

## Assessing Takaful Agents' Expertise and Training: Implications for Waqf-Takaful Compensation Governance in Malaysia

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### Abstract

As of 2020, Malaysia had 12 family/life Takaful companies but only three – Syarikat Takaful Ikhlas Family Berhad, Etiqa Takaful Company, and Zurich Takaful Malaysia Berhad – offered waqf through the death compensation scheme in their Takaful products, presenting an alternative to the traditional Takaful-Hiba scheme. However, the standard of implementing the concept was inconsistent and it required not only a good governance standard framework but also well-experienced people to manage the Waqf in Takaful through this death compensation scheme. Therefore, this study investigates the influence of experience and training of Takaful agents towards the implementation of Waqf-Takaful Compensation Governance in Malaysia. This study used a quantitative approach using a developed checklist for the Waqf- Takaful Compensation Governance Index (WTCGI) on 106 Takaful agents. Structural Equation Modelling (AMOS) was employed to assess the measuring and structural models. The result shows that well-trained Takaful agents have a significant positive relationship with WTCGI but the experience of the Takaful agents has no significant relationship with the Waqf -Takaful Compensation Governance Model. Therefore, it can be concluded that well-trained Takaful agents are the key influence that helps the company to sustain good governance for the Waqf-Takaful Model in most family/life Takaful companies in Malaysia.

**Keywords:** Waqf, Takaful, Training, Experience, Malaysia

### Introduction

Malaysia is one of the Islamic countries aggressively expanding the takaful industry growth when MTA Annual Report (2021) statistics reported, that the new takaful business has grown to RM8.5 billion in 2021 from RM6.59B in 2020. The high increased rate of 29.1% shows an advanced takaful business trend. The new certificates issued in 2021 were 1.14 million certificates including the Family Takaful Certificates amounted to 6.07 million certificates

nationwide. The amount of compensation in the conventional insurance sector is much larger compared to takaful which is slightly detrimental. This can be seen from the number of death claims in the insurance industry in Malaysia. The Life Insurance Associations of Malaysia (LIAM) reported an increase in total compensation claims amounting to RM 10,831,524,433 to RM11,935,309,565 in the year 2019. From this total claim, the death compensation increased from 2018 by RM1.422 billion to RM1.518 billion in 2019 (Annual Report MTA, 2020). From these statistics, it cannot be denied that the number of conventional insurance compensation claims is very large, but from a legal point of view, the National Fatwa Council declared that the conventional insurance compensation contracts were unacceptable because of *Riba, Maysir* and *Gharar* (M. Mahbubi Ali, Rusni Hassan, and Shabana M. Hasan, 2014). Bank Negara Malaysia in its takaful report in 2019 showed that the amount of compensation received by customers was as much as RM5.345 billion (Bank Negara Malaysia, 2020).

Table 1

*Death Compensation Claimed Report 2020*

| Company                 | NET CERTIFICATE BENEFITS |                    |                      |                      |                      | Net Commission |
|-------------------------|--------------------------|--------------------|----------------------|----------------------|----------------------|----------------|
|                         | Death                    | Maturity           | Surrender            | Others               | Total                |                |
| AIA PUBLIC              | 48,905,927               | 1,787,347          | 92,559,541           | 235,851,304          | 379,104,119          | 0              |
| AMMETLIFE TAKAFUL       | 5,897,818                | 932,539            | 6,645,450            | 13,736,608           | 27,212,415           | 0              |
| ETIQA FT                | 312,471,559              | 116,772,472        | 390,559,721          | 529,337,873          | 1,349,141,625        | 706,840        |
| FWD TAKAFUL             | 3,662,489                | 10,087,606         | 116,532,219          | 43,971,295           | 174,253,609          | 0              |
| GE TAKAFUL              | 8,107,487                | 2,350,356          | 42,813,963           | 118,445,418          | 171,717,224          | 0              |
| HLMSIG TAKAFUL          | 22,511,813               | 303,255            | 11,981,221           | 19,290,874           | 54,087,163           | 0              |
| PRU BSN TAKAFUL         | 68,853,912               | 2,142,074          | 153,976,442          | 460,228,143          | 685,200,571          | 0              |
| SUN LIFE MALAYSIA       | 16,673,252               | 2,972,755          | 106,637,070          | 19,897,867           | 146,180,944          | 0              |
| STMKB                   | 250,487,778              | 70,508,278         | 196,195,760          | 160,156,983          | 677,348,799          | 155,587        |
| TAKAFUL IKHLAS          | 49,627,123               | 47,281,580         | 104,401,110          | 78,021,205           | 279,331,018          | 0              |
| ZURICH TAKAFUL          | 22,433,704               | 60,056             | 42,125,307           | 72,565,984           | 137,185,051          | 0              |
| <b>TOTAL (INDUSTRY)</b> | <b>809,632,862</b>       | <b>255,198,318</b> | <b>1,264,427,804</b> | <b>1,751,503,554</b> | <b>4,080,762,538</b> | <b>862,427</b> |

Source: Malaysian Takaful Association: 2020 Annual Report

The total amount of compensation issued, according to Takaful Report (2020) displayed the tin Table 1 clarified that Takaful death compensation for all takaful companies in Malaysia in that year was as much as RM809,632,862 which is close to RM810 million. This amount is very beneficial to takaful contributors across the country. This figure has shown an increase in 2021 when total death claims by takaful institutions amount to RM1,023,743,130 as shown in Table 2. If the third of the death compensation in 2020 and 2021 is taken, which is 30% of the total compensation of participants, this amount represents almost RM240 million in 2020 and RM300 million in 2021 from participant death benefits to religious institutions as shown in Table 1-2. However, if a minimum potential of 10% death compensation can be handed over to religious institutions, the amount will be close to RM81 million in 2020 and RM100 million in 2021. This is a very large potential amount to be provided for Waqf.

Table 2

*Death Compensation Claimed Report 2021*

| Company                  | NET CERTIFICATE BENEFITS |             |               |               |               | Net Commission |
|--------------------------|--------------------------|-------------|---------------|---------------|---------------|----------------|
|                          | Death                    | Maturity    | Surrender     | Others        | Total         |                |
| <b>AIA PUBLIC</b>        | 56,206,719               | 1,697,544   | 111,207,783   | 279,389,862   | 448,501,908   | 0              |
| <b>AMMETLIFE TAKAFUL</b> | 6,326,082                | 735,816     | 7,801,450     | 18,382,894    | 33,246,242    | 0              |
| <b>ETIQA FT</b>          | 407,981,871              | 122,344,512 | 309,053,950   | 418,760,977   | 1,258,141,310 | 579,300        |
| <b>FWD TAKAFUL</b>       | 9,997,172                | 4,976,528   | 119,063,283   | 69,994,407    | 204,031,390   | 0              |
| <b>GE TAKAFUL</b>        | 12,950,964               | 2,208,372   | 49,147,348    | 148,321,870   | 212,628,554   | 0              |
| <b>HLMSIG TAKAFUL</b>    | 4,962,667                | 4,662,630   | 34,847,081    | 28,734,593    | 73,206,971    | 0              |
| <b>PRU BSN TAKAFUL</b>   | 134,830,628              | 6,273,336   | 270,586,527   | 502,341,893   | 914,032,384   | 0              |
| <b>SUN LIFE MALAYSIA</b> | 25,629,356               | 2,622,154   | 222,298,476   | 17,952,999    | 268,502,985   | 0              |
| <b>STMKB</b>             | 267,533,108              | 74,753,233  | 198,687,499   | 121,424,126   | 662,397,966   | 170,952        |
| <b>TAKAFUL IKHLAS</b>    | 51,770,461               | 41,835,334  | 66,384,750    | 75,805,047    | 235,795,592   | 0              |
| <b>ZURICH TAKAFUL</b>    | 45,554,102               | 96,945      | 50,078,014    | 62,941,073    | 158,670,134   | 0              |
| <b>TOTAL (INDUSTRY)</b>  | 1,023,743,130            | 262,206,404 | 1,439,156,161 | 1,744,049,741 | 4,469,155,436 | 750,252        |

Source: Malaysian Takaful Association: 2021 Annual Report

In the context of institutions that run Waqf-Takaful, a takaful representative who applies for a position either as an agent or takaful representative or support staff must have personal and educational qualities that can help the company achieve its goals. The industry players who serve in the company in administrative endeavours consist of various educational backgrounds. For a takaful representative, the Malaysian Takaful Association (MTA) or

Persatuan Takaful Malaysia has given a minimum requirement of only having a minimum of SPM with 4 credits to be eligible to take the exam to qualify someone to be a takaful representative (can be referred to at <https://takafuleexam.com/introduction/index>). The need for Takaful agents/representatives who have more qualifications is seen to increase (Hanafi et al., 2021). Amin and Hamid (2014) claimed that well-knowledgeable takaful agents will educate and guide the public in financial relief to ease the burden of liability event if the participants die under the *Syariah* principle. The influence of experience and training of Takaful agents towards the implementation of Waqf-Takaful Compensation Governance in Malaysia is very crucial since they are the backbone of the takaful companies to spread awareness of takaful among Malaysians.

### **Literature Review**

The Takaful system is based on the principle of collaboration, accountability, guarantee, protection, and reciprocal help among participants to ensure the mutual protection of members (Ibrahim et al., 2016). In Takaful, the term "Waqf" describes the allocation of Takaful contributor death payments to specific religious institutions to establish permanent Waqf property. Waqf in Takaful can meet contributors' financial requirements and social needs at the same time (Muhamat et al., 2019). In this case, the Waqf will continue to exist after the contributor dies, and the receiver of the Waqf will use the compensation received for religious welfare up until the Day of Judgment. Malaysia should seize this chance to instil a culture of waqf among Muslim communities since waqf is the life after death saving and it is a long-term reward given by Allah. A hadith reported by Muslims of the Prophet S. A. W.

“When the son of Adam dies, then his deeds are cut off except for three things, namely charity, useful knowledge and pious children”.

Waqf in Takaful products was started by Syarikat Takaful Malaysia Berhad (STMB) (Fauzi & Rashid, 2016). The first Takaful company in Malaysia was established a year after the establishment of the first Islamic Bank in 1983 and was named Syarikat Takaful Malaysia Berhad (STMB). Syarikat Takaful Malaysia Berhad introduced the Waqf Takaful Plan in 2002 and it has been in effect until 2009. During the implementation period, especially from 2002 to 2004 shows a good response from the participants. After seven years of use, the plan was taken off the market in 2009 and its application was terminated. On February 9, 2009, the scheme was abandoned (Wan Ab Rahaman and Yaacob, 2014).

Ten years later, in 2019, Syarikat Takaful Ikhlas Family Berhad introduced family Takaful and provides institutional beneficiaries like Yayasan Waqf Malaysia and Perbadanan Waqf Selangor with Waqf options. Any religious and welfare organisation that has been registered with the Registration of Societies (ROS) or the Companies Commission of Malaysia (SSM) is eligible to receive the beneficiaries, including the National Madrasah Tahfiz Al Quran Association (Permata Al-Quran), Kedah Religious School Affairs Organization (HESA), Yayasan Addin Perak, Persatuan Insitusi Tahfiz Al Quran Selangor (PITAS), Yayasan Islam Kelantan (YIK) and other states Tahfiz Association Associations of between 5-30% death compensation and savings according to the Qias and Hadith (Wan Ab Rahaman & Yaacob, 2014).

Waqf-Takaful was applied by Syarikat Takaful Ikhlas Family Berhad, where the Waqf component was included in their family Takaful product as an optional requirement and not a

necessity of the product regulations. Etiqa Takaful Company also took the initiative to the agency by allowing distribution to selected religious institutions through the method of preparing special letters to companies to submit death compensation to the desired religious institutions (Ahmad et al., 2022). At the same time, the company also requires the beneficiary to prepare a letter agreeing to receive Waqf benefits from the contributor. The documentation of the Waqf Takaful Compensation is important and complicated. A well-trained takaful agent will ensure the Waqf distribution process is running based on the Standard procedure set by the religious institution. Therefore it can be hypothesized that:

H1a: Documentation Training has a significant positive relationship with Document Matters in Waqf-Takaful Compensation Governance Index (WTCGI)

H1b: Documentation Training has a significant positive relationship with Operational Matters in the Waqf-Takaful Compensation Governance Index (WTCGI)

H1c: Documentation Training has a significant positive relationship with Governance Matters in Waqf-Takaful Compensation Governance Index (WTCGI)

There are several types of Takaful models in the Takaful market today namely the Wakalah Model, Modified Wakalah Model, Mudharabah Model, Hybrid Model, Wakalah –Waqf Model and Waqf-Takaful Model (Ali et al., 2014). Among the Takaful model developed by the previous researchers, the Wakalah-Waqf Model and Waqf-Takaful Compensation Model suggested by Ali et al. (2015) were the models that focus on the Waqf fund in Takaful product. Both model Wakalah-Waqf Model and the Waqf-Takaful Compensation Model suggested by Wahab (2006) define their model as the proportionate ownership of Tabarru/donation remains to participants if it is not used for payment of claims but will be transferred to the Waqf fund and then will be transferred to secured Shariah-compliant investment companies to generate profit. The profit will be used for the benefit of the participants for unfortunate events and donated to charities approved by the Takaful company Shariah board (Ahmad et al., 2022). Based on these two models, The Takaful company works as Wakeel and Mudharib on behalf of the participants for the Waqf fund. The participant needs to sign the form and gain the certificate after paying an unconditional donation to be a member of the Waqf fund with Takaful coverage. The participant and the Takaful company can enjoy the benefit from the Waqf fund including providing Qardh Hassan with any other Takaful benefit to its participants. Table 2 describes the process of both models.

The capital providers are the participants while the fund managers are the Takaful operators. Under this contract, the Takaful operator will accept the contributions from the participants. The contribution is deemed as capital (*Ra'sul Maal*) that will be managed and invested in a Shari'ah-compliant manner. The contract specifies that any profit from managing the fund will be shared between the Takaful operator and participant based on the ratio agreed upon upfront (Ali et al., 2014). Understanding the overall process of Waqf Takaful Compensation Governance as mentioned by Ali et al (2014) required the operators to equip their knowledge of the operational process. It was hypothesized that:

H2a: Operation Training have a significant positive relationship with Document Matters in the Waqf-Takaful Compensation Governance Index (WTCGI)

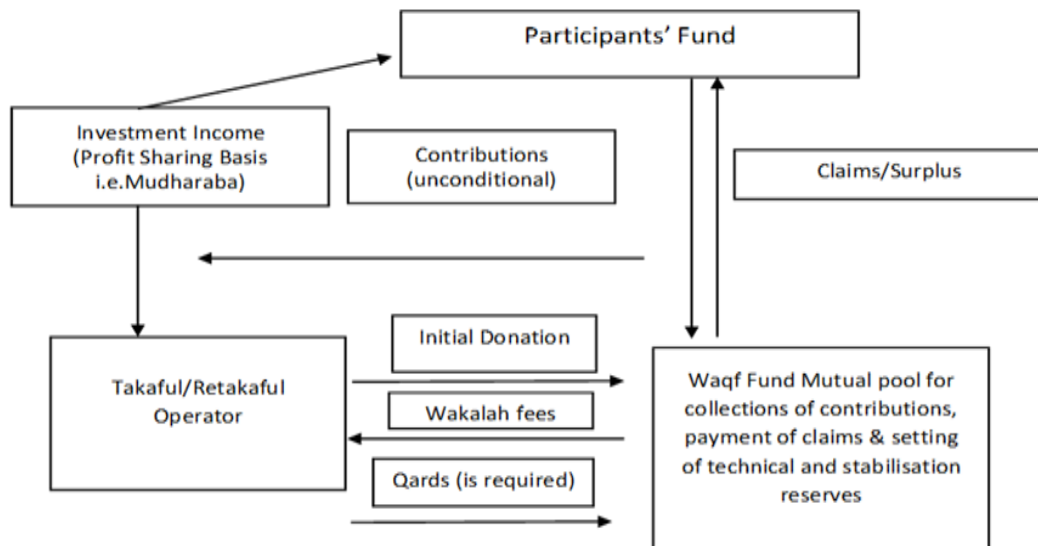
H2b: Operation Training have a significant positive relationship with Operational Matters in the Waqf-Takaful Compensation Governance Index (WTCGI)

H2c: Operation Training have a significant positive relationship with Governance Matters in

the Waqf-Takaful Compensation Governance Index (WTCGI)

All this process required both parties; the participant and the fund manager to understand clearly the risk and reward included in the contract so that compensation claims later will be clear. The successful Waqf-Takaful product implementation in Malaysia is largely due to the Waqf-Takaful operators' capabilities to capture the overall policies and procedures of the Waqf-Takaful scheme in the market.

Figure 1: Waqf-Takaful Model



Sulaiman et al (2019) claimed that a well-designed Waqf-Takaful Compensation needs to be run by well-knowledgeable professional officers and management who are well-versed in Waqf-Takaful systems for more excellent operations to achieve overall efficiency and effectiveness. The Waqf-Takaful system requires the Takaful officer/ operator to understand the overall procedure required to ensure the documentation or contract required is sufficient to process. Therefore H3a-H3c were developed

H3a: Experience has a significant positive relationship with Document Matters in Waqf-Takaful Compensation Governance Index (WTCGI)

H3b: Experience has a significant positive relationship with Operational Matters in Waqf-Takaful Compensation Governance Index (WTCGI)

H3c: Experience has a significant positive relationship with Governance Matters in Waqf-Takaful Compensation Governance Index (WTCGI)

Based on the above hypothesis developed, the conceptual framework was presented in Figure 2 below where the independent variables were proxy by Documentation Training (TRNP22), Operational Training (TRND29) and Experience (EXPQA4) while the dependent variables were Waqf-Takaful Compensation Governance Index (WTCGI) was subdivided into 3 important matters which is Documentation Matters (DCM), Operational Matters (OPM) And Governance Matters (GCM).

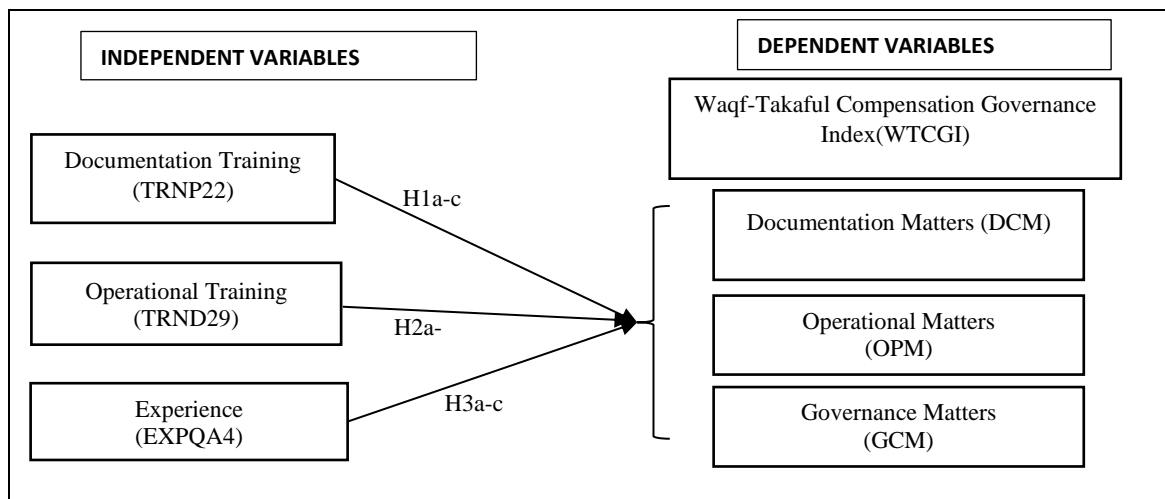


Figure 2: The Conceptual Framework

**Methodology**

This study uses quantitative research aims to deeply understand the phenomena related to research questions and the Waqf-Takaful Compensation Governance Index (WTCGI) checklist was developed to examine the 4 takaful companies; Etiqa Family Takaful Berhad, Takaful Ikhlas Family Berhad, Takaful Malaysia Keluarga Berhad dan Zurich Takaful Malaysia Berhad documentations, operation and governance. These 4 takaful companies were the most active companies that offer the Waqf-Takaful scheme in Malaysia based on a previous study done by (Farouq et al., 2015; Salleh et al., 2020; Muhamat et al., 2019; Abdullah et al., 2018). About 106 Takaful agents were selected in this study and run using Structural Equation Modeling (AMOS) to test the measuring model and evaluate the structural model.

From 150 Takaful Agents involved in completing the checklist of the Waqf-Takaful Compensation Governance Index (WTCGI) only 106 Takaful Agents samples were taken and used since there were missing data in the checklist that failed to be filled in by the agents. The Waqf-Takaful Compensation Governance Index (WTCGI) was developed based on the study done by (Muhamat et al., 2019; Hassan et al., 2013; Hassan et al., 2013). Some modifications were made to the above study to suit the objectives of this study. The finalized Waqf-Takaful Compensation Governance Index (WTCGI) was developed with 15 items as mentioned in Table 1 after consulting with several experts who have more than 5 years of experience in the standard procedure of documentation for the Wakaf-Takaful Compensation Scheme employed in this study. The unweighted method scores adopted with modification from the studies of Arsad et al (2021); Said et al (2016); Rahayati et al (2017) were as follows

$$WTCGI = \frac{\sum_{t=1}^{n_j} m_{ij}}{n_j * 2}$$

Where

- \*WTCGI= Waqf -Takaful Compensation Governance Index
- \*Nj= number of items expected for the company  $n_j \geq$  items of each matter
- \*Mij=“3” if the items were documented/implemented by the company, the score “2” given if the item was partially documented /implemented by the company, and “1” if it was not documented/implemented by the company.

The proposed Model of the Waqf-Takaful Compensation Governance Index (WTCGI) which were the Dependent variables were subdivided into 3 main components; Documentation Matters (DCM), Operational Matters (OPM) and Governance Matter (GCM) as presented in Table 3 below. All the items tested in this study were adopted with some modifications from previous studies done by (Muhamat et al., 2019; Hassan et al., 2018; Hassan et al., 2013).

Table 3

*Model of Waqf-Takaful Compensation Governance Index (WTCGI)*

| Matters                      | Description   | Items | Sign | Previous Study  |
|------------------------------|---|-------|------|---|
| <b>Documentation Matters</b> | Consists documentation process of the Waqf-Takaful Compensation Scheme provided by Etiqa Family Takaful Berhad, Takaful Ikhlas Family Berhad, Takaful Malaysia Keluarga Berhad dan Zurich Takaful Malaysia Berhad   | 15    | DCM  | Afif Muhamat et al. (2019), Hassan et al. (2018) and Hassan et al. (2013) |
| <b>Operational Matters</b>   | Consists operational process of the Waqf -Takaful Compensation Scheme distribution and standard procedure (SOP) implemented by Etiqa Family Takaful Berhad, Takaful Ikhlas Family Berhad, Takaful Malaysia Keluarga Berhad dan Zurich Takaful Malaysia Berhad | 9     | OPM  |   |
| <b>Governance Matter</b>     | Describe the mechanism or systems used by the companies to control and operate the Waqf-Takaful Compensation Scheme by Etiqa Family Takaful Berhad, Takaful Ikhlas Family Berhad, Takaful Malaysia Keluarga Berhad dan Zurich Takaful Malaysia Berhad         | 6     | GCM  |   |

The Independent variables employed in this study consist of 2 types of training which are divided into 2 categories; Documentation Training (TRND29) and Governance Training (TRNP22). The third independent variable is the year of takaful agents experience (EXPQA4) which is divided into 4 categories, starting from a minimum of less than 5 years of experience until a maximum of more than 16 years of experience as mentioned in Table 4 below.



Table 4

*Independent Variables*

| Variables          | Proxies   | Symbol |
|--------------------|---|--------|
| Training           | Documentation Training Workshop                       | TRND29 |
|                    | Operational Training Workshop                         | TRNP22 |
| Year of Experience | 0-5 years,6-10 years, 11-15 years, More than 16 years | EXPQA4 |

**Results and Discussion**

Table 5 represents the correlation result of all the independent variables (Documentation Training (TRNP22), Operational Training (TRND29) and Experience (EXPQA4)) and dependent variables (Documentation Matters (DCM), Operational Matters (OPM) And Governance Matters (GCM). Statistically, there was no correlation found between independent and dependent variables.

Table 5

*Correlations*

|        | TRNP22 | EXPQA4 | TRND29 | GCM   | OPM   | DCM   |
|--------|--------|--------|--------|-------|-------|-------|
| TRNP22 | 1.000  |        |        |       |       |       |
| EXPQA4 | 0.048  | 1.000  |        |       |       |       |
| TRND29 | 0.445  | 0.159  | 1.000  |       |       |       |
| GCM    | 0.545  | 0.075  | 0.391  | 1.000 |       |       |
| OPM    | 0.231  | 0.112  | 0.290  | 0.261 | 1.000 |       |
| DCM    | 0.395  | -0.050 | 0.255  | 0.368 | 0.217 | 1.000 |

\*Minimum was achieved: Chi-square = 6.752, Degrees of freedom = 3, Probability level =0.080

**Structural Model Assessment**

This study is quantitative research that aims to deeply understand the phenomena related to research questions and the checklist of takaful company documentation The data will be analyzed in descriptive statistics analysis and regression using a structural equation model generated through AMOS. A good fitting model was accepted if the value of the CMIN/df or Confirmatory Fit Index (CFI) is more than 0.90 or the Root Mean Square Error Approximation (RMSEA) is between 0.05 and 0.08 (Hair et al.,2010). The fit indices for the model in Table 6 fell within the acceptable range: CMIN/df = 2.251, CFI =0.958 and RMSEA = 0.109. This indicated that the structural model developed in this study was at an accepted level to be tested using AMOS.

Table 6  
Level of Acceptance for Every Index

| Name of the index           | Level of acceptance | Result           | Comments (model) |
|-----------------------------|---------------------|------------------|------------------|
| Parsimonious Fit (CHISQ/DF) | Chisq/df >5         | Chisq/df = 2.251 | Good fit         |
| Incremental Fit (CFI)       | CFI > 0.90          | CFI = 0.958      | Good Fit         |
| Absolute Fit (RMSEA)        | RMSEA < 0.10        | RMSEA = 0.109    | Acceptable       |

This study assessed the effect of experience and training of takaful agents towards the implementation of Waqf-Takaful Compensation Governance in Malaysia. The result shows that Documentation Training has a significant positive relationship with Operational Matters in the Waqf-Takaful Compensation Model ( $b=0.269, t=0.349, p<0.01$ ), supporting H1b. Documentation Training has a significant positive relationship with Governance Matters in the Waqf-Takaful Compensation Governance Index (WTCGI)  $b=0.269, t=0.349, p<0.01$ ) H1c was supported. Operation Training has a significant positive relationship with Document Matters in the Waqf-Takaful Compensation Model ( $b=0.269, t=0.349, p<0.01$ ), so H2a was supported. Operation Training has a significant positive relationship with Governance Matters in the Waqf-Takaful Compensation Governance Index (WTCGI) ( $b=0.269, t=0.349, p<0.01$ ), H2c also supported.

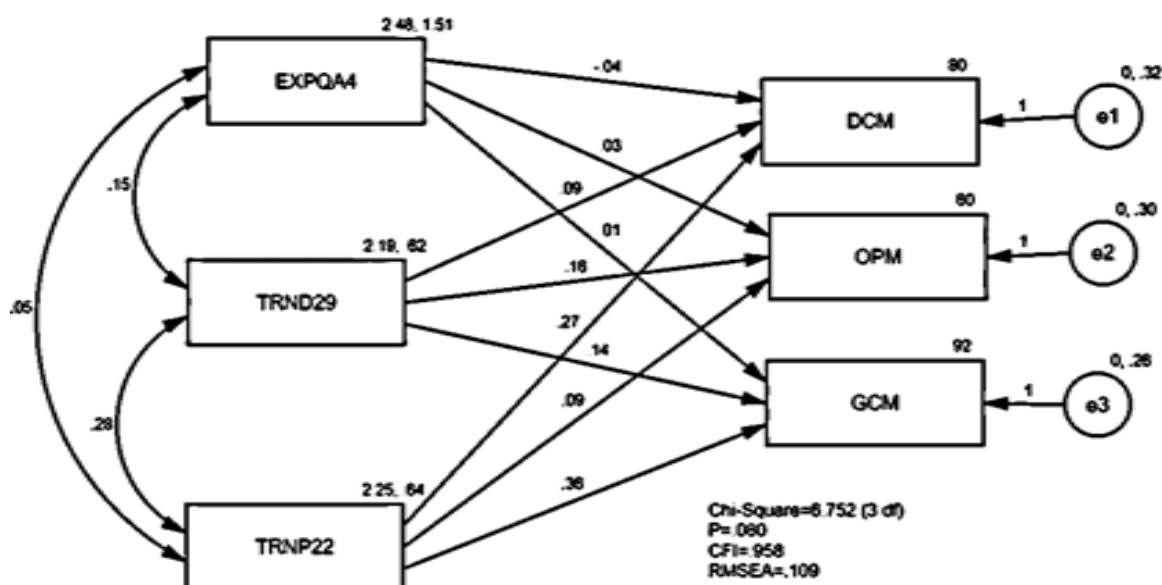


Figure 3: Unstandardized Structural Model

However, the experience of the Takaful agents has no significant relationship with any matters under the Waqf -Takaful Compensation Governance Model. Therefore, H3a,H3b and H3c were rejected. Besides that H1a and H2b were also rejected in this study. Hypotheses results are presented in Table 7.

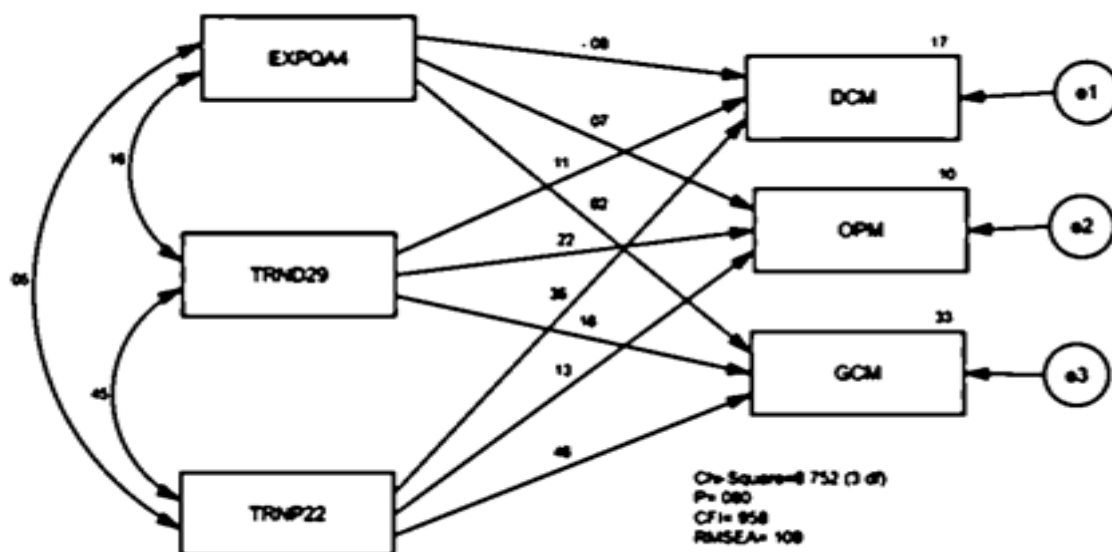


Figure 4: Standardized Structural Model

Table 7 summarises the overall findings of this study. The Square multiple correlations was 0.17 for DCM, this shows that 17% variance in DCM is presented by EXPQA4, TRND29 and TRNP22. The Square multiple correlation was 0.10 for OPM, this shows that 10% variance in OPM is presented by EXPQA4, TRND29 and TRNP22. However, the square multiple correlation is quite higher which is 0.33 for GCM, this shows that 33% variance in GCM is presented by EXPQA4, TRND29 and TRNP22.

Documentation Training organised by the 4 takaful companies has a significant effect on the Operation Matter related to the procedure and Standard Operation (SOP) of the Waqf -Takaful Compensation Scheme run by the companies. The Documentation Training organized by the companies also had a positive relationship with the Government Matters which concerned the mechanism or systems used by the companies to control and operate the Waqf -Takaful Compensation Scheme by Etiqa Family Takaful Berhad, Takaful Ikhlas Family Berhad, Takaful Malaysia Keluarga Berhad dan Zurich Takaful Malaysia Berhad.

Table 7

*Model Fits and Hypotheses Results*

| Hypothesized relationship | Standardized Estimates                       | T-Value | P-Value | Decision        |
|---------------------------|--|---------|---------|-----------------|
| EXPQ→ DCM                 | -0.042                                       | -0.938  | 0.348   | Not significant |
| TRNP22→DCM                | 0.269  | 3.516   | 0.000   | +ve significant |
| TRND29→DCM                | 0.088  | 1.122   | 0.262   | Not significant |
| EXPQ→ OPM                 | 0.033  | 0.757   | 0.449   | Not significant |
| TRNP22→ OPM               | 0.093  | 1.248   | 0.212   | Not significant |
| TRND29 →OPM               | 0.162  | 2.119   | 0.034   | +ve significant |
| EXPQ →GCM                 | 0.012  | 0.302   | 0.763   | Not significant |
| TRNP22→ GCM               | 0.361  | 5.178   | 0.000   | +ve significant |
| TRND29→GCM                | 0.143  | 1.999   | 0.046   | +ve significant |
| <b>R-SQUARE</b>           |  |         |         |                 |
| DCM                       |  | 0.17    |         |                 |
| OPM                       |  | 0.10    |         |                 |
| GCM                       |  | 0.33    |         |                 |
| <b>MODEL FIT</b>          | Chisq/df = 2.251, CFI = 0.958, RMSEA = 0.109 |         |         |                 |

The Operation Training workshops have a significant positive relationship with both Waqf - Takaful Compensation Governance Indexes which are Document Matters and Governance Matters. This finding is in line with the study by Muhamat et al (2019) who found that most takaful companies have provided sufficient training when they want to introduce new products (mean score = 4.5385; standard deviation = .51887) and they also tried to find the best way to reach potential participants to increase their awareness on the new products which were introduced by the takaful operators (mean score = 4.4615; standard deviation = .51887).

Table 8

*Summary of the Finding*

| Proxies  | Results              |
|--|----------------------|
| H1a: Documentation Training Has A Significant Positive Relationship With Document Matters In Waqf-Takaful Compensation Governance Index (WTCGI)        | Not Significant      |
| H1b: Documentation Training Has A Significant Positive Relationship With Operational Matters In The Waqf-Takaful Compensation Governance Index (WTCGI) | Significant Positive |
| H1c: Documentation Training Has A Significant Positive Relationship With Governance Matters In The Waqf-Takaful Compensation Governance Index (WTCGI)  | Significant Positive |
| H2a: Operation Training Have A Significant Positive Relationship With Document Matters In Waqf-Takaful Compensation Governance Index (WTCGI)           | Significant Positive |
| H2b: Operation Training Have A Significant Positive Relationship With Operational Matters In The Waqf-Takaful Compensation Governance Index (WTCGI)    | Not Significant      |
| H2c: Operation Training Have A Significant Positive Relationship With Governance Matters In The Waqf-Takaful Compensation Governance Index (WTCGI)     | Significant Positive |
| H3a: Experiences Have A Significant Positive Relationship With Document Matters In The Waqf-Takaful Compensation Governance Index (WTCGI)              | Not Significant      |
| H3b: Experiences Have A Significant Positive Relationship With Operational Matters In The Waqf-Takaful Compensation Governance Index (WTCGI)           | Not Significant      |
| H3c: Experiences Have A Significant Positive Relationship With Governance Matters In The Waqf-Takaful Compensation Governance Index (WTCGI)            | Not Significant      |

Experience of takaful agents did not have any significant relationship with the three Waqf - Takaful Compensation Governance Indexes (Document Matters, Operational Matters and Government Matters). Experience takaful agents are not the main criteria in the implementation of the Waqf-Takaful Compensation Scheme since most of the takaful agents have different backgrounds and education and have a directly involved in contributing the ideas of new product development and some of them had experiences in product development from the others industries (Muhamat et al., 2019). This finding was supported by the study done by Muhamat et al (2019) verified that nearly half of takaful agents (46.2%) have less experience between one year to five years compared to 30.8% of takaful agents have more than six years' experience in the area of takaful product development.

**Conclusion**

The main focus of this study is to analyse the influence of experience and training of Takaful agents towards the implementation of Waqf-Takaful Compensation Governance in Malaysia of 4 family/life takaful companies in Malaysia (Syarikat Takaful Ikhlas, Syarikat Takaful Ikhlas Family Berhad, Etiqa Takaful Company, and Zurich Takaful Malaysia Berhad) which offered

waqf opportunities through the death compensation of takaful products. The finding shows that well-trained Takaful agents have a significant positive relationship with Waqf- Takaful Compensation Governance (WTCG) but the experience of the Takaful agents has no significant relationship with Waqf -Takaful Compensation Governance Model. This study concluded that training is an initial element to ensure the implementation of Waqf-Takaful Compensation in Malaysia. A well-trained Takaful agent was the key influence that helped the company to sustain good governance for the Waqf-Takaful Model in most family/life Takaful companies in Malaysia but also created a great contribution to support the development of Socioeconomic growth in Malaysia.

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