

# SWOT Analysis on Interest Development of Cash Waqf of Moslem Productive Age Entrepreneurs in Surabaya

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Abstract: The potential of cash *waqf* in Surabaya is very large due to the majority of Surabaya population who are Moslem and in productive age. The problem of interest in cash *waqf* becomes a phenomenon that is quite interesting to be studied. Cash *waqf* is one of the forms of *waqf* which in practice makes it easier for entrepreneurs of productive age and the potential to empower the *waqf*. SWOT analysis is the systematic identification of various factors to formulate the company's strategy. This analysis is based on the logic that can maximize strength (S) and opportunities (O), but simultaneously can minimize weakness (W) and threat (T). *Waqf* is either source of potential social funds that are closely related to the prosperity of the people in addition to *zakat*, *infaq* and alms. As a matter of fact, learning religion becomes the main motivation of society to *waqf*. This research is descriptive analytic research. The population in this research is Moslem productive age entrepreneurs in Surabaya. The sampling technique used in this research is *purposive sampling*, the technique of determining the sample with certain considerations, while as sample is taken 99 respondents. The focus of this research is the development of cash *waqf* on Moslem productive age of entrepreneurs in Surabaya. The results of the research show that variable opportunities or chance have the most dominant influence on the development of interest in cash *waqf* in Surabaya, so that with this great opportunity to be an alternative for productive age entrepreneur to do cash *waqf*.

## 1 INTRODUCTION

Surabaya is the second largest city in Indonesia that has a heavy activity in daily life. This is provided by the population of the city of Surabaya according to Central Bureau of Statistics (*Badan Pusat Statistik/BPS*) for 2,853,661 people with a comparison between men and women are 1,430,985 people for men and 1,422,676 people for women with significant population growth rate due to many immigrants or inhabitants reside in Surabaya. This growth has both positive and negative impacts.

From the positive side, one of them is the population growth in Surabaya increased so that the economic growing development is also increasing. However, the growth of the population also has a fairly serious negative side of the unemployed productive age. Unemployed productive age has a tendency to not have a settled job, so Surabaya as the city of choice to earn a living or living, has a big enough living needs compared to other cities.

If the productive age is unemployed, it has the opportunity to entrepreneurship independently, thus

creating wider employment opportunities for the other job seekers. Aside from the cost of living is not small, entrepreneurs have other encouragement. For example, trade is the advice from the Prophet Muhammad in search of fortune.

Trading is 9 of the ten doors of fortune which has been narrated by the Prophet in searching for the blessings of fortune during life. The results of trading can be utilized for survival and do not rule out the provisions as Muslims are set aside for *zakat*, *infaq* and alms. During this time, in Indonesia has a little understanding related to *zakat*, *infaq*, and alms.

According to Indonesian Waqf Board (*Badan Wakaf Indonesia*, 2011), *waqf* is one source of potential social funds that are closely related to the welfare of the people in addition to *zakat*, *infaq* and alms. It is understood since religious teachings are the main motivation for the community to represent. As one of the religious institutions closely related to socio-economic, *waqf* has greatly assisted the overall development in Indonesia, both in human resource development and in the social resources development. *Waqf* has various kinds, one of them

cash *waqf*. Cash *waqf* is a gift in the form of money. When connected in this era of globalization, cash *waqf* includes stocks, checks and other securities.

## 2 LITERATURE REVIEW

### 2.1 Cash Waqf

Cash *waqf* for Muslims is new. This can be observed with the birth of the Indonesian Ulama Council's fatwa on the money *waqf* set on May 11, 2002. The Law on *waqf* itself was also recently approved by the President on 27 October 2004. This law represents a new milestone for the management of *waqf* which previously organized in Government Regulation number 28 year 1977 and Compilation of Islamic Law book III (Ali, 2006: 98-101).

Cash *waqf* in Religious Department definition (Djunaidi, 2007: 3) is *waqf* by a person, group of people, and institution or legal entity in the form of money. *Waqf* cash is one of the forms of *waqf* submitted by a *wakif* to *nadzir* in the form of cash, while the definition of *waqf* issued by the Fatwa Commission of Indonesian Council of Ulama (2003: 85) dated May 11, 2002, when releasing a fatwa on money *waqf* namely:

*"Keeping assets that can be exploited without the disappearance of the object or principal, by taking legal action against the object (selling, giving, or inheriting it), to be distributed (the result) on something mubah (not haram) that exist."*

### 2.2 Productive Age Entrepreneur

According to Hisrich et al., In Wijanto (2009: 3) entrepreneurship is a process of creating something new and valuable, utilizing the effort and time required, taking into account social, physical and financial risks, and receiving rewards in the form of money and satisfaction personal and independence. According to Coulter (Suryana and Kartib, 2011: 25), entrepreneurship is often associated with the process, the establishment or growth of a new business oriented to the acquisition of profits, value creation, and the creation of new and innovative new products or services.

Zimmerer (Kasmir, 2011: 20) states that entrepreneurship is a process of applying creativity and innovation in solving problems and finding opportunities to improve the life (effort). Therefore, it is born entrepreneurs or entrepreneurs who can create something new, valuable, and business

oriented so as to generate profits that are generally done by the productive age between 15 to 64 years. Therefore, the results of entrepreneurship are expected to productive age entrepreneurs can do *waqf* in cash.

According to Freddy Rangkuti (2009: 18) SWOT analysis is the identification of various factors systematically to formulate corporate strategy. This analysis is based on the logic that can maximize strength (S) and opportunities (O), but can simultaneously minimize weakness (W) and threats (T). According to Kotler (2009: 51), SWOT Analysis (Strength, Weakness, Opportunity, Threat) is a way to observe the external and internal marketing environment.

According to Gitosudarmo (2001: 115) the word SWOT is an approach which can be translated into strengths, weaknesses, opportunities and threats. The translation is often abbreviated to "OUTLET". In the above explanation when associated with a company. However, attributed to the interest of a productive Muslim entrepreneur in this study is the SWOT in the development of interest in cash *waqf*.

## 3 RESEARCH METHOD

This research is descriptive analytic. The population in this study is entrepreneurial Muslim entrepreneurs in Surabaya. The sampling technique used in this research is purposive sampling, the technique of determining the sample with certain considerations, while the sample is taken as much as 99 respondents. Independent variables are strength, weakness, opportunities and threat while the dependent variable is the development of interest in cash *waqf*. The Analysis data includes test validity and reliability, descriptive analysis, multiple linear regression analysis and classical assumption test. The significance level in this research is 0,05. This research was conducted in Surabaya. This study is limited to productive age entrepreneurs in Surabaya so that the scope of the study is smaller and limited so that the results cannot be known widely the potential of cash *waqf* in the group of subjects with large amounts. It is recommended for subsequent research so that the object being studied more widely so that the data obtained more.

## 4 RESULTS AND DISCUSSION

This is a description result of the research along with respondent's response related to variable of strength, weakness, opportunities, threat and interest development of cash *waqf* in Surabaya:

Table 1: Variable of strength, weakness, opportunities, threat and interest development of cash *waqf*.

Variable	N	Mean
Strength (X1)	99	3,85
Weakness (X2)	99	3,52
Opportunities (X3)	99	3,65
Threat (X4)	99	3,54
Interest Development of cash <i>waqf</i> (Y)	99	3,78

This table shows us that respondent response average about Strength (3,85) weakness (3,52), opportunities (3,65), threat (3,54) and interest development of cash *waqf* (3,78) from class interval included in category of  $3,41 < x \leq 4,20$  which show respondent are giving agree value into question about strength, weakness, opportunities, threat and interest development of cash *waqf*.

In a regression equation it must be BLUE (Best Linier Unbiased Estimator), meaning that decision making through t test should not be biased. To produce a BLUE decision, it must be fulfilled with some basic assumptions (classical).

The multi-collinearity test aims to test whether in the regression equation found the correlation between independent variables. Good regression model should not occur correlation between independent variables. The Variance Inflation Factor (VIF) according to Ghazali (2011: 105) is the detection of the absence of multi-collinearity which has the following condition:

- a. VIF value less than 10 point
- b. The tolerance number more than 0,10 point

Then to find out whether the model of structural equation produced does not occur autocorrelation, it can be tested by Durbin-Watson. From the statistical calculation results obtained Durbin-Watson value of 1.952. Durbin-Watson values obtained are located on the criterion  $1.66 \leq D-W \leq 2.34$  means that the model of structural equations can be concluded there is no autocorrelation.

Detection of heteroscedasticity according to Ghazali (2011: 139), if the distribution of the points is above and below the zero on the Y axis and does not form a clear pattern, then heteroscedasticity does not happen.

Table 2: Partial Result Each Variable

No.	Variable	t count	t table	Sig
1	Strength	2,093	1,986	0,039
2	Weakness	2,397	1,986	0,019
3	Opportunities	5,675	1,986	0,000
4	Threat	3,691	1,986	0,000

1. Partial Test Influence Variable Strength Against Development of interest in cash *waqf*.  
From table 19 we get the sig value. Strength variables  $\neq 0.039 < 0.05$  (level of significance), then H0 is rejected and H1 is accepted. Thus the influence of Strength on the development of the cash *waqf* interest of Moslem entrepreneurs in *waqf* is significant.
2. Partial Test of Effect of Weakness Variable on Development of cash *waqf* interest.  
From table 8 we get the sig value. Weakness variables  $\neq 0.019 < 0.05$  (level of significance), then H0 is rejected and H1 is accepted. Thus the influence of Weakness on the development of cash *waqf* interest in Surabaya Endowments Board is significant.
3. Partial Test of the Influence of Variable Opportunities on the Development of cash *waqf* interest.  
From table 8 we get the sig value. Opportunities variables  $\neq 0.000 < 0.05$  (level of significance), then H0 is rejected and H1 is accepted. Thus the influence of Opportunities on the development of cash *waqf* interest in Surabaya Endowments Board is significant.
4. Partial Test of Effect of Threat Variables on Development of cash *waqf* interest.  
From table 8 we get the sig value. Threat variables  $\neq 0.000 < 0.05$  (level of significance), then H0 is rejected and H1 is accepted. Thus the effect of Threat on the development of cash *waqf* interest in Surabaya Endowments Board is significant.

Table 3: Model Summary.

R	R Square	Adjusted R Square	Durbin Watson
.709 <sup>a</sup>	0.502	0.481	1,9

a Predictors: (Constant), Threat, Weakness, Opportunities, Strength

From the table above, it is known that R square (R<sup>2</sup>) of 0,502 or 50,2% indicate contribution or contribution from Strength, weakness, opportunity, and joint treatment variable toward development of *waqf* cash interest in Waqf Board Surabaya is big.

While the remaining 49.8% is contributed by other factors.

Multiple correlation coefficient is used to measure the closeness of the relationship between Strength, weakness, opportunity, mutual treatment together towards the development of cash waqf interest in Waqf Board Surabaya. The coefficient of multiple correlation is shown by (R) of 0.709 or 70.9%. These results indicate that the correlation or relationship between independent variables are together towards the development of cash waqf interest in Surabaya Endowments Board has a close relationship.

This study is limited to productive age entrepreneurs in Surabaya so that the scope of the study is smaller and limited so that the results cannot be known widely the potential of cash waqf in the group of subjects with large amounts. It is recommended for subsequent research so that the object being studied more widely so that the data obtained more.

## 5 CONCLUSION

From the test results of the influence of each independent variable is partially known that all independent variables consisting of the variable strength, weakness, opportunity and threat partially significant effect on the development of interest in cash waqf. Therefore, the research hypothesis that the variable strength, weakness, opportunity and threat partially significant effect on the development of interest in cash waqf in Surabaya is acceptable.

Then to know the most dominant variable among other independent variables that affect the dependent variable is by looking at the ranking or the greatest value of the beta-standard coefficients. It appears that the sequence of variables that have the greatest beta value is the opportunity (X3) with a beta value of 0.436. Thus it can be seen that the variables of opportunity (X3) have the most dominant influence on the development of cash waqf interest in Surabaya, so that with this great opportunity to be an alternative productive age entrepreneurs to make cash waqf and facilitate in its distribution.

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