

# ISLAMIC-BASED DEVELOPMENT FOCUS IN THE VISION STATEMENTS OF ISLAMIC INSTITUTIONS IN MALAYSIA

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Received: 20.05.2020

Revised: 17.06.2020

Accepted: 04.07.2020

## Abstract

Vision and mission statements are two statements that give a different picture. The vision statement depicts the aim and direction that are to be achieved, whereas the mission statement elaborates on the aim and direction that are to be achieved by an institution. It is important for an institution to depict the aim and direction first before elaborating on them. It is found that almost all of the institutions have displayed the vision statement as a reflection of their aim and direction, including Islamic-based development institutions (IBD). The question here is, will the vision statement displayed by every IBD institution fulfill the actual aim of IBD institutions? To answer this question, this article takes a closer look into the issues that have become the focus and aim of the vision statements of selected IBD institutions. This article also pays attention to 89 IBD institutions in Malaysia. The method done is the content analysis on the secondary data obtained. Our observation suggests that all IBD institutions have displayed their own vision statements. Despite this, there are some institutions that do not fulfill IBD aim and direction, but instead leaning more towards the aim and direction of common development.

**Keywords---** Vision Statement, Strategic Management, Islamic-Based Development Management, Islamic Management, Islamic Quality Management

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DOI: <http://dx.doi.org/10.31838/jcr.07.08.320>

## INTRODUCTION

Islamic-based development institution (IBD) can be referred as an institution that strives to fulfill IBD objectives in every aspect of their activity (Fadzila Azni Ahmad, 2010). Islamic banking, Islamic universities, Islamic religious departments, Shari'a court and others can be categorized as Islamic-based development institutions. On this vein, IBD institutions need to retain their basic functions as IBD implementation mechanism. In this sense, various forms of vision and mission statements can be outlined by these institutions.

In reality, vision and mission statements are two different statements. Rothaermel (2015) defines vision statement as the depiction of aim that an organization intends to achieve, while mission statement elaborates on the aims clearly so that the mission can be achieved. Gurel (2017) states that the first process in strategic management starts with vision statement, then the next step is the mission statement. Based on the statement, the vision statement is seen as the main requirement that needs to be focused on compared to the mission statement.

Thus, this article discusses the aims and direction of IBD institutions in Malaysia by analyzing their vision statements. Conceptually, the aim and direction are the main elements that have to be included in the institutions' visions. To study these elements, this article will look into several important components that are included in the vision statement. The five important components are organizational purpose (direction), services, market, value and big ideas (David, 2007; Criswell & Cartwright, 2010:7; Mirza, 2012 & Ambler, 2013). These components of the vision statement are based on the reviews on past research. The vision statement also the foundation of the organization's mission statement (Hanson, Dowling, Hitt, Ireland & Hoskisson, 2008:19)

## METHODS

This exploratory study is done to identify the vision statements of IBD institutions in Malaysia. It involves the secondary data collection. This method is carried out by looking into the vision

statements displayed through the official websites of the selected IBD institutions. For the purpose of analysis, the study also uses the purposive sampling to identify main IBD institutions in Malaysia and analyses the content analysis method towards the secondary data. Thus, this study involves 89 main IBD institutions in Malaysia to be the study sample. Other than that, to achieve data accuracy by means of the statistical frequency, this article also uses the SPSS (Statistical Package for the Social Sciences) software.

## DISCUSSION

Rothaermel (2015:30-31) defines vision statement as the aim that is to be achieved by an institution, then the aim is depicted through a verb. Here, Mohd Khairuddin Hashim (2008:82-83) asserts that an institution has to analyse and understand well the component and significance of the vision statement. Thus, the depiction of the aim stated through the vision statement must carefully study the components that have been outlined by the IBD institutions. As stated previously, the components for the visions statement are accounted for based on the review on the previous studies with related to the vision statement. Table 1 shows the number and percentage of the institutions that are included in their vision statements.

**Table 1.** General Components of the Institution's Vision Statement

Component	Present		Not Present		No Vision		Total (%) N=89
	N	%	N	%	N	%	
Organization	6	6	1	1	1	1	100
al purpose (direction)	1	8.	3	4.	5	6.	
Services	4	5	2	3	1	1	100
	5	0.	9	2.	5	6.	

		6	6	9			
Market	2	2	5	5	1	1	100
	1	3.	3	9.	5	6.	
		6	6	9			
Value	2	3	4	5	1	1	100
	7	0.	7	2.	5	6.	
		3	8	9			
Big Ideas	1	1	5	6	1	1	100
	7	9.	7	4.	5	6.	
		1	0	9			

Based on Table 1, it could be said that the IBD institution’s focus and objective was more towards the ‘organizational purpose’ (direction) and ‘services’ offered. This was obvious when both these components showed the highest number and percentage compared to the other components. 61 (68%) institutions mentioned about the ‘organizational purpose’ (direction) and 45 (50.6%) institutions mentioned about the ‘services’ component in their respective vision statements. As for the ‘market’, ‘value’ and ‘big idea’ components, only a small number of institutions had focused on these components in the vision statements. There were 21 (23.6%) institutions that mentioned about the ‘market’ component, 27 (30.3%) mentioned about the ‘value’ component and 17 (19.1%) mentioned about the ‘big idea’ component as their focus and objective. These figures clearly indicate that institutions have made ‘organizational purpose’ (direction) and ‘services’ the priority in their development efforts.

Besides that, the ‘organizational purpose’ (direction), ‘services’ and ‘big idea’ components were mentioned by all the eight types of institutions. The eight types of institutions were the worship, administration, education, banking, socio-economy, financial, medical and legal institutions. The ‘market’ component was mentioned by the worship, administration, education, banking, socio-economy, medical and legal institutions. As for the ‘value’ component, only the financial component had mentioned it.

The findings also confirmed that among the institutions studied, ‘organizational purpose’ (direction) and ‘services’ were the focus of IBD institutions, which was mentioned in their vision statements. Some examples are the vision statements proclaimed by Masjid Putra and Majlis Agama Islam dan Adat Istiadat Melayu Kelantan (MAIK), which had mentioned ‘organizational purpose’ (direction) and ‘services’ in its vision statements. The statement by Masjid Putra was:

“To make Masjid Putra an institution of worship, expansion of knowledge and developing the ummah’s unity in 2014” (Masjid Putra, 2018).

“To become the best organisation for managing *zakat* and *baitulmal* property as well as *wakaf* in Malaysia” (MAIK, 2018).

Nevertheless, are the ‘organizational purpose’ (direction) and ‘services’ components, which are the focus and objective of IBD institutions similar to the ‘organizational purpose’ (direction) and ‘services’ according to Islam. Similarly, are ‘market’, ‘values’ and ‘big ideas’ components mentioned in an Islamic context? In order to answer these questions, all these five components would be examined from an Islamic perspective. Table 2 clearly shows the findings of this study.

**Table 2.** Islamic-based Components of the Institution’s Vision Statement

Component	Present		Not Present		No Vision		Total (%) N=89
	Nu m.	%	Nu m.	%	Nu m.	%	
Organizational purpose	40	44.9	34	38.2	15	16.9	100

(direction)							
Services	28	31.5	46	51.7	15	16.9	100
Market	4	4.5	70	78.7	15	16.9	100
Value	17	19.1	55	61.8	15	16.9	100
Big Ideas	17	19.1	57	64.1	15	16.9	100
		1	0	9			

According to Table 2, the IBD institution’s vision statement contained all the components mentioned in general, based on the Islamic perspective. The IBD institution’s objectives were more inclined to the ‘organizational purpose’ (direction) component, while the focus was on the ‘services’ component, compared to the ‘value’, ‘big ideas’ and ‘market’ components. This finding indicates a focus and objective that is similar to the general assessment. This is evident when the study showed that the majority of institutions (40 institutions or 44.9%) had mentioned Islamic ‘organizational purpose’ (direction) in their vision statements. Among the type of institutions involved were the worship, administration, education, banking, socio-economy and legal institutions. As for the ‘services’ component, 28 (31.5%) institutions adopted the Islamic perspective. Among the type of institutions involved were the worship, administration, education, financial and legal institutions. The institutions involved comprised Islamic institutions that are currently expanding in Malaysia.

Hence, the majority of IBD institutions did not take the three other components seriously. This is evident when only 17 (19.1%) institutions mentioned the ‘value’ component in their vision statement. These institutions were the worship, administration, education, financial and legal institutions. The ‘big idea’ component was mentioned by 17 (18.0%) institutions, comprising those related to worship, administration, financial and legal institutions. Next, only four (4.5%) institutions mentioned the ‘market’ component according to Islam, which comprised the administration, education and two legal institutions.

This situation indicates that IBD institutions prefer ‘organizational purpose’ (direction) and ‘services’ while neglecting other objectives, especially the last objective, which is to seek the blessing of Allah SWT. This shows the reality of the conventional concept.

Owen (1995) mentioned that an institution’s developmental objective lies in its effort to enhance its function and productivity, to expand human resources and technological capabilities, maximise the involvement of the institution’s members in decision-making, create new programs, restructure the institution and obtain the commitment needed to achieve the institution’s objective<sup>1</sup>. This argument by Owen portrays the conventional development objectives and proves the difference between conventional and IBD development objectives.

Hence, if this occurs, then the ‘organizational purpose’ (direction) of the IBD institution in this working paper is no different from that of the conventional institution. The similarity is seen between the long-term objective of Universiti Islam Antarabangsa Malaysia (UIAM) as an Islamic institution and Universiti Sains Malaysia (USM) as a non-Islamic institution. The examples are in the vision statements of these institutions.

“UIAM aims to become a renowned international centre for educational excellence with the intention of returning the

<sup>1</sup> Excerpt from Ahmad Zabidi Abdul Razak (2005)

dynamic and progressive role of Muslims in all branches of knowledge and intellectual discourse” (UIAM, 2018).

“To transform higher education for a sustainable tomorrow” (USM, 2018).

Based on the vision statements, it was found that both statements did not have the intention to use ‘organizational purpose’ (direction) to seek the blessings of Allah SWT, rather it was solely meant to fulfil human wants and offer ‘services’. Verily, in Islam itself, the objective that should be envisaged by IBD institutions is to achieve *al-falah*, which not only connotes achieving success in this world but also in the afterlife. This is according to the exhortation of Allah SWT, meaning,

“By the means of what Allah has given you, seek the abode of the Hereafter, while not forgetting your share of this world. Be good [to others] just as Allah has been good to you, and do not try to cause corruption in the land. Indeed Allah does not like the agents of corruption”. (al-Qasas, 28:77).

Although the findings in this section generally indicate a similar focus and objective; however, from the total number and percentage aspects, there is a striking difference compared to the general findings. It was found that ‘organizational purpose’ (direction) and ‘services’ from an Islamic perspective was given less attention by IBD institutions in Malaysia. Conversely, they only emphasised on ‘organizational purpose’ (direction) and ‘services’ in a general manner as an institution.

Following this, the findings showed that only 40 (44.9%) institutions had focused on an Islamic ‘organizational purpose’ (direction), compared to 61 (68.5%) institutions that had a general view. It was similar with Islamic services, in which only 28 (31.5%) institutions pursued Islamic services, compared to 45 (50.6%) institutions that had a general view. These findings had sidestepped from the actual development of an institution, which aims for IBD in a holistic fashion. Hence, if this occurs then it will not be surprising if IBD institutions in Malaysia would still be receiving negative reviews from society or clients in relation to services provided by Islamic institutions.

When discussing this issue, one element that is envisaged when examining the focus and objective in an Islamic context is the contents of the institution’s vision statement. The statement that is mentioned is related to Islamic principles. Table 3 is a brief summary of the statements in the vision statement.

**Table 3.** Summary of the Institution’s Vision Statement Based on Islamic-based Components

Islamic-based Components	Summary of the Statement
Organizational purpose (direction)	<ul style="list-style-type: none"> <li>To become an institution of worship</li> <li>To become an institution based on Islamic teachings, the al-Quran or as-Sunnah</li> <li>To become an institution for administrating Islamic or <i>syarak</i> affairs</li> <li>To become a strong and capable Islamic organization</li> <li>To expand the tradition of Islamic scholars</li> <li>To enhance Islamic understanding</li> <li>To be the stalwart of Islamic training</li> <li>To become an institution always protected by Allah SWT</li> <li>To become a world class Islamic institution</li> <li>To be a distinguished <i>zakat</i> institution</li> </ul>

	<ul style="list-style-type: none"> <li>To become an Islamic legislative institution</li> </ul>
Services	<ul style="list-style-type: none"> <li>Enlivenment and development leading towards the creation of a God-conscious (<i>taqwa</i>) <i>ummah</i></li> <li>To create a progressive and morally humble <i>ummah</i></li> <li>A progressive <i>ummah</i> through the consolidation of <i>wakaf, zakat, mal</i> and <i>hajj</i></li> <li>To dignify <i>syariat</i> Islam within the society and the country</li> <li>Wise and brilliant in establishing the <i>aqidah</i> and <i>syariah</i></li> <li>Knowledge associated with <i>naqli</i> and <i>aqli</i></li> <li>An outstanding and brilliant institution based on Islam</li> <li><i>Ummah's</i> economy and managing the Hajj</li> <li>Islamic law based on the al-Quran, al-Hadith, <i>ijma'</i> and <i>qiyas</i></li> <li>Management based on the <i>syarak</i> or Allah’s SWT blessings</li> </ul>
Market	<ul style="list-style-type: none"> <li>For local Muslims</li> <li>As a global form of Islamic training</li> </ul>
Value	<ul style="list-style-type: none"> <li><i>Ummah</i> that is God-conscious (<i>taqwa</i>)</li> <li><i>Ummah</i> that is progressive and morally humble</li> <li>Capable of establishing <i>syariat</i> Islam</li> <li>Outstanding and brilliant based on Islam</li> <li>Fair and wise in implementing the Islamic judicial system</li> </ul>
Big Ideas	<ul style="list-style-type: none"> <li>To create an <i>ummah</i> that is God-conscious (<i>taqwa</i>)</li> <li>Islam as a blessing (<i>rahmat</i>) for all humans</li> <li>Establish <i>syariat</i> Islam and strengthen the <i>ummah's</i> morality</li> <li>To consolidate the socio-economy based on the <i>syarak</i></li> <li>To drive progress and prosperity of the <i>ummah</i> based on the al-Quran and as-Sunnah</li> <li>To develop Islamic virtues (<i>syiar</i>) and create a prosperous society</li> <li>Implement fair management and services that are professional, effective and systematic in order to seek the blessings of Allah SWT.</li> </ul>

Table 3 is a list of excerpts from the institution’s vision statements that indicates an Islamic focus and objective. There were several excerpts that were repeated in the vision statements, as if emphasising the objectives of IBD. The excerpts in question were “based on *syariat* Islam” or “based on the *syarak*”. These excerpts portray all the components such as ‘organizational purpose’ (direction), ‘services’, ‘market’, ‘values’ and ‘big ideas’.

All in all, there are no institutions that have touched upon all five components even more so in the context of Islam. This shows that IBD institutions in this article have emphasized on all five components. The vision of IBD institutions has stressed more on the direction and service of the institutions. Indeed, vision statement is important for an organization in determining aims and objectives (Altiok, 2011). In the context of service, Altiok (2011) holds the opinion that vision statement is a planning that

is prepared for managers in facing the future and organizational profit in the long run.

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### CONCLUSION

All in all, it is concluded that the direction and service prove to be the actual focus of IBD institutions. However, in the context of IBD, the vision statement of IBD institutions in article does not really fulfill the aim and direction of IBD, but rather fulfill the conventional development institutions. This is quite unreasonable for Islamic-oriented institutions as they fulfill their main aims. IBD institutions should give a thorough emphasis especially on Islamic aspects in the formation of vision statements. This is because, a vision is not only a statement that depicts the aims of the institutions, but it is able to give an attractive picture that can stimulate the employees to reach for the main goals. (Bamford & West, 2010:62).

### ACKNOWLEDGEMENT

After the main body of paper please insert acknowledgement of all those (personals or institutions) that have helped in conducting this study.

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