yusof, A. F. M., Khan, I. N. G., Mohd, K., Hassan, F. M., & Mohad, A. H. (2020). Orang Asli Customary Land and Adat Perpatih: A Case Study on Temuan Land in Negeri Sembilan. *JMCL*, 47, 23-41.
- Xiao, Y., & Watson, M. (2019). Guidance on Conducting a Systematic Literature Review. *Journal of Planning Education and Research*, 39(1), 93-112. doi:10.1177/0739456x17723971
- Zainon, M. M., Bakar, M. A., Zaghoul, S. G. G., Urus, N. S. T., & Abd Azzis, N. M. (2021). Jointly acquired property of a working wife: A legal analysis from 'Urf perspective. *Linguistics and Culture Review*, 5(S4), 2318-2331.



# SAIS 2023

## (FULL PAPER)

This e-proceeding aims to publish and highlight the papers written by academicians and researcher that are reviewed by experience scholars in the subject of all across the theme selected by this year's International Seminar on Islam and Science 2023 (SAIS 2023). The SAIS 2023 conference theme is aligned with Universiti Sains Islam Malaysia (USIM) inspiration and focus on the integration of Naqli and 'Aqli knowledge. The 6th SAIS 2023 conference theme is 'Peneraju Sains Islam dipersada Antarabangsa'. The theme hopes for a productive discussion among academicians accross expertise in the areas of Science and Technology, Medicine and Health Sciences, Dentistry, Architecture & Engineering fields as well as other fields such as Shariah & Law, Quranic and Sunnah, Leadership and Management, Major language, Economy, Muamalat and Civilisation and Thoughts.



e ISBN 978-629-7636-19-1

