

Corporate Reputation and Accountability of Awqaf (Endowment) Institutions: A Stakeholder Perspective

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ABSTRACT

Awqaf are endowments regulated by the Islamic law (sharia). The main objective is to provide socio-economic benefits to the community and society through provision of public goods such as education, healthcare and food. Recently, new corporate management model was introduced, which may increase the effectiveness and efficiency of the awqaf institutions. The sector has been plagued with mismanagement (ineffectiveness and inefficiencies) which resulted losses of waqf assets and funds. This is mainly due to the lack of necessary skills and knowledge especially in accounting, financial management and investments of the mutawallis (managers). As a results, the awqaf institutions suffered adverse corporate reputation. As such, the aims of the study are first, to test the suitability of an established corporate reputation survey to examine the relationship between corporate reputation and accountability of the awqaf institutions. Secondly, the study intends to examine if there is any relationship between corporate reputation and accountability of the awqaf institutions in the context of the United Arab Emirates awqaf. If it is suitable, the survey will be extended to the other awqaf institutions in other countries. The study utilizes the quantitative methodology of survey. It adopts an established corporate reputation survey by RepTrack developed by Fombrun and Gardner and adds an accountability dimension to the questionnaire. Four accountability attributes are tested in the first survey and the second survey used only one accountability attribute. Surveys are done at the end of the class time and those who did not attend are not taking part in the survey. Two cohorts of Islamic Accounting students over a year period in the United Arab Emirates University are chosen as the samples using convenient sampling method. The current IBM SPSS Statistics 24 version is used to analyze the data. It is found that the survey is valid for the endowment sector (awqaf). High Cronbach Alpha is recorded from the two set of survey. For the Fall 2016 semester, the Cronbach Alpha is 0.894 and for the Fall 2017, it is 0.88. Both results are above 0.80 even when the attributes are scaled down to 14 attributes for Fall 2017. It means there is a good internal consistency between the variables in the scale. 0.7 is the acceptable level for the Cronbach Alpha for the reliability of the scales. Second, the study found a strong relationship between corporate reputation and accountability in the United Arab Emirate awqaf institution. This is inferred from the Two-tailed analysis at 0.01** and 0.05* significant levels for several attributes (out of 14 in the second test). The study concludes that the corporate reputation survey for companies is reliable and valid in the nonprofit environment. Positive results are recorded from the two surveys proved that it can be used for the other awqaf institutions as well. The study argued that it is vital for the awqaf institutions to manage their corporate reputation properly as it helps them to be seen as more accountable and may results in more contributions or donations for their future growth and sustainability.

Keywords: Accountability, Awqaf Institutions, Corporate Reputation

1. INTRODUCTION

Awqaf (singular: waqf) is a form of an endowment or also known as pious foundations in Islam regulated by the Islamic law (sharia). The main objective is to provide socio-economic benefits to the community and society through provision of public goods and capital financing to those who are in need (Yaacob, 2006). Although it was argued that endowment has originated from earlier civilization before Islam, it became very prominent in the Muslim world due to the fact that awqaf is a form of sadaqah (voluntary or charitable giving) that is greatly viewed by Islam because it create harmony in the society through social justice (Nahar and Yaacob, 2011). It has also been proven to be a dynamic social and economic vehicle in alleviating poverty and hardness of the community and society across cultural and also religious barriers. This awqaf is a third sector providing public goods such as education, healthcare and even food for the poor and needy and travelers (musaaafir) thus it help to reduce public spending (by the government) (Shatzmiller, 2001; Yaacob et al., 2015).

The fate of the awqaf is not so bright towards the end of the nineteenth century when the Muslim civilization declined due to colonization by foreign forces and internal conflicts among the Muslim, the awqaf faced a similar fate. It has been badly managed, assets were misappropriated and funds were embezzled by unscrupulous awqaf managers or mutawalli appointed by the waqif (donor or endower) or the court of the state (Shatzmiller, 1991). Not until recently where many Muslim countries in the South East Asia such as Malaysia, Singapore and Indonesia and in the Middle East such as the United Arab Emirates, Saudi Arabia, Qatar and Kuwait have undertaken several critical steps to improve and revitalize this once important socio-economic institutions (Ihsan and Ibrahim, 2011).

One of the important steps is to corporatize the awqaf institutions so that they have a similar structure with the for-profit which needs to be effective and efficient to be profitable. Without profit the organization will suffer shortage of resources and may cease to exist in the long run. There will be a board of directors or trustees (in the case of some nonprofits) providing the governance and supervising the management and both the board and the management will be held accountable if the organization is not meeting their objectives or failed.

1.1 Problem Statement

The notion of corporate awqaf entity amongst others, are to increase accountability, effectiveness and efficiency of the awqaf institutions towards sustainability. As discussed earlier, the inefficiency and ineffectiveness issues have dogged the awqaf institutions for decades and dampened the achievement of awqaf objectives (Yaacob and Nahar, 2017).

Table 1: Dimensions and attributes of reputation (used for Fall 2016)

Dimensions	Attributes
Emotional Appeal (E4A1)	Feel good
Emotional Appeal (EA2)	Admire and respect
Emotional Appeal (EA3)	Trust
Products and services (PS1)	High quality
Products and services (PS2)	Value for money
Products and services (PS3)	Stand
Products and services (PS4)	Meeting needs
Leadership (LD1)	Strong and appealing
Leadership (LD2)	Clear vision
Leadership (LD3)	Well-organized
Workplace (WP1)	Fair rewards
Workplace (WP2)	Concern
Workplace (WP3)	Equal opportunity
Performance (PF1)	Good record
Performance (PF2)	Low risks
Performance (PF3)	Future prospects
Citizenship (CZ1)	Support good causes
Citizenship (CZ2)	Environmentally responsible
Citizenship (CZ3)	Influence society
Governance (GV1)	Open and transparent
Governance (GV2)	Good ethics
Governance (GV3)	Fair
Accountability (AC1)	Is accountable
Accountability (AC2)	Good accounting practice
Accountability (AC3)	Good governance
Accountability (AC4)	Good corporate reputation

(Source: Adopted Fombrun and Gardner (2002) with additional dimension of accountability)

Table 2: Dimensions and attributes of reputation (Fall 2017)

Dimensions	Attributes
Emotional Appeal (EA1)	Feel good
Emotional Appeal (EA2)	Admire and respect
Emotional Appeal (EA3)	Trust
Products and services (PS1)	High quality
Products and services (PS2)	Value for money
Products and services (PS3)	Stand
Leadership (LD1)	Clear vision
Workplace (WP1)	Concern
Performance (PF1)	Good record
Performance (PF2)	Low risks
Citizenship (CZ1)	Environmentally responsible
Governance (GV1)	Good ethics
Governance (GV2)	Fair
Accountability (AC1)	Good corporate reputation

Table 3: The population of fall 2016 and Fall 2017 semester

Section	Population	
	Fall 2016	Fall 2017
Male	24	24
Female	21	22

Table 4: Results from the questionnaire distribution

Section	Fall 2016		Fall 2017	
	Male	Female	Male	Female
Total	24	21	24	22
Returned	22	18	14	21
% Returned	92%	86%	58%	95%
Unreturned	2	3	10	1
% Unreturned	8.3%	14.3%	42%	5%
Complete	15	18	14	21
% Complete	68%	100%	100%	100%
Incomplete	7	0	0	0
% Incomplete	32%	0	0	0

As a result, the awqaf institutions suffered a bad reputation and this affected their endowments. People are less willing to donate if they feel that the donation or endowment is not going to the specific purpose of their donation. In the long run, the awqaf institutions are not able to survive and they may have to sell off some their assets to cover the operating costs. Extant literature on corporate reputation and accountability provide evidence that corporate reputation affect accountability and thus affecting the decision to give of existing or potential donors (Cao and Zhang, 2013). In the corporate sector, good corporate reputation positively influenced the share value and as discussed above for the nonprofit good reputation due to high accountability may attract more resources compared with nonprofit with a bad reputation (Alsop, 2004). Hence, the study argued that corporate reputation is undoubtedly a very important asset to the for-profit and nonprofit organizations. As mentioned earlier, empirical research on the corporate reputation and accountability of Islamic institutions other than Islamic banking and finance (they are for-profit or business organizations) is almost non-existent. Some of the above issues have prompted the research question in the next section.

1.2 Research Questions

Based on the above background information, two research questions are formulated for this study:

1. Can the corporate reputation survey for business organization be used in the nonprofit charitable faith based institutions to investigate for corporate reputation and accountability?
2. Is there any relationship exist between corporate reputation and accountability in the awqaf sector based on the corporate reputation survey?

1.3 Study Objectives

Basically there are two objectives of this study. The first objective is to test the suitability of the business organizations (for-profit) established corporate reputation survey in examining the relationship between corporate reputation and accountability in the awqaf institutions. The second, the study intends to explore if there is any relationship between corporate reputation and accountability of waqf institutions using the context of the United Arab Emirates.

1.4 Structure of the Study

The study is structured as follows: the next section will discuss the Literature Review and Section 3 outlined the Research Method. In Section 4, Findings and Discussion are presented and finally in the final section, Section 5, the Conclusion of the study is discussed.

2. LITERATURE REVIEW

Corporate reputation or image as a concept is traceable back to the mid-19th century (Powell, 2009). Although it can be argued that corporate reputation and corporate image are two different constructs, there is a possible link of the two as both are about external or outsiders and insiders perception of a certain organization (Nguyen and Leblanc, 2001). Gardberg and Fombrun (2002) adopt the definition by Fombrun and Rindova (1996) who define corporate reputation as “a collective representation of a firm past actions and results that describes the firm’s ability to delivered valued outcomes to multiple stakeholders (internal and external) in their organizational environments”. Thirty-two items are developed to measure the corporate reputation in the Gardberg and Fombrun (2002) study. The study finds that this definition is suitable to be used in the research context.

Corporate reputation or image is argued as one of the most valuable intangible assets for any corporation (Roberts and Dowling, 2002) or organization that must be carefully managed (Abdullah and Aziz, 2013; Fan, 2005; Yeo and Youssef, 2010) as it is argued to have an impact to future earnings or income (share values) (Roberts and Dowling, 2002) and customers retention (Nguyen and Leblanc, 2001). As intangible, it is subjective and measurement becomes an issue (Ponzi *et al.*, 2011) although there is a standard in accounting to measure the asset objectively. As such, corporate reputation or image is concerned with perception by outsiders (or insiders) especially the public on certain organization based on the knowledge that they have (Fan, 2005).

It is immaterial whether it is true or untrue and this may affect the company’s share and market value (Nguyen and Leblanc, 2001). Thus, it is also one of important components in corporate strategy (Fombrun, Ponzi and Newburry, 2015). Ponzi *et al.* (2011) propose that corporate reputation as a ‘signal’, which may influence their stakeholder’s perception due to the organization’s past and future activities. Positive reputation enables the firm to get more advantage in the market compared with the competitors (Fombrun and Shanley, 1990).

Corporate reputation research is always related to corporation (Roberts and Dowling, 2002) but very rare to be associated with charities and religious institutions not until recently. Literature on corporate reputation or image for religious institutions is nearly inexistence hence variables from the business literature are adopted. As far as this study is concerned, this is one of the first to look into corporate reputation or image of religious institutions as one of the managers’ accountability drivers. Religious image is found to be one of the accountability drivers in a prior study (Yaacob *et al.*, 2015). Yaacob *et al.* (2015) is one the newest study that confirmed religious image is one of the three accountability drivers tested to be positive.

The study argued that high accountability will give the awqaf institutions better reputation or public perception and this will translate into more support and trust by the endowers or contributors (Cao and Zhang, 2013; Beldad *et al.*, 2014). Cao and Zhang (2013) find that if the charity uses a top external audit firm, their reputation is enhanced, as they are seemed more trustworthy (and accountable) thus may attract more donations in the future. Dellaportas *et al.* (2012) finds the same when they find that increased disclosures by charities with the hope that it enhanced their public reputation and image thus increasing their

accountability to the stakeholders. The managers felt that their work will reflect on the religion itself and thus influenced their reputation (Dellaportas *et al.*, 2012).

Some studies found that positive corporate reputation or image might enhance public trust. Moreover, trust is very important not just for business but non-profit organizations as they relied on the customers and contributors for the resources to carry out their organizations objectives, mission and vision (Alsop, 2004; Beldad *et al.*, 2014; O’Dwyer and Unerman, 2008). Without trust, the nonprofit will face difficulties in procuring the much-needed resources especially financial resources.

Good reputation (which relates heavily to transparency and good accountability practices, known for superior and quality products or services) may attract more resources into the organization (Fombrun and Shanley, 1990). To ensure retention and loyalty of customer and contributors in the case of non-profits (Abdullah and Aziz, 2013; Cao and Zhang, 2013), reputation is a very important aspect (Connoly and Dhanani, 2013; O’Dwyer and Unerman, 2008).

Research has proven that reputation will affect people, either individual or group decision (Balmer, 2001; Fombrun and Shanley, 1990) especially when it involves giving donation or voluntary help (Alsop, 2004; Vamstad and von Essen, 2012). Moreover, as identified by Bekkers and Wiepking (2011), reputation is one of the eight drivers of charitable giving. The others being need; solicitation; costs/benefits; altruism; psychological cost/benefit; values; and efficacy. Although Bekkers and Wiepking (2011) is not a research paper, it does provide an insightful literature review on corporate reputation. Therefore, their findings are based on others’ research but they managed to show that people and organizations do rely on reputation in their giving decision.

Dodgy or bad corporate reputation will certainly dampen the ability of the organization to get some share of the scarce resources (thus the use of the Resource Dependence Theory). In fact, a company in the United State by the name of Merrill Lynch was wiped out of more than \$20 billion in their market capitalization due to damage in reputation in the year 2002 as their share prices decreased (Alsop, 2004). That is a very huge amount of losses even for a big company such as Merrill Lynch. There are also many other companies that suffered huge financial losses due to bad corporate reputation caused by unscrupulous corporate executives (Yaacob and Basiuni, 2014).

Other nonprofits scandal such as the United Way America and New Era (which raised USD\$500m and collapsed) has eroded donors’ confidence and trust (Lecy and Searing, 2015). Various charity scandals in the United Kingdom (Connoly and Dhanani, 2013) and China (Cao and Zhang, 2013) have also tarnished the charities’ image and as a result, charity funds are now being highly scrutinized by government and relevant regulators. Needless to say that incentives to manipulate financial information exist in the for-profits as well as nonprofits due to the fact that the manager’s performance and pay are tied up

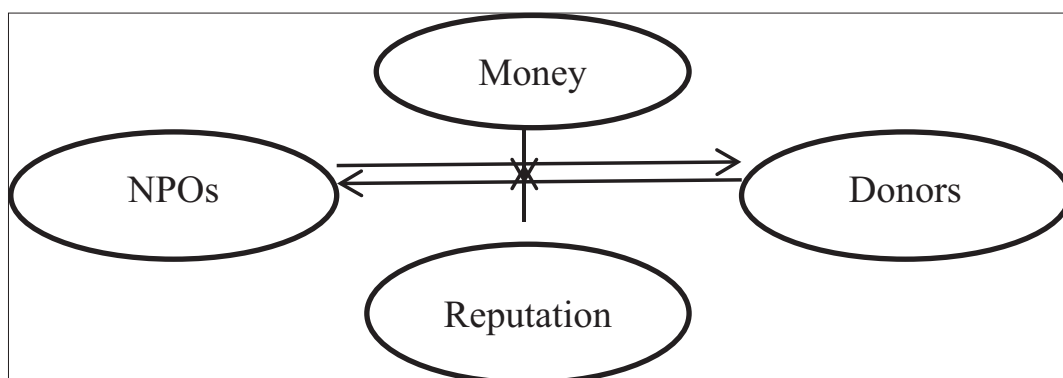


Figure 1: Nonprofits reputation.

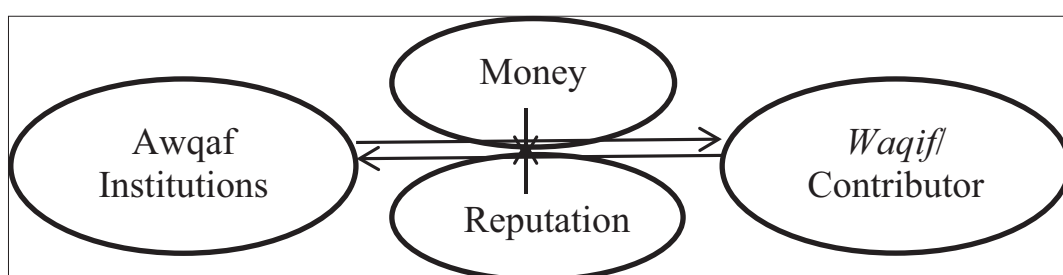


Figure 2: Awqaf reputation.

to the organizational performance such as program and financial performance (Trussel, 2003). To increase transparency, the nonprofits regulator in the United States made a requirement to nonprofits to make their tax return available to the public to increase transparency and accountability (Trussel, 2003).

In the Netherland, for instance, where the charity managers are alleged to receive ‘exorbitant salaries’ and subsequently caused reputation risks. On the one hand, the bad reputation from the negative publicity (whether true or not) is found to influence donors repeat contribution decision (Beldad et al., 2014). On the other hand, good reputation positively influenced potential donors and evidence of repeat contributions exist (Bekkers and Wiepking, 2011).

It is very important for charities to capitalize good reputation to solicit more donations as donors are less worried about their contribution gone astray. It is argued that reputation is a proxy to quality, so good reputation equal high quality and may increase the interest of others to do business with them (Beldad *et al.*, 2014). Fombrun and Shanley (1990) mention that the cost of doing business can be lowered as the resource providers may be less demanding in the returns. To the charities, more donations with less fund raising costs will definitely help them to run more programs and this allows the achievement of the mission and vision.

Yeo and Youssef (2010) posit that the management method and their communication with customers have a direct influence on the perception of good corporate image. One such tool would be the annual report or a ‘townhall’ session with the stakeholders. They further argued that the Chief Executive Officer and the Management should be more visible and accessible to the public to depict a more enhanced corporate reputation (Hayward, 2005). A very good example is the Apple Company that managed to create the reputation of a company producing ‘user-friendly’ information and communication technology products. This helps them to get more market share by portraying that they are the leader in the hardware and software information and communication technology. The good reputation is translated by the high Apple Company share prices in the United State of America stock market.

Yeo and Youssef (2010) further suggest organizations to increase their level of communications with the stakeholders especially of the company’s financial standing and performance to boost stakeholders’ confidence thus enhancing the corporate image. Effective corporate communications especially management communications to all stakeholders is vital to maintain a high level of corporate image as strategically managed corporate image may develop a competitive edge to the organization (Melewar and Akel, 2005, p.47).

Organizations that observe ethics and moral obligation to all stakeholders are argued to be able to sustain good corporate reputation (Abdullah and Aziz, 2013) but unfortunately, for many companies they are just cosmetics or superficial (Alsop, 2004). Furthermore, according to Alsop (2004), sincerity is also argued as one of the important cornerstone of great corporate image. In the case of awqaf institutions, which depended on donations from the public, it will mean more contribution received. This could help them to manage, maintain and distribute more to the beneficiaries and carry out more programs. Extra fund would enable the awqaf managers to plan for their growth and sustainability. The money can be used to carry out proper maintenance of

‘Table 5: Demographic statistics (Fall 2016 semester)

	N	Minimum		Mean	Std. Deviation
Gender	33	1.00	2.00	1.5455	0.50565
Age	33	2.00	2.00	2.0000	0.00000
Education	33	1.00	2.00	1.7879	0.41515
Experience	33	1.00	1.00	1.0000	0.00000
Income	33	1.00	3.00	1.5758	0.79177
Association	33	1.00	3.00	1.2727	0.51676
Donor	33	1.00	4.00	1.4545	0.66572
Valid N (listwise)	33				

Table 6: Reliability analysis

Reliability Statistics		
Cronbach’s Alpha	Cronbach’s Alpha Based on Standardized Items	N of Items
0.675	0.883	31

Table 7: Item-Total Statistics

Item-Total Statistics					
	Scale mean if item deleted	Scale variance if item deleted	Corrected item-total correlation	Squared multiple correlation	Cronbach's alpha if item deleted
Gender	110.5758	282.814	-0.266	.	0.682
Education	110.3333	278.479	-0.008	.	0.676
Income	110.5455	274.506	0.130	.	0.673
Association	110.8485	279.758	-0.085	.	0.678
Donor	110.6667	278.042	0.003	.	0.677
EA1	108.0000	267.000	0.429	.	0.662
EA2	107.6364	274.364	0.156	.	0.672
EA3	107.7879	270.485	0.292	.	0.667
PS1	108.1212	269.360	0.403	.	0.665
PS2	108.1515	270.945	0.317	.	0.667
PS3	108.2727	266.955	0.447	.	0.662
PS4	108.2727	270.705	0.225	.	0.669
LD1	108.2727	261.080	0.507	.	0.656
LD2	108.1818	264.716	0.515	.	0.659
LD3	108.1818	270.466	0.327	.	0.667
WP1	108.5455	265.693	0.535	.	0.660
WP2	108.4545	260.943	0.718	.	0.654
WP3	108.6061	262.684	0.561	.	0.657
PF1	108.0606	261.371	0.688	.	0.654
PF2	108.3333	258.792	0.633	.	0.652
PF3	108.3333	257.417	0.612	.	0.650
CZ1	108.2727	264.580	0.545	.	0.659
CZ2	108.4242	267.377	0.377	.	0.663
CZ3	108.1212	268.422	0.415	.	0.664
GV1	108.2121	267.297	0.454	.	0.663
GV2	107.9697	265.593	0.475	.	0.661
GV3	107.9697	269.593	0.319	.	0.666
AC1	106.3939	132.621	0.329	.	0.894
AC2	108.1212	261.485	0.535	.	0.656
AC3	107.9394	267.871	0.379	.	0.664
AC4	108.0303	263.093	0.539	.	0.657

Table 8: Reliability statistics (Fall 2016)

Reliability statistics		
Cronbach's alpha	Cronbach's alpha based on standardized items	N of items
0.894	0.882	30

the awqaf rental generating assets that will increase their useful life and may generate more incomes in the long run. Additional incomes mean more beneficiaries can be served and ensure sustainability of the organization (Yaacob *et al.*, 2015).

The study stresses that the need to study the awqaf corporate reputation is pertinent. There is huge discrepancy (significant variance) between the images of awqaf as a very successful economic institution with its historical performance records (in the 19th and 20th century). After the 20th century, awqaf have significantly diminished in terms of its economic benefits to the society due to various factors (Shatzmiller, 2001).

This study strongly contends that the awqaf institutions (as a charity or philanthropic organization) should have and need stronger reputation management (Alsop, 2004). The study argued that good reputation may be due to high accountability is

Table 9: Item-Total Statistics (Fall 2016)

Item-Total Statistics					
	Scale mean if item deleted	Scale variance if item deleted	Corrected item-total correlation	Squared multiple correlation	Cronbach's alpha if item deleted
Gender	104.8485	135.070	-0.230	.	0.900
Education	104.6061	133.059	-0.064	.	0.897
Income	104.8182	132.966	-0.053	.	0.900
Association	105.1212	132.985	-0.053	.	0.898
Donor	104.9394	130.746	0.094	.	0.897
EA1	102.2727	124.142	0.452	.	0.891
EA2	101.9091	127.273	0.301	.	0.893
EA3	102.0606	126.871	0.294	.	0.894
PS1	102.3939	126.809	0.361	.	0.892
PS2	102.4242	125.439	0.438	.	0.891
PS3	102.5455	122.131	0.594	.	0.888
PS4	102.5455	125.568	0.293	.	0.895
LD1	102.5455	119.318	0.561	.	0.888
LD2	102.4545	122.506	0.544	.	0.889
LD3	102.4545	125.006	0.452	.	0.891
WP1	102.8182	124.528	0.480	.	0.890
WP2	102.7273	119.830	0.760	.	0.885
WP3	102.8788	121.672	0.557	.	0.889
PF1	102.3333	118.979	0.802	.	0.884
PF2	102.6061	117.371	0.716	.	0.885
PF3	102.6061	115.934	0.710	.	0.884
CZ1	102.5455	122.693	0.559	.	0.889
CZ2	102.6970	125.905	0.315	.	0.894
CZ3	102.3939	125.996	0.386	.	0.892
GV1	102.4848	122.320	0.611	.	0.888
GV2	102.2424	120.002	0.688	.	0.886
GV3	102.2424	123.814	0.462	.	0.891
AC2	102.3939	119.496	0.599	.	0.887
AC3	102.2121	122.110	0.552	.	0.889
AC4	102.3030	120.843	0.597	.	0.888

Table 10: Reliability analysis (Fall 2017)

Reliability statistics		
Cronbach's alpha	Cronbach's alpha based on standardized items	N of items
0.637	0.808	20

favorable to the organizations. This is important to attract new endowments and build stronger trust with the existing endowers and society (Layish, 2008). Therefore, the study is embarked to fill this gap and hopefully contribute to the initiation of more for the nonprofit religious-based charities.

This is one of the contributions of the study. Dimensions and attributes of reputation consist of 26 items in 8 dimensions, 7 dimensions are adopted with 22 items and additional 1 dimension of accountability with 4 items.

3. RESEARCH METHODS

The study utilized the quantitative method of survey to collect the primary data. Quantitative method is chosen as it is the best method to answer the research questions and achieved the research objectives. The study did not postulate any hypotheses

Table 11. Item-Total Sstatistics (Fall 2017)

Item-total statistics					
	Scale mean if item deleted	Scale variance if item deleted	Corrected item-total correlation	Squared multiple correlation	Cronbach's alpha if item deleted
Gender	64.4571	58.726	0.219	0.465	0.629
Edu	63.6571	57.585	-0.153	0.630	0.810
Exp	64.9429	61.467	-0.156	0.719	0.647
Income	64.1143	58.222	0.052	0.761	0.648
Known	63.8857	58.457	0.019	0.508	0.655
Donor	64.3429	57.820	0.215	0.816	0.627
EA1	62.0000	51.941	0.516	0.713	0.590
EA2	62.0571	54.467	0.324	0.740	0.613
EA3	62.0571	53.761	0.455	0.773	0.601
PS1	62.1143	52.457	0.686	0.870	0.585
PS2	62.2000	54.871	0.404	0.914	0.608
PS3	62.2571	53.432	0.509	0.960	0.597
LD1	62.1714	56.029	0.334	0.815	0.616
WP1	62.1429	55.008	0.533	0.701	0.604
PF1	62.2571	56.138	0.370	0.830	0.615
PF2	62.2571	54.432	0.536	0.744	0.601
CZ1	61.9714	55.970	0.371	0.742	0.614
GV1	62.0571	54.055	0.532	0.842	0.599
GV2	62.0286	54.734	0.518	0.842	0.603
AC1	62.1143	55.987	0.444	0.828	0.611

Table 12: Reliability statistics (Fall 2017)

Reliability statistics		
Cronbach's alpha	Cronbach's alpha based on standardized items	N of items
0.880	0.883	15

as this is a part of a bigger study which uses mixed method examining accounting and reporting, governance and corporate reputation to accountability of awqaf institutions.

3.1 Research Design

A survey questionnaire is distributed to respondents. The questionnaire is adopted from an established corporate reputation and accountability literature. Samples are chosen using convenient sampling from a group of stakeholder for an awqaf institution based in the United Arab Emirates. The stakeholder group is studying about awqaf institutions accounting, reporting and accountability in one of the courses on Islamic accounting that they took during the Fall 2016 and 2017 semester. The data is analyzed using the current IBM SPSS Statistics version 24.

3.2 Questionnaire Development

The Awqaf Fund in the United Arab Emirates is the only awqaf body sanctioned by the UAE's law to manage and administer the awqaf fund. It has the corporate element as there is a Board of Directors in its governance structure; a complete organizational chart is avail in Appendix 1. A complete list of board members and their responsibilities are as per Appendix 2. The students are asked in the survey specifically on this Awqaf Fund. For the questionnaire, the study adapted Fombrun *et al.* (2015) RepTrak reputation measurements attributes with some additional accountability attributes. These attributes are tested empirically and validated (Ponzi *et al.*, 2011) across stakeholders, industries and countries' (Fombrun *et al.*, 2015, p. 5). There are seven attributes to measure the corporate reputation, 1) Product and services; 2) Innovation; 3) Workplace; 4) Governance; 5) Citizenship; 6) Leadership; and 7) performance (Fombrun *et al.*, 2015).

Table 13: Item-total statistics (Fall 2017)

Item-total statistics					
	Scale mean if item deleted	Scale variance if item deleted	Corrected item-total correlation	Squared multiple correlation	Cronbach's alpha if item deleted
Gender	55.1143	51.163	0.212	0.433	0.883
EA1	52.6571	45.114	0.489	0.577	0.877
EA2	52.7143	45.034	0.477	0.690	0.878
EA3	52.7143	45.269	0.559	0.680	0.872
PS1	52.7714	45.005	0.714	0.751	0.865
PS2	52.8571	46.244	0.518	0.871	0.874
PS3	52.9143	44.434	0.668	0.900	0.866
LD1	52.8286	46.911	0.493	0.645	0.875
WP1	52.8000	47.694	0.526	0.590	0.873
PF1	52.9143	47.434	0.501	0.558	0.874
PF2	52.9143	45.845	0.673	0.711	0.867
CZ1	52.6286	47.534	0.472	0.621	0.875
GV1	52.7143	45.328	0.678	0.803	0.866
GV2	52.6857	46.987	0.561	0.825	0.872
AC1	52.7714	47.358	0.585	0.777	0.871

Table 14. Results for the semester fall 2016 (25 attributes)

	AC1
Significant level (2-tailed)	0.01**
PF2 Good record	0.345
GV1 Good ethics	0.445
PS1	0.392
PS2	0.384
PS3	0.513
LD1	0.386
WP2	0.554
PF1	0.437
CZ2	0.434
GV3	0.492
AC2	0.436
AC3	0.801

However, Innovation is dropped, as this study feels that it is more for-profit oriented and accountability attributes are added to the attributes. The study chose employees as the survey respondents as it is one of the objectives of the study to evaluate the employees' perception on their organization's reputation (Ponzi *et al.*, 2011) and to investigate whether they feel that reputation served as one of the accountability drivers. Prior study has also used employees to measure the company's reputation, as employees are an important stakeholder for the organization. A sample of the questionnaire is available in the Appendix.

3.3 Context and Sample

The samples are selected using convenient sampling method. Two sections of student who enrolled in the Islamic Accounting course for the Fall 2016 semester formed the population. The Islamic Accounting course is an elective course to the undergraduate in accounting degree at the United Arab Emirates University, which is the first university in the country established more than forty years ago by the first president of the UAE. In this course students are introduced to the Fundamentals of Islamic Accounting including chapters on Islamic Banking and Finance, Awqaf and Takaful institutions. The two sections are divided according to gender thus they are known as Male Section and Female Section. The Male Section consisted of 24 students and the Female Section has 21 students.

Table 15. Results for the semester Fall 2017 (14 attributes)

	AC1	
	0.01**	0.05*
Significant level (2-tailed)	0.522	
	0.609	
EA2 Admire and respect	0.486	
EA3 Trust	0.455	
PF2 Good record	0.450	
CZ1 Environmentally responsible	0.720	
GV1 Good ethics		
GV2 Fair		

4. FINDINGS AND DISCUSSION

The above Table 6 and 7 are the results of the reliability statistics for the 27 original items from the adopted survey questionnaires. The Cronbach's Alpha is 0.675 (questionable) and for the 4 additional variables in the accountability dimension the Cronbach's Alpha is just 0.152 (poor). The interpretation of the output follows the rule of George and Mallery (2003): >.9 (Excellent), >.8 (Good), >.7 (Acceptable), >.6 (Questionable), >.5 (Poor), and <.5 (Unacceptable). Cronbach's alpha reliability coefficient normally ranges between 0 and 1. The closer the coefficient is to 1.0, the greater is the internal consistency of the items (variables) in the scale. Cronbach's alpha coefficient increases either as the number of items (variables) increases, or as the average inter-item correlations increase (i.e. when the number of items is held constant).

After taking out AC1 which is "Is accountable" attribute from the Accountability dimension, the Cronbach's Alpha is now 0.894 (Good) as per the two tables above. 0.7 is the acceptable level and above 0.8 is considered good.

For the Fall 2017 semester, the initial Cronbach Alpha is 0.637 (Table 10) which is questionable. It goes up to 0.88 (Table 12) after a few variables are dropped; 1) Edu; 2) Exp; 3) Income; 4) Known; and 5) Donor (refer to Table 13). So the scale reliability now is considered good.

For two variables, a statistical correlation is measured by the use of a Correlation Coefficient, represented by the symbol (r), which is a single number that describes the degree of relationship between two variables.

5. CONCLUSION

Literature on corporate reputation of business organizations is abundance. However there is a vacuum for the nonprofit corporate reputation body of knowledge especially in charitable faith based institutions. This study is embarked to fill this gap. It is also to stir interest in this area. The study adopted an established corporate reputation survey questionnaire and added one dimension on accountability with four attributes in the beginning. Later the second survey is using 14 attributes. Interestingly, it is found that the corporate reputation survey for companies is reliable and valid in the nonprofit environment. Positive results are recorded from the two surveys proved that it can be used for other awqaf institutions as well.

The study argued that it is vital for the awqaf institutions to manage their corporate reputation properly as it helps them to be seen as more accountable and may results in more contributions or donations for their future growth and sustainability.

Limitation

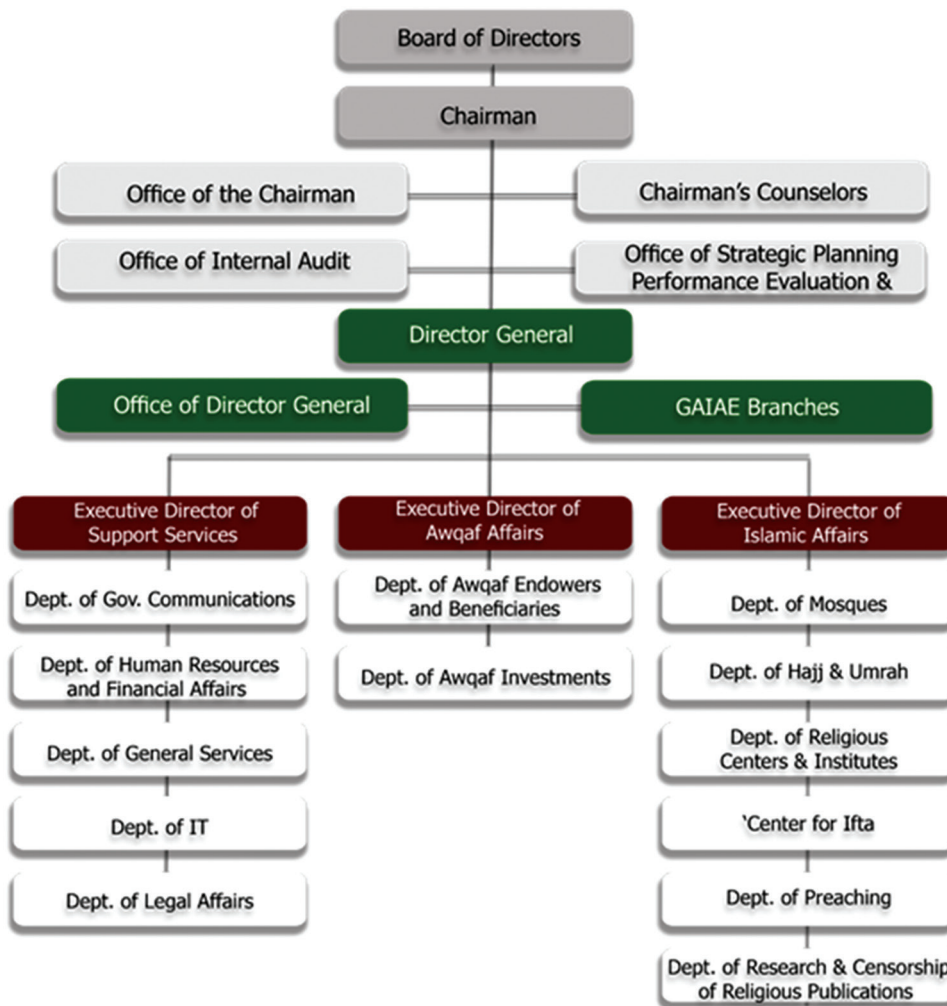
Only one group of stakeholders is surveyed, thereby generalization to other groups is still inappropriate. The chosen group of the stakeholders is students from one of the public universities in the country. They are final year undergraduate accounting students who undertake the course of Islamic Accounting and Finance, which qualifies them to become one of the stakeholders.

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APPENDIX 1: THE ORGANIZATIONAL CHART



- ▶ Board of Directors
- ▶ Chairman
 - Office of the Chairman
 - Chairman's Counselors
 - Office of Internal Audit
 - Office of Strategic Planning and Performance Evaluation
- ▶ Director General
 - GAIAE Branches
 - Office of Director General
 - ◇ Executive Director of Islamic Affairs
 - Mosques Department
 - Department of Hajj (pilgrimage) and Umrah
 - Department of Religious Centers and Institutes.
 - Center for Ifta' (Islamic ruling).
 - Department of Research and Censorship of Religious Publications.
 - ◇ Executive Director of Awqaf Affairs
 - Department of Awqaf Endowers and Beneficiaries.
 - Department of Awqaf Investments.
 - ◇ Executive Director of Support Services.
 - Department of Government Communications.

- Department of Human Resources and Financial Affairs.
- Department of General Services.
- Department of Information Technology.
- Department of Legal Affairs.

(Source: <https://www.awqaf.gov.ae/About.aspx?Lang=EN&SectionID=12&RefID=861>)

APPENDIX 2: MEMBERS OF THE BOARD AND THEIR RESPONSIBILITIES

The Board of Directors is the GAIAE higher authority which oversees the implementation of GAIAE goals.

The members of the Board of Directors are:

	Name	Title	Photo
1	H.E. Dr.Mohammad Al Kaabi	Chairman, the General Authority of Islamic Affairs and Endowments	
2	HE Ali Khalfan Ahmed Al Mansouri	Director of Charitable Institutions at the Islamic Affairs and Charitable Activities Department in Dubai	
3	HE Mohammed Atiq Al Falahi	Secretary General of the UAE Red Crescent Authority	
4	H.E. Saif Said Mohammad AlZahmi	Director Department of Administrative Affairs Fujaira Ruler's Court-Diwan	
5	HE Sultan Ali Mohammed Abu Laila	Director General of Lands & Property Department of Ras Al Khaimah	
6	HE Jamal Salem Al Traifi	Advisor at Sharjah Ruler's Court	
7	H.E. Abdullah Salem Saif Qunsol	Director Office of Social Affairs Um al Quwaim	
8	Dr Omar Abdul Rahman Salem Al Nuaimi	Advisor to the Demographic Research Centre, the Federal Demographic Council/Director of Humaid Bin Rashid Al Nuaimi Centre for the Service of the Holy Quran	
9	HE Maryam Mohammed Al Rumaithi	Director General of Family Development Foundation	

Main responsibilities of the Board of Directors:

- Approve the GAIAE general policy and plans relating to Islamic affairs and Awqaf (religious endowments).
- Approve the rules and regulations governing Islamic affairs and Awqaf, including Hajj and Umra, and any eventual violations, administrative or financial penalties. A pertinent decree is to be issued later by the UAE Cabinet.
- Approve any plans or programmes aiming at increasing Awqaf revenues and regulating the process of their collection.
- Propose Islamic legislations relative to Islamic affairs and Awqaf.
- Approve the GAIAE organisational chart pending the issuance of a UAE Cabinet decree related thereto.
- Approve the GAIAE administrative and financial bylaws and its employment regulations pending the issuance of a UAE Cabinet decree related thereto.
- Contract with counselors, experts, and technicians to fulfill GAIAE needs provided such appointments are within the GAIAE budget.
- Approve the GAIAE annual ledger (incomes and expenditures).
- Agree on the proposed annual budget and end of the year ledger account.
- Appoint GAIAE senior employees, as recommended by the Chairman, and in accordance with the GAIAE employment regulations.
- Appoint auditors and determine their fees.
- Approve reports on the performance of the GAIAE departments.
- Form GAIAE permanent committees, define their duties and financial rewards as suggested by the GAIAE Chairman.
- Approve the bills submitted by Awqaf supervisors provided they are in conformity with the GAIAE regulations.
- Propose the fees for work permits and other GAIAE services. The relevant decree is to be issued by the UAE Cabinet.
- Discuss any other GAIAE issues set forth by the Chairman.

(Source: <https://www.awqaf.gov.ae/About.aspx?Lang=EN&SectionID=12&RefID=859>)