Article Type: Research Paper

Evaluating the Performance of Nazhir Muhammadiyah Central Java in Advancing Sustainable Development Goals

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Abstract: This study assesses the effectiveness and sustainability of waqf managers (Nazhir) in Central Java, Indonesia. Using a quantitative approach with multiple linear regression analysis, the research examines data from 64 certified Nazhir respondents. It evaluates key factors influencing Nazhir's performance, including Nazhir's educational background (Waqf Knowledge), crowdfunding efforts, investment strategies, waqf-benefit distribution to society, and the supervision of waqf management in adherence to Shariah compliance. The study provides insights into how Nazhir can optimize waqf resources for long-term social and economic impact by analyzing these elements. The findings reveal that although Nazhirs are formally certified, their educational background, crowdfunding efforts, and investment strategies negatively impact performance improvement. This is primarily due to a lack of widespread implementation of waqf theory, limited crowdfunding targets, and the absence of a broadly adopted investment model across districts in Central Java. In contrast, waqf-benefit distribution and the supervision of waqf management have a significant positive effect. This is primarily attributed to the collective role of Muhammadiyah's assemblies, autonomous organizations, and institutions responsible for waqf development and serving as waqf beneficiaries. Furthermore, supervision and compliance remain critical and constant factors, as Muhammadiyah Nazhir must adhere to national laws, fatwas, and government regulations.

Keywords: Certification; Nazhir Performance; Waqf; Muhammadiyah; Multiple Linear Regression
JEL Classification: O19, G21, Z12, C31

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THIS ARTICLE IS AVAILABLE IN:
http://journal.umy.ac.id/index.php/jerss

DOI: 10.18196/jerss.v9i1.25861

CITATION:
Utami, Y., & Syafitri, N. A. (2025). Evaluating the Performance of Nazhir Muhammadiyah Central Java in Advancing Sustainable Development Goals. *Journal of Economics Research and Social Sciences, 9*(1), 108-125.

Introduction

Waqf is one of the important instruments in social and economic development for a country, especially in countries with a majority Muslim population. Waqf has great potential to improve people's welfare, especially in Indonesia. As the country with the largest Muslim population in the world, Indonesia certainly has the capability to encourage the development of waqf. Currently, waqf is seen as a vehicle for mobilizing economic resources and is used as a strategy to enhance economic welfare. Waqf is considered everlasting, meaning it is durable. This can significantly assist the government in addressing social issues, alleviating poverty, and it has the potential to serve as a reserve resource that can continue to develop (Utami et al., 2017, p. 1). The benefits of waqf can be

felt by many, especially those in need, such as the poor, orphans, and others, thereby sustainably providing welfare to the people.

In 2023, the waqf sector in Indonesia experienced remarkable growth. Waqf land in Indonesia covers 440.5 thousand locations, with a total area of 57.2 thousand hectares, according to the *Sistem Informasi Wakaf* (SIWAK) by the Ministry of Religious Affairs (Kemenag, 2022). Additionally, the waqf sector in Indonesia, particularly cash waqf, is projected to reach around 180 trillion rupiahs annually. Meanwhile, the acquisition of cash waqf increased from 855 billion rupiahs in 2018-2021 to 1.4 trillion rupiahs, according to records from *Badan Wakaf Indonesia* (BWI, 2022, p. 6). This indicates that the waqf sector in Indonesia has enormous potential and continues to grow, which offers hope for improving the welfare of the people through the effective and efficient utilization of waqf assets.

Indonesia was once again declared the most generous country in the world. According to the World Giving Index (WGI) released by the Charities Aid Foundation (CAF), Indonesia ranks first with a score of 68 points (Charities Aid Foundation, 2023). This makes Indonesia the country with the most giving in the sixth consecutive year. Based on the same WGI report, Indonesia's average scores were 59 percent in 2018 and 2019, then increased to 69 percent in 2020 and 2021, and in 2022, Indonesia scored 68 percent (Charities Aid Foundation, 2022, p. 8). This demonstrates that Indonesians' passion for philanthropy remains relatively high.

In Indonesia, a specific regulation governing waqf management is outlined in Law No. 41 of 2004 concerning Waqf. This law is administered by the Indonesian Waqf Agency (BWI) and the Waqf Management Agency (BPW) at the local level (Peraturan Pemerintah RI, 2004). In managing waqf, there is a Nazhir who is responsible for the implementation and maintenance of waqf assets. The role of the Nazhir is crucial for maintaining the sustainability and utilization of waqf. They are accountable for protecting waqf assets and ensuring that waqf can positively impact society.

Although waqf has developed well in Indonesia, it still faces several challenges in its management, such as a lack of transparency and public understanding. Therefore, finding solutions to address these problems and improve waqf performance is necessary. One solution to enhance waqf performance is to optimize Nazhir's performance.

Armstrong (in Wehelmina, 2021, p. 2) states that performance management can achieve better results from organizations, teams, and individuals by understanding and controlling performance within a framework of agreed-upon goals, standards, and attribute requirements. This theory emphasizes the importance of good management in achieving organizational objectives. In the context of Nazhir's performance, effective management will have a direct impact on performance improvement. In the context of waqf, Nazhir's performance is not only assessed by their ability to carry out duties and obligations properly but also by their capacity to develop waqf in various fields such as education, health, and the economy (Djamil, 2011).

The optimal performance of the Nazhir can influence every aspect of waqf management and the results obtained. Regarding waqf collection, the Nazhir encourages and facilitates the process. By providing appropriate information and knowledge, the Nazhir can educate the public about the importance of waqf and how to participate, thereby increasing the amount of collected waqf. Regarding management, a competent and professional Nazhir ensures that waqf assets are utilized and managed most effectively and efficiently. Additionally, Nazhir's ability to plan and implement management strategies ensures that waqf assets are used according to the objectives specified by the waqif. The performance of the Nazhir also impacts distribution. A skilled Nazhir ensures that waqf benefits are distributed fairly and equitably. After distribution, the Nazhir can assess community needs and ensure that the distribution aligns with those needs. Therefore, optimal Nazhir performance significantly enhances effectiveness and efficiency in collection, management, and distribution, thereby contributing to Waqf's goal to maximize the community's benefits.

According to Dharma (2010, p. 78), Indicators used to measure employee performance are based on four aspects: understanding knowledge, skill, staffing, and behavior. According to Noordin *et al.* (2017, p. 927), measurement models for evaluating Nazhir's performance include inputs, outputs, and results. Inputs refer to the resources used in managing waqf, outputs are the goods or services produced from waqf, and results are the long-term impacts of outputs on the external environment in terms of benefits to stakeholders. Hamidiyah *et al.* (2022, p. 32) determined that performance indicators include waqf collection as input, waqf asset management as output, and benefit distribution as outcome. The effectiveness of these measures is closely tied to the integrity and professionalism of the Nazhir. According to Djunaidi *et al.* (in Kasdi, 2014, p. 219), the parameters of a professional Nazhir are *amanah,* which means trustworthy; *shiddiq,* which means honest; *fathanah*, which means intelligent; and *tablig*, which means transparent. In addition, to be professional in managing waqf assets, Nazhir, especially in the field of money waqf management, must possess additional abilities, namely understanding of waqf law and UU related waqf, understand the knowledge of islamic economics and islamic financial instruments, understanding of waqf practices especially cash waqf in various countries, have a lot of access to prospective waqifs, investment of waqf funds, perform beneficiary account administration, distribution of waqf fund investment returns, manage waqf funds in a transparent and accountable manner (PP Muhammadiyah, 2010, pp. 28–29).

Nazhir Wakaf Muhammadiyah has several key responsibilities, including safeguarding and maintaining waqf assets, developing and optimizing them for maximum societal benefit, ensuring transparency in their management, and regularly reporting on asset development to stakeholders. Muhammadiyah has also initiated various efforts to modernize its waqf management practices, such as integrating digital tools to improve transparency and the inventory of waqf assets. Additionally, the organization is exploring modern investment models like sukuk (Islamic bonds) and waqf stocks to enhance the financial sustainability of waqf properties.

Central Java is one of Indonesia's provinces, and most of the population adheres to Islam. According to records from the Directorate General of Population and Civil Registration (*Dukcapil*) of the Ministry of Home Affairs, the Muslim population in Central Java totals 36,77 million people, or 97,26 percent of its total population of approximately 37,78 million as of August 2022 (Karo, 2022, p. 1). This demographic provides a significant opportunity for the community to utilize waqf as an instrument for improving the economy and common welfare in Central Java.

Based on this data, it can be concluded that Central Java has significant potential for waqf development, both in terms of the number of locations and the area of waqf land, in supporting economic growth and community welfare. With increasing awareness, professional management, optimal utilization, and support from the government, waqf can continue to grow and provide significant benefits to the people of Central Java. Based on the description provided above, the researcher is interested in conducting a study titled "Evaluating The Performance of Nazhir Muhammadiyah Central Java in Advancing Sustainable Development Goals" to analyze the effect of five variables—Education, Crowdfunding, Investment, Distribution, and Supervision/Compliance—on the performance of Nazhir Muhammadiyah in Central Java.

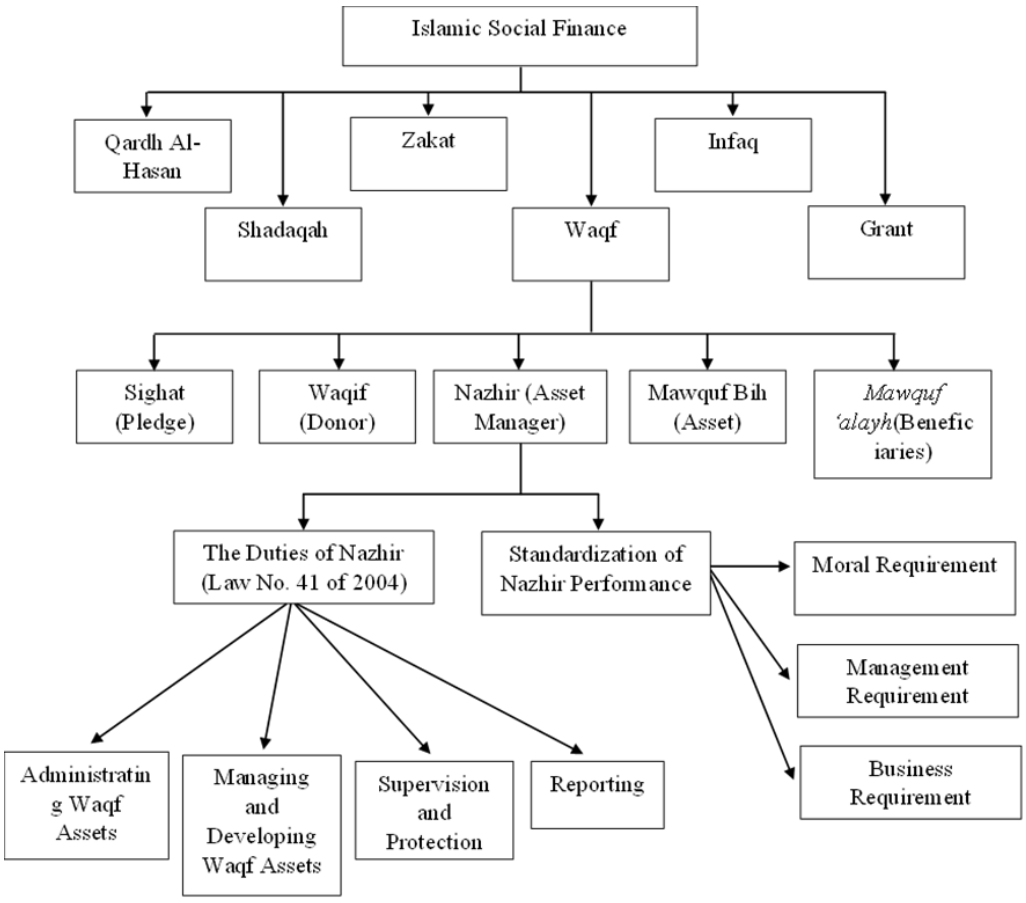

Figure 1 Theoretical Framework

In this context, it is essential to understand the broader framework of waqf management in Islamic social finance. As shown in Figure 1, the theoretical framework below outlines the relationship between key elements such as the roles of the Nazir, Wakif, and Mawquf Bih and the standardization of Nazhir's performance based on moral, managerial, and business requirements. This framework provides a structured view of how Nazhir's responsibilities, as stipulated in Law No. 41/2004, are critical to effectively administrating and developing waqf assets.

The novelty of this study lies in its comprehensive evaluation of the performance of **Nazhir Muhammadiyah in Central Java** using five key factors: **Nazhir's educational background (Waqf Knowledge), crowdfunding efforts, investment strategies, waqf-benefit distribution to society, and the supervision of waqf management in adherence to Shariah compliance**. Unlike previous studies that often focus on general waqf management, this research examines how these variables influence **Nazhir's effectiveness in optimizing waqf resources for sustainable development goals (SDGs).** Additionally, this study highlights the unique role of **Muhammadiyah's institutional structure,** which collectively supports waqf development while serving as its beneficiary, providing a new perspective on **the interplay between waqf governance and organizational sustainability**.

Research Method

The object of this research is Central Java Province, chosen for its relevance to the study's goals. The subject of the research is Nazhir Muhammadiyah in Central Java. The study focuses on two types of variables: the dependent variable, which is the performance of Nazhir, and five independent variables—education, crowdfunding, investment, distribution, and supervision and compliance. This research uses a quantitative method, collecting primary data through a survey by distributing questionnaires. This study employs multiple linear regression to analyze the relationship between the independent and dependent variables. The model is estimated using the Ordinary Least Squares (OLS) method, with t-tests for individual significance and an F-test for overall model significance. The R-squared (R^2) value determines how well the independent variables explain variations in Nazhir's performance. Additionally, classical assumption tests—including normality, multicollinearity, heteroscedasticity, and autocorrelation tests—are conducted to ensure the regression model meets the BLUE (Best Linear Unbiased Estimator) criteria. Instead of SEM, this research uses multiple linear regression because it is the more practical, interpretable, and statistically feasible approach given the direct relationships, sample size constraints, and the nature of the collected data.

The sample was selected using purposive sampling, meaning respondents were chosen based on specific criteria: they had to be Nazhir Muhammadiyah in Central Java, who had participated in certification. The questionnaire was distributed via a WhatsApp group with 85 members, and 64 individuals met the criteria. This ensured that only qualified participants were included, making the data relevant to the research goals. The data collection technique used is a survey, with questionnaires focusing on Nazhir's

performance based on individual and group experiences. The Likert scale, with three points (1: strongly disagree, 2: agree, 3: strongly agree), was used to measure responses. The three-point scale was chosen to obtain more precise, more definite responses while simplifying the data analysis without losing the core insights from respondents.

Multiple linear regression is the most appropriate analytical method for this study due to its practicality, suitability for the available sample size, and alignment with the research focus. Unlike Structural Equation Modeling (SEM), which requires complex model specifications and a larger dataset, multiple linear regression allows for directly analyzing the relationships between independent variables and Nazhir's performance. This method ensures ease of interpretation, statistical feasibility, and adherence to classical regression assumptions, thereby providing robust and reliable insights. By employing multiple linear regression, this study effectively examines the key factors influencing Nazhir's performance in Central Java while maintaining methodological rigor and clarity in findings.

Result and Discussion

Descriptive Statistics

Statistical description is an analysis method used to determine the description of each research variable presented in descriptive statistics. This analysis concisely describes the research data by calculating and presenting statistics, such as mean, median, standard deviation, minimum, and maximum values. The results of the descriptive statistical test of the research variables can be seen in Table 5.1 below:

Table 1 Descriptive Statistical Analysis Test Result

	N	Minimum	Maximum	Mean	Std. Deviation
Nazhir's Educational Background (and Waqf Knowledge)	64	15	33	26,906	4,638
Crowdfunding Efforts	64	11	33	21,046	6,157
Investment Strategies	64	12	33	22,531	5,511
Waqf- Benefit Distribution to society	64	12	33	22,578	5,650
The Supervision of Waqf Management in Adherence to Shariah Compliance	64	11	33	25,109	5,735
Nazhir's Performance	64	6	15	12,562	2,238
Valid N	64				

Based on the table above, the descriptive test results of each variable are obtained. Nazhir's educational background variable (X1) shows that the minimum value is 15, the maximum value is 33, and the average value is 26,906. The standard deviation of educational data is 4,638. For the crowdfunding efforts variable (X2), the minimum value is 11, the maximum value is 33, and the average value is 21,046. The standard deviation of educational data is 6,157. Then, for the investment strategies variable (X3), the

minimum value is 12, the maximum value is 33, and the average value is 22,531. The standard deviation of education data is 5,511.

The distribution variable (X4) results in the minimum value being 12, the maximum value being 33, and the average value being 22,578. The standard deviation of educational data is 5,650. Then, for the supervision and compliance variable (X5), the minimum value is 11, the maximum value is 33, and the average value is 25,109. The standard deviation of education data is 5,735. Meanwhile, the performance variable (Y) has the result that the minimum value is 6, the maximum value is 15, and the average value is 12,562. The standard deviation of education data is 2,238.

Classical Assumption Test

1. Normality Test

The normality test is used to determine whether the data is normally distributed. The normality test was carried out before the statistics were analyzed for hypothesis testing in this study. The data is declared normal if the significance value is> 0.05. The following are the results of the normality test:

Table 2 Kolmogorov-Smirnov Test Results

		Unstandardized Residuals
N		64
Normal Parameters [a,b]	Means	0,000
	Std. Deviation	1,844
Most Extreme Differences	absolute	0.088
	Positive	0.047
	Negative	-0.088
Test Statistics		0.088
Asymp. Sig. (2-tailed)		0.200

The table above is the result of the data normality test by the Kolmogorov-Smirnov test. The Kolmogorov-Smirnov test can be analyzed from the asymp. Sig. (2-tailed) values in the table. If the value of asymp. Sig. (2-tailed) > 0.05, it can be said that the data used is normally distributed. The table result above shows the value of asymp. Sig. (2-tailed) is 0.200 > 0.05. Then, the data can be declared to be normally distributed.

2. Multicollinearity Test

A multicollinearity test determines the regression model's high correlation between independent variables. The regression model is said to be good if there is no high correlation between the independent variables. The following are the results of the data multicollinearity test in this study:

Table 3 Multicollinearity Test Result

Variable	Tolerance	VIF	Information
Nazhir's Educational Background (and Waqf Knowledge)	0.511	1.957	Passes Multicollinearity Test
Crowdfunding Efforts	0.277	3.616	Passes Multicollinearity Test
Investment Strategies	0.213	4.691	Passes Multicollinearity Test
Waqf-Benefit Distribution to Society	0.306	3.264	Passes Multicollinearity Test
The Supervision of Waqf Management in Adherence to Shariah Compliance	0.453	2.209	Passes Multicollinearity Test

From the table above, the tolerance value of the education variable is 0,511, the crowdfunding variable is 0,277, the investment variable is 0,213, the distribution variable is 0,306, and the supervision variable is 0,453. The tolerance value for each variable shows a value > 0,100, so there is no indication of serious multicollinearity. While the VIF value of the education variable is 1,957, the crowdfunding variable is 3,616, the investment variable is 4,691, the distribution variable is 3,264, and the supervision variable is 2,209. The VIF value on each variable shows the VIF value < 10, so it can be indicated that there is no significant multicollinearity problem.

3. Heteroscedasticity Test

The heteroscedasticity test is conducted to determine whether or not there is an inequality of variance from one residual to another observation in a regression model. The graph below is the result of the heteroscedasticity test, showing that the graph's points do not form a clear pattern. The dots on the graph spread randomly and are scattered around the zero axis. So, the data shows no heteroscedasticity or the assumption of homoscedasticity is fulfilled.

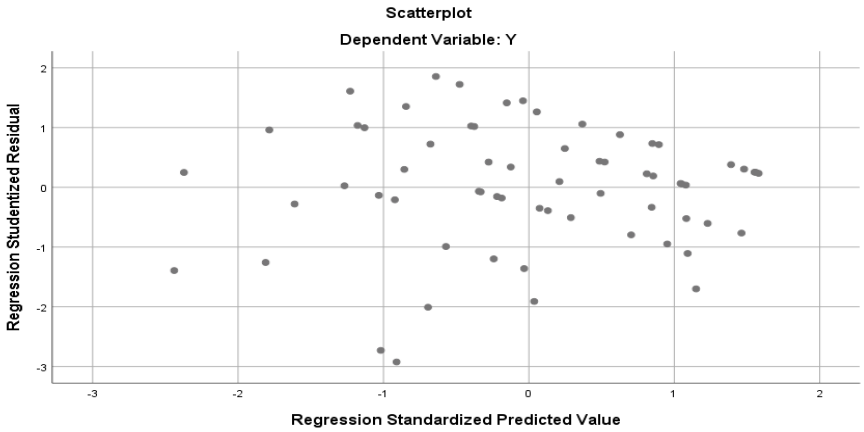

Figure 1 Heteroscedasticity Test Result

Hypothesis Test and Data Analysis

1. Multiple Linear Regression Test

A multiple linear regression test is a statistical analysis technique used to understand the relationship between one dependent variable and two or more independent variables. The results of multiple linear regression analysis can be seen in the table below:

Table 4 Multiple Linear Regression Result

Variable	Coefficient	Std. Error	t-statistics	Probability Value (Sig.)	Information
Nazhir's Educational Background (and Waqf Knowledge)	-0.097	0.073	-1.335	0.187	Negative and not significant
Crowdfunding Efforts	-0.003	0.075	-0.034	0.973	Negative and not significant
Investment Strategies	-0.030	0.095	-0.314	0.755	Negative and not significant
Waqf-Benefit Distribution to Society	0.172	0.077	2.227	0.030	Positive and Significant
The Supervision of Waqf Management in Adherence to Shariah Compliance	0.148	0.063	2.350	0.022	Positive and Significant

Based on the table above, the equation formula of multiple linear regression is obtained in this research:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + e$$

$$NazhirPerf = \alpha + \beta_1 Edu + \beta_2 CF + \beta_3 Inv + \beta_4 Dist + \beta_5 SupComp + e$$

$$Y = -0{,}097 X_1 + -0{,}003 X_2 + -0{,}030 X_3 + 0{,}172 X_4 + 0{,}148 X_5 + e$$

Where:
Y = Dependent Variable; α = Constant; β_1, β_2, β_3, β_4, β_5 = Regression Coefficient; X_1= Nazhir's educational background (and waqf knowledge); X_2 = Crowdfunding efforts; X_3 = Investment strategies; X_4 = Waqf-benefit distribution to society; X_5 = The supervision of waqf management in adherence to Shariah compliance; e = Residual (error)

Based on the table above, the regression analysis reveals varying effects of different factors on Nazhir's performance. The Nazhir's education/waqf knowledge variable has a negative coefficient of -0.097, indicating that an increase in education levels is associated with a decline in performance, and vice versa. Similarly, crowdfunding and investment strategies variables also show negative coefficients of -0.003 and -0.030, respectively, suggesting that higher crowdfunding efforts and investment strategies may lead to lower performance outcomes. In contrast, the distribution variable has a positive coefficient of 0.172, meaning that an increase in waqf-benefit distribution enhances Nazhir's

performance. Likewise, the supervision of waqf management in adherence to Shariah compliance demonstrates a positive effect, with a coefficient of 0.148, signifying that more substantial supervision and regulation adherence contribute to improved performance.

2. T-Statistical Test (Partial Test)

The t-test shows the effect of one independent variable in partially explaining the variation in the dependent variable (Table 4). Based on Table 4 above, the t-test results for each independent variable on the dependent variable are as follows. The Nazhir's educational background (and waqf knowledge) variable has a significance value of 0.187, greater than 0.05, indicating that it does not significantly affect performance. Similarly, the crowdfunding efforts variable, with a significance value of 0.973, also shows no significant effect on performance. The investment strategies variable follows the same pattern, with a significance value of 0.755, confirming its lack of considerable influence.

In contrast, the waqf-benefit distribution to society variable has a significance value of 0.030, less than 0.05, demonstrating a significant effect on performance. Lastly, the supervision of waqf management in adherence to the Shariah compliance variable has a significance value of 0.022. Still, there appears to be an inconsistency in the interpretation, as it is stated that Nazhir's education has no significant effect. If this value corresponds to supervision and compliance, it will indicate a significant impact; otherwise, further clarification may be needed.

Based on the results of the T-test, it can be concluded in the Table 5:

Table 5 Conclusion of the T-test Results

No	Hypothesis	Information
1.	Nazhir's Educational Background (and Waqf's Knowledge) negatively and insignificantly affects Nazhir's performance.	Hypothesis rejected
2.	Crowdfunding Efforts have a negative and not significant effect on Nazhir's performance.	Hypothesis rejected
3.	Investment Strategies have a negative and not significant effect on Nazhir's performance.	Hypothesis rejected
4.	Waqf-Benefit Distribution to Society positively and significantly affects Nazhir's performance.	Hypothesis accepted
5.	Supervision of Waqf Management in Adherence to Shariah Compliance positively and significantly affects Nazhir's performance.	Hypothesis accepted

3. F-Statistical Test (Simultaneous Test)

The F test is used to determine whether the independent variables simultaneously significantly affect the dependent variable. The following are the results of the F test in this study:

Table 5 F-Test Result

F-Value	P-Value (Sig.)
5,490	0,000

Based on the table above, an F value of 5,490 indicates that the regression model has sufficient power to predict the dependent variable based on the independent variables. Then, based on the p-value obtained, which is 0,000 < 0,05, it shows that the regression model is statistically significant, or it can be concluded that the independent variables together significantly affect the dependent variable.

4. Coefficient of Determination Test (R^2)

The determinant coefficient measures the contribution of an independent variable to a dependent variable. If the value is close to 1, then the regression model can explain the considerable variation of the dependent Variable. Whereas, suppose the value is close to 0. In that case, the regression model is little or not even able to explain the variation. Here are the results of the determination test in Table 5.7 below:

Table 8 R^2 Test Result

R-squared	Adjusted R-squared
0,321	0,263

The table above shows that an R-square value of 32% suggests that the model explains 32% of the variance in the independent variables. In comparison, 68% is explained by other factors not investigated in this study.

The Effect of Nazhir's Educational Background (and Waqf Knowledge) on the Performance of Nazhir Muhammadiyah in Central Java

In this study, the education variable is measured to determine the extent to which the Nazhirs have the knowledge needed to properly manage waqf. This knowledge includes legal aspects, waqf management, fund management strategies, etc. Based on this study's multiple linear regression analysis results, the education variable has a negative and insignificant effect on Nazhir's performance. The coefficient value on the regression results of the education variable is -0,097, with a probability value of 0,187. Based on the research results, the significant effect is likely due to most respondents providing neutral answers (a score of 2 on a 1-3 scale). This suggests that the respondents know about waqf and understand the education provided. Still, they remain uncertain or lack confidence in the implementation, which their institutions have not fully realized. The questionnaires that were answered with neutral options (agree) are believed to indicate a low standard of knowledge, especially when the questions posed by the researcher are straightforward and standard.

Additionally, the age range of respondents, which falls between 35-65 years, may also contribute to why education does not significantly influence performance. Generally, this age group is expected to have established experience and habits in waqf management.

However, in this case, the education provided may not significantly impact them due to resistance to change or because they feel that the knowledge they already possess is sufficient. This relationship shows that an increase in Nazhir's knowledge is not always directly proportional to increased performance in waqf management.

In addition, there is a lack of practical application of the knowledge possessed by the Nazhir in the practice of waqf management. For example, Nazhir already has sufficient knowledge of optimal waqf management. Still, external factors such as lack of time, workload, or administrative constraints prevent them from applying it. Nazhir in Muhammadiyah works as a voluntary Nazhir. Therefore, the responsibility to broaden their knowledge and literacy in optimizing waqf is uninsurable. It can be interpreted that the structural, systematic, and massive improvement of education at the Nazhir management level, such as through waqf optimization education campaigns, is not necessarily in line with the direct improvement of Nazhir performance. Although various educational programs have been implemented, such as training and a certified Nazhir program, capacity building for administrators, and orderly legalization procedures, it is possible that Nazhir administrators still face challenges in applying educational outcomes to their daily waqf management practices.

Knowledge has an influence on a person's performance. Still, it must also be supported by practical knowledge, as described in the competency theory developed by David McClelland (in Tehuayo & Labusab, 2016, p. 1669) that academic potential tests, which at that time were often used to measure a person's performance, had no significant correlation with a person's actual performance in their job. McClelland indicated that competencies, such as skills and practical knowledge, are more important and accurate in predicting one's performance. In other words, knowledge must be appropriately implemented to improve performance.

This is also supported by Polanyi's theory of implicit (including tacit) and explicit knowledge (in Griseri, 2002, p. 4), that explicit knowledge is not practical enough to improve performance if it is not supported by tacit knowledge from direct experience. That’s explicit knowledge- everything is written down, and we can follow or tell it step by step. Meanwhile, tacit knowledge requires extensive experimentation and experience until it produces more satisfactory results than relying solely on written knowledge. In the case of Nazhirs, if they only have explicit knowledge without sufficient practical experience, then the effect on performance could be negative or insignificant. This emphasizes the importance of ensuring that a sustained and innovative educational movement can drive significant changes in operational and managerial practices in the field.

The Effect of Crowdfunding Efforts on the Performance of Nazhir Muhammadiyah in Central Java

Based on the regression analysis results in this study, the crowdfunding efforts variable has a negative and insignificant effect on the performance variable. The coefficient value of the crowdfunding variable is negative and smaller than the coefficient value of other

variables, which is -0,003 with a probability value of 0,973. This indicates that although crowdfunding efforts have significant potential, their implementation still has challenges that negatively affect Nazhir's performance. This is further supported by the responses from participants, who predominantly selected scores of 1 (strongly disagree) and 2 (agree) rather than 3 (strongly agree).

The crowdfunding effort is expected to be a solution to increase mobility and participation in waqf collection, as well as providing platforms such as *JariyahMU* to expand the reach and ease the process of waqf management. However, this study shows that increased crowdfunding efforts variables are not positively correlated with increased Nazhir's performance. This is due to crowdfunding efforts that are currently not well optimized, such as reviving waqf assets that are still neglected. There is still less integration of system applications that can support legalization, inventory, and optimization of waqf assets, supporting Nazhir's performance and making it more effective. In addition, although crowdfunding platforms are provided to mobilize the entire community to contribute, the potential of crowdfunding efforts, including temporary and permanent cash waqf services and benefit and professional waqf, is still not fully realized by Muhammadiyah Nazhirs in Central Java.

The crowdfunding theory proposed by Schwienbacher and Larralde (in Shalihah *et al.*, 2022, p. 1) states that it is a method to fund new ventures, which can be in exchange for products or services. This theory outlines crowdfunding as an alternative financing model that can help increase public participation in supporting social and charitable projects. In the context of waqf, crowdfunding can be a way to raise waqf funds more widely and quickly and diversify the resources owned by the Nazhir. However, the data have proven that the variety of crowdfunding innovations is not the primary purpose of their performances.

The Effect of Investment Strategies on the Performance of Nazhir Muhammadiyah in Central Java

The results of the investment strategies in this study also have a negative and insignificant effect on Nazhir's performance. The coefficient value of the investment strategies variable is negative -0,030 with a probability value of 0,755. This may suggest that although investment is considered beneficial, the implementation or other factors not covered in the research model could affect the outcomes.

In the context of the investment strategies variable, this variable can be used to increase cash waqf profits and finance the development of waqf assets. This is because the application of investment models, such as stock/bond waqf, sukuk waqf, and other modern investment models to boost the amount of cash waqf, has not yet been fully implemented by the waqf institutions managed by Muhammadiyah Nazhir in Central Java.

Most Nazhirs doubted readiness to contribute to managing and implementing projects planned by the waqf institution. Implementing plans, such as roadmaps in planning projects that are ready to be implemented and offered to investors, is a strategic step.

However, researchers believe this lack of preparedness is because this Nazhir institution is part of a religious, social organization, where the risk of losses could also impact the organization. Moreover, they work in the organization as volunteers, which cannot guarantee that losses will not occur.

Markowitz's theory (in Portofolio, 1959, p. 1) states that investors will always choose a high rate of return with the lowest risk. This theory relates to how Nazhir can optimize waqf funds through the right investment strategy. A good investment is expected to increase the income from waqf funds and support the optimal performance of the Nazhir. However, this has not been implemented by many Muhammadiyah Central Java Nazhirs, as evidenced by the weak effect of investment on Nazhir's performance in the results of this study. Also, utility theory is based on individual preferences. Each person exhibits different preferences, which seem inherently part of them.

In the context of investment strategies, the utility theory explains how investors make decisions intending to maximize their satisfaction or benefit from their investments, considering the uncertainty of potential outcomes. Investors often face risks, and this theory assumes that they choose investments that provide the maximum utility, which may mean opting for lower-risk options if they are risk-averse. Utility functions are used to measure the satisfaction derived from different investment outcomes, and investors will select the investment that offers the highest expected utility. This helps explain investment decisions such as portfolio diversification and the evaluation of risk and return, as well as considering individual risk preferences.

The Effect of Waqf-Benefit Distribution to the Society on the Performance of Nazhir Muhammadiyah in Central Java

Based on the regression analysis results in this study, the waqf-benefit distribution to society variable positively and significantly affects Nazhir's performance. The coefficient value of the waqf-benefit distribution to society variable is positive at 0,172 with a probability value of 0,030. If the waqf-benefit distribution to society variable increases, the performance variable is also predicted to grow, and vice versa. This indicates that the effort and effectiveness in distribution have a direct impact on improving Nazhir's performance. Although the coefficient value is only 0,17, this variable has shown that distribution within the organization has been carried out effectively. This may be due to respondents not fully understanding the researcher's questions, resulting in answers that are not aligned with the questions. In fact, it is common knowledge that the *Mawquf 'alayh* (beneficiary) of waqf donated by the *Waqif* (donor) to *Nazhir Muhammadiyah* is usually directly allocated to Muhammadiyah organizations, institutions, and charitable endeavors (*amal usaha Muhammadiyah*). Subsequently, these beneficiaries will manage the waqf in activities or programs that generate new benefits, which will be received by the subsequent or other *Mawquf 'alayh*.

In the context of Muhammadiyah waqf, increasing the quantity and quality of managed waqf distribution can increase the benefits for *mawquf ‘alayh* following the waqif’s waqf pledge. Optimal performance in distribution can also expand the scope of waqf benefits

to the public, such as creating new jobs, business opportunities, and other positive effects of waqf development. Therefore, professional and trustworthy performance in distributing the benefit of waqf will directly impact improving the quality and quantity of benefits received by *mawquf 'alayh.*

According to the theory of distribution justice by John Rawls (in Taufik, 2013, p. 48), justice is a measure that must be administered to achieve a balance between private and public interests. This theory emphasizes the importance of fair distribution to ensure that those in need can feel the benefits of waqf. In the context of Nazhir's performance, targeted distribution is one of the factors that determine effectiveness in waqf management. In other words, the principle of fair distribution in waqf management is an essential foundation for Nazhir's success in achieving the waqf's social objectives.

The Effect of Supervision of Waqf Management in Adherence to Shariah Compliance on the Performance of Nazhir Muhammadiyah in Central Java

Based on the regression analysis results in this study, supervision of waqf management in adherence to shariah compliance variables positively and significantly influences Nazhir's performance. The coefficient value of the supervision of waqf management in adherence to the shariah compliance variable is positive at 0,148 with a probability value of 0,022. If the supervision and compliance variables increase, the performance variable is also predicted to grow. Conversely, if the variables of supervision and compliance decrease, the performance variable is also predicted to decrease.

This shows that supervision of waqf management in adherence to shariah compliance plays a crucial role in ensuring that all waqf activities and governance run according to the theological spirit of Al-Ma'un and Al-Asr. Nazhirs must also ensure that there are no violations of the Qur'an, Hadith, and various regulations and fatwas applicable to waqf institutions so that the values of good governance can be realized through characters that are *siddiq, amanah, tabligh, fatonah,* and sincerity.

Supervision of waqf management to ensure compliance with Shariah principles is a fundamental and ongoing process. The legal reference for standardized waqf management within the Muhammadiyah organization is the fatwa issued at the 32nd Muktamar in Purwokerto, Banyumas, in July 1953. This fatwa serves as the primary guideline alongside the Waqf Law enacted by the state. In addition, waqf management supervision to ensure its compliance with Shariah are efforts to ensure that all Nazhir and mutawalli members receive Nazhir certification training and that education and invasion are aligned with the mission of Dakwah and Tajdid Muhammadiyah. Therefore, supervision and compliance are measured to ensure that Muhammadiyah Waqf's management remains on the right track and under the values and goals of the association.

Adequate supervision can affect the performance of an employee. This can be explained by the agency theory put forward by Eisenhart (in Ningsih, 2018, p. 174), which states that adequate supervision is necessary to ensure that all procedures and regulations are followed and implemented correctly in waqf management. This theory emphasizes the

importance of accountability and control in ensuring that waqf resources are used optimally and transparently. In the context of Nazhir's performance, supervision plays a role in ensuring that their performance is in line with the standards set by the waqf institution.

Conclusion

The study found that Nazhir's educational background (and waqf knowledge), crowdfunding efforts, and investment strategies variables negatively and insignificantly affect Nazhir's performance. The negative impact of education is likely due to respondents' belief that their current knowledge is sufficient and the voluntary nature of their roles, limiting motivation for further learning. The crowdfunding effort is hindered by underutilized platforms, neglected waqf assets, and a lack of system integration. At the same time, investment strategies face challenges due to incomplete implementation of modern models and concerns over financial risks. Conversely, waqf-benefit distribution to society and the supervision of waqf management in adherence to Shariah compliance positively and significantly affect Nazhir's performance. Effective distribution ensures waqf assets are appropriately allocated and managed.

In contrast, the supervision of waqf management in adherence to Shariah compliance provides structured governance supported by fatwas and certification programs. The F-test confirms that all independent variables collectively influence Nazhir's performance. However, the R^2 value shows that these variables explain the performance variation. At the same time, the rest is influenced by other unmeasured factors. This suggests that additional elements beyond the studied variables also play a crucial role in optimizing Nazhir's performance.

Implications

Several recommendations can be made based on the analysis and conclusions presented earlier. Future research could expand the scope of the study by incorporating additional relevant variables that influence Nazhir's performance, broadening the research area, or employing different analytical methods such as direct observation or interviews to achieve a more comprehensive understanding. Furthermore, a Likert scale with more than three points, such as 5, 7, or 9, would allow respondents to select a neutral option. This could be particularly beneficial for those who do not have strong opinions on certain statements, ultimately leading to more in-depth and diverse data analysis.

In addition, waqf institutions are encouraged to enhance their support for Nazhirs by providing more facilities that enable them to apply the knowledge acquired through certification programs. This would help bridge the gap between theoretical learning and practical implementation. Lastly, policymakers should consider the findings of this study when formulating initiatives to support Nazhir certification, ensuring more efficient and sustainable waqf management practices in the long run.

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