

## CHAPTER 8

### CONCLUSION AND RECOMMENDATION

#### 8.1 Introduction

The previous seven chapters discussed earlier highlighted the main components that completed the overall research. The first chapter addressed the research problems, research questions, and objectives that motivate the researchers to conduct this study. The second chapter discussed previous studies involving all the variables covered while the third chapter focused on the research methodologies employed to achieve the study's objectives. Following that, the fourth, fifth, sixth, and seventh chapters of this research revealed the findings of the in-depth interviews conducted with Malaysian health sector authorities from CKAPS, MOH, and representatives of six social-based and waqf-based healthcare institutions. All the interviews were analyzed using the NVivo software which is one of the computer-aided qualitative data analysis software (CAQDAS). Chapter 8 will summarize and discuss the overall findings which consist of the discussion on the summary of research, implication of the study and its limitations to be addressed in future research.

#### 8.2 Summary of Research

The main focus of this research is on issues concerning the sustainability of waqf institutions in Malaysia, particularly those involving healthcare institutions. Recent developments in the field of healthcare sustainability and social economy, especially on waqf development, have led to a renewed interest in this topic. The debate among

economists, policymakers, researchers, and most critically the public and private healthcare providers concerning the health sector's sustainability is primarily focused on balancing the pressures of rising healthcare expenditures with limited resources available for healthcare services. Given that waqf-based healthcare institutions in Malaysia are still in their infancy in comparison to other social-based healthcare institutions, a comparative study on sustainability practices applied by these healthcare institutions is hence required to better understand the best sustainability practices that can be used to develop a framework of sustainability practices for the future development of waqf-based healthcare institutions.

Furthermore, the existence of social-based healthcare institutions is frequently misinterpreted and questioned by the health regulator in Malaysia which is CKAPS MOH, as these categories of health providers are recognized as private sectors. The concept of social-based healthcare institutions has still not received proper attention. Therefore, this study not only seeks to gain further understanding of the contemporary management models of social-based healthcare institutions especially waqf-based healthcare, but also to analyze and evaluate the concepts and practices of sustainability of social-based healthcare institutions so as to expand the previous studies on healthcare sustainability (e.g., Olsen, 1998) and to broaden the discussion on the seven broad grouping of non-state healthcare institutions by Green (1987). This research also indirectly aims to increase stakeholders' confidence and trust towards social-based and waqf-based institutions. In terms of government policy, this study has provided some insights and recognized the reality of social-based healthcare institutions, particularly waqf-based healthcare.

Thus, utilizing the qualitative research approach, this study has explored some of the research summaries concentrating on the three primary objectives of the study. *Firstly*, discussing the background and philosophy of social-based healthcare institutions. *Secondly*, summarizing the similarities and differences in terms of sustainability practices between waqf and other social-based healthcare institutions. *Thirdly*, proposing a feasible sustainability framework for future waqf-based healthcare institutions.

### **8.2.1 Background and Philosophy of Social-based Healthcare Institutions**

Analysis on the background and philosophy of the social-based healthcare institutions revealed that their establishment is motivated by religion. This confirms Weber's (2001) findings that religious teaching is a powerful force that creates a psychological motivation that can influence action towards the establishment of social-based healthcare institutions. As suggested by the institutional theory, in order to sustain, religiously motivated institutions must gain and maintain public support and conform to the rules and belief systems prevailing in the environment, considering that institutional isomorphism, both structural and procedural, will earn organizational legitimacy (Phal, 2005). This realization has supported the sustainability of the Penang Adventist Hospital, which has now been operating for almost 100 years. The institution should hold on to the philosophy and belief systems as their pillars of establishment and operations.

Any changes in value or identity will force the institution to change and act forever as an intermediary element that coordinates human action. Although these healthcare institutions differ in form and structure, their establishment is motivated and guided by religious teachings or philosophy, specifically Islamic and Christian teachings. Religious

beliefs and values have shaped the healthcare institutions' culture. Since centuries ago, religious motivation and movement, whether Christian or Islam, have motivated such healthcare institutions. Every healthcare institution has a trustee board and a board of director comprising religious members or representatives from religious agencies to ensure that it adheres to the goals and objectives of its establishment. For waqf-based healthcare institutions, such as the Waqf Annur Clinic chain and UHSC, the State Islamic Religious Council (SIRC) is a strategic partner in waqf establishment and management. It also has the authority to appoint any institutions as mutawalli. The SIRC holds the administrative authority over waqf properties as stated in Malaysian law.

Meanwhile, members of PAH's trustee board must be an Adventist and those who understand the Adventist philosophy (pastor). PAH also creates a pastoral care called chaplaincy unit or program to ensure that it remains true to its objectives and philosophy. The relationship between the institution and society (or public support) can be explained by the developed and proposed sustainability framework: between the role and responsibility (*amanah*) of social-based healthcare institution as stated in its objective, mission, and vision and its relationship with society through commitment and community engagement (*arham*).

### **8.2.2 Similarities and Differences in Sustainability Practices between Waqf and Social-based Healthcare Institutions**

The overall sustainability practices of these institutions are based on their strategies, which include economic and demographic trends, regulations, public and private purchaser behavior, plan and methods, medical technology, and labor supply (Luke, Begun &

Waltson, 1999). The sustainability practices of each healthcare institution consist of the process of and decision-making on financial, environmental, and social practices. These practices may differ from one institution to another because of the philosophy, establishment history, governing legislation, and the patrons of each healthcare institution. Even though these social-based healthcare institutions operate within their own ecosystems, their differences appear to be minor. These institutions largely share similar practices, regardless of whether they are governed by a religious organization, an NGO, or a corporation.

The financial sustainability practices of waqf-based and other social-based healthcare institutions are similar in that they charge their patients for healthcare services. No institution offers free healthcare services. However, these institutions differ in their charging mechanism. Funding is an important aspect in ensuring the sustainability of both waqf and other social-based healthcare institutions. The differences lie in the strategies and source of funding. The findings revealed two types of charging mechanism namely “contribution fees” and “service fees”. Contribution fees are imposed by a healthcare institution formed as the CSR-organizing body of a corporate organization, while service fees are imposed by a health institution acting as a business entity in the healthcare sector. However, the profits are not for the benefit of individuals but as a means to ensure the sustainability of the healthcare institution. They are also distributed for community programs. Both categories of healthcare institutions also differ in the aspects of 1) initial source of funding, 2) other sources of continuous funding, 3) types of charity fund, and 4) tax exemption. Waqf and social-based healthcare institutions should adopt appropriate marketing strategies to promote their operations and incorporate non-welfare approaches,

such as commercializing core healthcare programs, to help them achieve their objectives, rely less on donations and grants, and sustain.

Among the similarities in environmental sustainability practices which refer to the organizational structure such as governing body or board of trustees, current policy, organization champion, customers, competitors, labor market, regulatory agencies, and political and technological factors (Pearce & Robinson, 2003) including facilities and services offered are 1) hemodialysis center or services and facilities, 2) location, 3) relationship with regulator, 4) governing body or trustee board, 5) supplier, and 6) environmental management practices. All six healthcare institutions that provide hemodialysis services indicate that these types of services were part of their capacity to raise an organization's viability and improve its financial autonomy. It is consistent with Olsen's (1998) assertion that a variety of services essential to an organization's life, administration, and ability to accomplish its mission are critical to ensuring sustainability.. The fees are similar to the commercial rate but still lower than other private hemodialysis services. In the aspect of environmental management practices, all social-based healthcare institutions fulfill the minimum standard based on the regulations set by CKAPS. As for other environmental sustainability practices, such as type of healthcare services, waqf healthcare institutions only operate as outpatient clinics whilst other social-based healthcare institutions operate full-discipline specialist hospitals. Besides that, they also differ in terms of nurse staffing and training, collaboration or partnership, and other facilities or services provided.

From the aspect of social sustainability practices, all healthcare institutions are similar in terms of staff engagement activities and feedback, government engagement,

surrounding community feedback, and patient relationship. However, they differ in 1) patient engagement program/activity, 2) follower engagement, 3) auspice engagement, 4) NGO engagement, and 5) community engagement. For healthcare institutions that are subsidiaries of the SIRC, such as PUSRAWI Hospital and MUIP Healthcare, any community engagement and charity activities or distribution of profits should be carried out through the SIRC (in this case MAIWP or MUIP), or at least gain its approval beforehand. From these findings, it can be concluded that all six healthcare institutions strongly engage with their stakeholders through charity activities, and they distribute some of their profits for public welfare either directly or through their auspice institutions. These practices indirectly develop socially responsible behavior of managers, facilitating exchanges between the leaders and followers based on mutual influence and shared goals (Fitzpatrick & Collins-Sussman, 2012).

From the point of view of Maqasid Shariah, the findings showed that the establishment of waqf and other social-based healthcare institutions are vital to preserve life as they meet the needs of the society of lower socioeconomic status. Besides providing affordable and accessible healthcare services, they also actively implement charity programs and activities for the underprivileged and the needy. These institutions, particularly waqf, have helped to maintain community peace and health. At the same time, they function to eliminate hostility and instill friendship, love, and kindness among people.

### **8.2.3 Feasible Framework for Future Waqf-based Healthcare Institution**

The research findings contributed to the development of five sustainability frameworks for the six social-based healthcare institutions. In Chapter 7 of this research,

two frameworks of sustainability practices for future waqf-based healthcare institution development are also proposed. As an outcome, future waqf-based healthcare institutions can follow any sustainability practice strategy that is feasible for the development of the institution. However, in terms of organizational structure, these research findings suggested that future waqf-based healthcare institutions should be registered as a business limited by a guarantee company, similar to PAH and WANCorp, as presented in Chapter 5. This is vital as this form of institutional structure enables future waqf-based healthcare to enjoy the privileges possessed by social-based healthcare institutions registered under the same category as PAH and Waqf Annur Clinic Chain which are both exempted from tax on every donation received and gain strong trust from the community indirectly.

These waqf-based healthcare institutions should also have a governing body structure that refers to the board of trustees, which comprises the representation from MAIN as the institution's permanent member and any interested party. Individuals or representatives of the organization, such as NGOs, business companies, or any representation from other institutions that the organization deems appropriate, may be included as relevant stakeholders. The formation of a governing body or trustee board for waqf institutions has been proposed before by Salleh et al. (2011) who suggested that waqf management schemes need to have a governing body which refers to any council, board of directors or board of trustee to oversee the institution's collection, wealth creation and income distribution process. Other than that, the governing body's role is to help the waqf-based healthcare institution's management to be more effective. As for the management level, the trustee board has the right to appoint or establish its administrative council, which will act as the *mutawalli* who will manage the institution's operations. In terms of sustainability

practices framework, this future waqf-based healthcare institutions can choose to operate either as a CSR wing for numerous corporate institutions that help fund the operations of healthcare institutions. Another option is that these waqf-based healthcare institutions can also act as business entities but not-for-profit as practiced by other social-based healthcare institutions.

The framework operates as a CSR wing for corporate institutions which can be a specialist clinic chain but limited to out-patient services. As for not-for-profit business entities, this research suggests for them to operate as a full-discipline hospital. Meanwhile, for financial sustainability practices, the future waqf-based healthcare institutions are given two options in the charging mechanism i.e. whether to charge in the form of 'fees services' as practiced by other social-based healthcare institutions or in the form of 'fees contributions' same as Waqf Annur Clinics Chain. At the same time, both waqf-healthcare institutions are suggested to adopt other financial sustainability practice strategies such as promoting their operations and incorporating them with a non-welfare approach, commercializing core healthcare programs or requesting for any donations and financial grants from the government.

As for other environmental sustainability practices such as staffing, training, medical supply, the engagement with CKAPS, MOH, will be as what has been practiced by other healthcare institutions. However, the type of healthcare facilities and services are different in terms of the operational capacity, either as a specialist clinic or as a full discipline hospital. While in terms of social sustainability practices, both proposed frameworks suggested to apply and adapt these strategies and engagement with various parties such as adopting the in-kind contribution strategy; accepting diverse patient backgrounds whether

citizens or non-citizens; having meetings with patients through various social programs such as chaplaincy programs and mobile clinic program; building engagement with different local and international NGOs; actively organizing a community outreach program through cooperation with diverse institutions such as cooperate companies, other healthcare institutions, government institutions or charity homes, and building engagement with religious followers by establishing a volunteer program among the believers and engaging with religious institutions through various community activities. These social sustainability practices are a must and should be practiced and adopted by waqf-based healthcare institutions as their engagement with the community. Waqf-based healthcare should actively engage with the community as waqf itself.

### **8.3 Implications of the Study**

This study has several theoretical and practical implications. These are discussed below.

#### **8.3.1 Theoretical Implications**

The conceptual sustainability framework for social-based healthcare institutions is founded on the integration of the institutional theory (IT), stakeholder theory (SHT), and leadership theory (LST). Institutional theory (IT) was adopted for this research as it is consistent with the role of institutions as a tool for implementing the sustainability development agenda. While the existence of social-based healthcare institutions is rooted in the social economy principles that aim to expand the social innovation and to address pressing environmental and societal challenges by focusing on social impact and working with the local stakeholders (citizens, civil society, policymakers, entrepreneurs,

researchers) (OECD, 2019). Institutions or organizations established under the social economic concept are usually guided by the principle of not making profits as the overriding motivation of their activities. This research discovered that the teachings of Islam and Christianity influenced the formation of each healthcare institution, serving as the primary motivation and guidance in their establishment and creating the values of the healthcare institutions' culture. Religious belief is a significant motivator that can affect the activity towards establishing a social-based healthcare institution (Weber's, 2001).

The finding of this research revealed that the sustainability achieved by PAH in the past 100 years was due to its social engagement with its surrounding community through various social programs. This relationship between the institution and its stakeholders is known as a cyclical relationship i.e. a social engagement between the institution and its eco-system. These findings demonstrate that the concept of togetherness has become a priority in dealing with societal moral values and communal involvement, especially in supporting social welfare within the prioritized society. Apart from that, other social-based health institutions such as the Waqf Annur Clinic Chain, the USIM Health Specialist Center (UHSC), and the Al-Islam Specialist Hospital are actually showing the same emergence of this relationship. These healthcare institutions engage with various social activities involving health programs around their cashment area as described by the UHSC representative; they are not only building up a strong engagement between the institution and the community around them, but are also indirectly impacting their cash flow which is a part of their marketing strategy.

The findings also show that all six social-based healthcare institutions in this research practice various social engagement activities such as community programs, engagements

with various NGOs, and even creating a special unit or program to ensure that they remain true to their objectives and philosophy such as the chaplaincy program (PAH) or usrah (Al-Islam Specialist Hospital). In Islamic perspective as discussed in Chapter 2, the institutions not only have responsibilities towards their stakeholders which include the right of the firm owners/financiers to make a profit, but also multi-fiduciary responsibilities towards their stakeholders despite not being equal. All social sustainability practices carried out by these healthcare institutions describe the institutions' leadership in fulfilling its function in accordance with the purposes and goals established in their formation based on religion teachings. Although these findings are not new in the context of social-based institutional sustainability, they are relevant in the context of waqf institution and waqf-based healthcare institution in helping these institutions to sustain. Thus, the results of this study are also in line with Pfahl's (2005) statement that in institutional theory, the sustainability of a social-based institution depends on the public's support for the institution, which is characterized as a cyclical relationship to protect and enhance public and private assets on the development of such institutions.

While in the context of leadership theory, the sustainability of a social-based healthcare institution relies not only on its structure and integration, but also on its strong leadership and goal structures which are consistent with its project goals (Shediak-Rizkallah & Bone, 1998). Leaders of social-based healthcare institutions should establish rapport through social collective approach (Dobbs, 2004). This perspective supports the result of this research, in which the strong leadership in PAH led by Dr. J. Earl Gardner during its initial establishment and the Waqf Annur Clinic chain led by Tan Sri Ali Hashim i.e. the former President and Chief Executive Officer of Johor Corporation (JCorp) for over

28 years had led to the attainment of institutional sustainability. These leaders had laid the foundations for the establishment of these healthcare institutions, and their significance continues to this day. While for the other social-based healthcare institutions, the foundations for their establishment were led by collective members such as the Al-Islam Specialist Hospital, PUSRAWI Hospital, UHSC, and MUIP Healthcare. These healthcare institutions have instilled a strong value in their organizational structure consistent with the findings of past studies that as a non-profit organization, they need to act as value-based organizations that require leaders to maintain the tradition (mission) while balancing the need for innovation (Farruggia, 2011; Hoefler, 2011; Miller, 2002; Murphy, 2011). Furthermore, the Islamic leadership concept also emphasizes on the aspects of community and humankind more than the profit of maintaining the existence of the institution itself. As this is a traditional research, it focuses on every issue individually rather than collectively. It gathers multiple perspectives and interrelationships to gain an in-depth understanding of the topic. This approach enables the researcher to understand complex social phenomena especially on the waqf institution setting.

The discussion on the theory explains that some of the research findings directly contribute to the literature on certain subjects. This research extends the healthcare institution literature by evincing that the waqf-based healthcare concept has a different structure from Green's (1987) seven broad grouping of non-state healthcare organizations. Although this research revealed that other social-based healthcare and waqf-based institutions can be categorized as having the same objective of the establishment, waqf-based institutions could not be the same as other social-based institutions in terms of their financial and social sustainability practices and philosophy. Thus, this research suggests

that waqf-based healthcare institutions need to be recognized as another type of social-based healthcare institution because they also contribute to social welfare and are established through social contributions in the form of everlasting properties or assets. Other than that, the findings also suggest that for social-based healthcare institutions to sustain, they must implement strong social sustainability practices such as charity activities and establishing good relations with various NGOs to reach out to the community. These practices will produce multiplier effects on the target individuals, groups, and communities. Eventually, the institutions that oversee those charitable works will be known by the community and gain their trust. Community support is important for the sustainability of a waqf or social-based institution. As more people understand waqf and trust the institution, the institution will receive more waqf contributions which will then help them sustain into the future.

### **8.3.2 Policy Implications**

Although Malaysia has enacted the Federal Waqf Act, waqf-based healthcare institutions are still far from being recognized and understood by the regulator itself especially CKAPS, MOH. Waqf-based healthcare institutions in Malaysia need much guidance and attention from the government. For instance, their contributors must be tax exempted because these institutions also contribute to the society and redistribute their profits for social welfare by providing healthcare services and conducting charitable activities. Though waqf-based healthcare institutions are under the category of social-based healthcare, they can be established under various organizational structures such as an NGO, corporation, or even a subsidiary to a religious organization. To recognize the existence of

waqf-based healthcare institutions and their role in society, these institutions can also be under the auspices of their establishment by the royal institution, which will supervise their financial resources more transparently and effectively.

Adequate financial resources are the most important factor in ensuring the effectiveness and sustainability of waqf-based healthcare institutions. It is a two-pronged strategy that may be refined to construct future waqf-based healthcare institutions that are able to procure novel health facilities and current technology, recruit expert health professionals, and obtain sufficient medical supplies. The development of waqf-based healthcare institutions will actually help the government in reducing their expenditure and costs (for any public infrastructure funded by waqf) besides promoting a healthier national economy with more effective wealth-distribution system by encouraging the spirit of voluntary contributions and social networks driven by welfare and well-being goals. Besides that, these institutions should also act as medical research institutions that not only serve as a teaching hospital for medical students, but also as a place for exchanging scientific knowledge and medical development especially in carrying out various research on the field of medicine involving medical technology and innovation or the production of vaccines for the Malaysian market in particular and Asia in general.

However, to achieve the stated goals, the role of the conference of rulers (Majlis Raja-Raja) as the benefactor and champion of future waqf-based healthcare institutions is needed. It will help to unite all waqf assets defined under the specific Act or Enactment related to waqf either under the state or under the State Islamic Administrative Enactment (Ismail, Johari, Baharuddin, Ahmad & Alias, 2019). Aside from that, the conference of rulers can also help standardize waqf rules at the state level which was previously limited

under the jurisdiction of MAIN for the construction of waqf hospitals in the future, as well as solving the problem of developing the function of waqf assets in the best way possible. However, if the uniformity of waqf law cannot be determined due to it being under state jurisdiction, it is essential to develop at least one specific guideline or module that can be used as a standard reference for the courts of law, MAIN, and the general public to better understand the waqf system i.e. from registration to implementation and maintenance of the waqf assets, as suggested by Ismail, Johari, Baharuddin, Ahmad and Alias (2019). Thus, clear and consistent laws on waqf are critical towards ensuring the success of waqf-based healthcare institutions in the health-care delivery sector, as well as their long-term sustainability.

#### **8.4 Limitations and Future Research**

This research investigated the sustainability concept and practices of waqf and social-based healthcare institutions. In particular, it focuses on the following topics: the background and philosophy, sustainability concept, and sustainability practices of the institutions. This research also discussed the sustainability concept and practices from the regulator's perspective, in this case CKAPS. It provided a preliminary understanding on the definition of sustainability for waqf and social-based healthcare institutions. Future research may build on these findings to understand sustainability issues for waqf and social-based healthcare institutions, focusing on the three elements of sustainability individually. An in-depth understanding of those issues can also be gained through the perspectives of other regulators or authoritative bodies, such as LHDN. While for social sustainability perspective, future research may examine and study consumer satisfaction with the services

provided by the social-based health care institutions, particularly waqf. It's due to some previous research that has found a relationship between satisfaction and service providers' institutional sustainability. An understanding on the repetitive purchasing behavior from customer retention of the same brand, product or service (Jr., Omar & Wahid, 2007) will lead to consumer loyalty in measuring a repeatable waqif contribution (Anwar, Shukor, Mohd & Dali, 2019). Thus, deeper investigation and understanding on the sustainability elements of waqf and social-based healthcare institutions can help them prevail in the health industry, thus allowing the society to continuously benefit from them.

