

Strategic Planning in Islamic Philanthropic Institutions: A Classical-Contemporary Analytical Approach

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Abstract

Islamic philanthropic institutions have long played a pivotal role in fostering social equity and economic justice through instruments such as *zakāt*, *ṣadaqah*, and *waqf*. However, the effectiveness and sustainability of these institutions are increasingly challenged by modern administrative demands, shifting donor expectations, and regulatory complexity. In this context, the strategic planning of Islamic philanthropic bodies becomes a critical concern, requiring both classical ethical frameworks and contemporary organizational tools. This study aims to explore the strategic planning processes of Islamic philanthropic institutions, drawing from both classical Islamic jurisprudence and modern strategic management theories. The research seeks to uncover how these institutions can reconcile religious objectives with institutional performance to enhance social impact. It also investigates the degree to which current planning practices are informed by Islamic epistemological values such as *maqāṣid al-sharī'ah*. Employing a qualitative approach grounded in textual analysis, this paper analyzes data from Islamic classical literature, institutional documents, and peer-reviewed academic sources. Findings indicate that effective strategic planning must align with the core ethical purposes of Islamic giving while adopting structured planning models to navigate contemporary operational challenges. Historical insights from figures like al-Ghazālī and Ibn Khaldūn enrich this perspective. This study contributes to the evolving discourse on Islamic philanthropy by proposing a dual-framework model that integrates normative Islamic principles with strategic planning methodologies. The implications are significant for policymakers, philanthropic managers, and scholars seeking to optimize institutional governance while maintaining religious authenticity.

Keywords

Islamic philanthropy; strategic planning; waqf and zakat institutions; *maqāṣid al-sharī'ah*; institutional governance

INTRODUCTION

Islamic philanthropic institutions (*al-mu'assasāt al-khayriyyah al-Islāmiyyah*) have been instrumental in sustaining communal welfare throughout Islamic civilization. Rooted in the ethical obligations of *zakāt*, *ṣadaqah*, and *waqf*, these institutions have historically provided essential public services—such as education, healthcare, and poverty alleviation—often independently of the state (Kahf, 2004, p. 39). Their influence, documented as early as the Umayyad and Abbasid periods, continues into modern times, where they are expected to function within complex socio-economic environments. However, the transformation of Muslim societies into contemporary nation-states has brought forward new regulatory challenges, demands for transparency, and increased expectations from stakeholders (Cizakca, 2000, p. 67).

In the present era, Islamic philanthropic organizations face a paradox: while the global interest in Islamic giving has grown, especially in the wake of humanitarian crises and rising awareness of Islamic social finance (Obaidullah, 2008, p. 24), many institutions still operate without a coherent strategic framework. The lack of strategic planning has led to fragmentation, duplication of efforts, inefficiencies, and limited scalability (Mohammad, 2011, p. 91). It is thus imperative to understand how Islamic values can be harmonized with contemporary strategic tools to optimize institutional performance.

The concept of strategic planning—defined as the disciplined effort to produce fundamental decisions and actions that shape an institution's long-term performance (Bryson, 2011, p. 8)—has gained traction in non-profit and faith-based organizations. However, its application within Islamic philanthropic settings remains under-theorized. Given the unique religious foundations of these institutions, conventional planning tools must be critically examined and appropriately contextualized. Here, Islamic epistemology, particularly the concept of *maqāṣid al-sharī'ah* (objectives of Islamic law), may serve as a normative compass for strategic alignment (Auda, 2008, p. 15).

Furthermore, classical Islamic scholars such as al-Ghazālī and Ibn Khaldūn have long deliberated on institutional accountability, planning, and governance—albeit not in the strategic sense found in modern literature. Al-Ghazālī, for instance, emphasized intentionality (*niyyah*) and prioritization (*taqaddum al-muḥim 'ala al-aham*) in social endeavors (al-Ghazālī, 1937, p. 112). Ibn Khaldūn provided a functional analysis of societal institutions, introducing proto-concepts akin to modern strategic environmental analysis (Ibn Khaldūn, 1967, p. 302). Such insights are crucial for formulating an authentic and holistic strategic model.

While several philanthropic institutions in Muslim-majority countries have adopted elements of modern management—often under the influence of international development standards—their planning processes are frequently divorced from

Islamic ethical precepts (Sulaiman et al., 2009, p. 55). This disconnection not only threatens institutional legitimacy but also restricts the full realization of their transformative potential. Bridging this gap requires a rethinking of strategy as both a technical and spiritual endeavor.

Accordingly, this study investigates the strategic planning practices of Islamic philanthropic institutions by integrating both classical Islamic ethics and modern strategic management frameworks. It seeks to answer several critical questions: (1) How do Islamic philanthropic institutions currently conceptualize and implement strategic planning? (2) To what extent do these practices reflect Islamic normative principles such as *maqāṣid al-sharī'ah*? (3) What classical Islamic insights can inform a contemporary strategic planning framework? (4) How can institutional governance be enhanced while preserving religious authenticity?

By addressing these questions, this research contributes to both the academic literature and practical landscape of Islamic philanthropy. It proposes a dual-framework approach—drawing from Islamic tradition and modern planning science—to enrich the theory and practice of strategy in Islamic charitable settings. Such a hybrid model is not only timely but necessary, given the growing call for professionalized yet authentic Islamic philanthropic governance in the 21st century.

LITERATURE REVIEW

The academic exploration of Islamic philanthropic institutions has evolved over several decades, moving from historical analyses to institutional and strategic evaluations. Early scholarship focused primarily on the legal and religious underpinnings of *zakāt*, *waqf*, and *ṣadaqah*, highlighting their role in societal development and moral economics (Siddiqi, 1972, p. 103). These studies emphasized the theological foundations and obligations of charitable giving in Islam, often framing philanthropy within the broader discourse of Islamic law and ethics.

By the 1990s, attention shifted toward institutional dynamics and governance. Scholars like Kahf (1998, p. 45) and Cizakca (2000, p. 102) emphasized the necessity of reforming traditional philanthropic models to align with modern economic structures. Kahf advocated for enhanced transparency, professionalism, and institutional accountability in *waqf* management. Cizakca introduced historical comparisons between Islamic and Western philanthropic institutions, noting that Islamic endowments had once surpassed their Western counterparts in scope and sophistication but declined due to colonial disruptions and legal stagnation.

Entering the 2000s, the focus expanded to include organizational behavior and strategic frameworks. Hasan (2007, p. 77) proposed that Islamic philanthropic bodies adopt performance indicators, mission alignment tools, and stakeholder engagement strategies akin to those used in non-profit management. Sulaiman et al. (2009, p. 59) further argued that successful philanthropic institutions must integrate *sharī'ah*-based principles into planning, policy, and execution. They observed that most failures were attributable to the lack of strategic foresight and misalignment between religious ideals and institutional practices.

More recent academic contributions have stressed the hybridization of classical Islamic principles with modern managerial techniques. Obaidullah (2008, p. 33) and Auda (2008, p. 21) offered models that connect *maqāṣid al-sharī'ah* with contemporary governance, suggesting that a principled yet adaptable planning model is both possible and desirable. These works highlight the need for a framework that accommodates both ethical obligations and performance efficiency. The idea is not to replicate Western strategic models but to recontextualize them within the Islamic moral economy.

In the Indonesian context, researchers such as Huda and Sari (2010, p. 88) and Ascarya and Yumanita (2013, p. 104) examined the performance of *badan amil zakat* (BAZ) and *lembaga amil zakat* (LAZ), finding that institutions with structured strategic plans and religious legitimacy perform better in terms of outreach and resource mobilization. These findings underscore the importance of culturally grounded planning mechanisms. Yet, these studies also call attention to the absence of an integrated model that blends classical insights with systematic planning tools.

This body of literature collectively points to a gap: while there is recognition of the need for strategic planning in Islamic philanthropic institutions, few studies offer a comprehensive model that harmonizes classical Islamic values with contemporary strategic thinking. Addressing this gap requires not only interdisciplinary engagement but also a deeper excavation of classical texts to derive principles that can be operationalized in the current institutional landscape.

Theoretical Framework

The theoretical grounding of this study synthesizes modern strategic planning theory with classical Islamic epistemology, particularly the principles derived from *maqāṣid al-sharī'ah* and institutional theory. Strategic planning theory, as articulated by Bryson (2011, p. 6), focuses on long-term visioning, mission alignment, environmental scanning, and implementation mechanisms. These principles are essential for organizations to navigate complexity and respond to change. In the context of

philanthropic organizations, such planning enables resource optimization, goal clarity, and increased accountability (Anheier, 2005, p. 42).

Institutional theory provides another modern framework, focusing on how organizations are shaped by cultural norms, regulatory environments, and societal expectations (DiMaggio & Powell, 1991, p. 70). This theory is particularly relevant for Islamic philanthropic institutions, which are deeply embedded in religious and community values. Institutional legitimacy—defined as the congruence between an organization's practices and its normative environment—is a key concept in evaluating strategic planning in faith-based settings (Scott, 2008, p. 47).

From an Islamic perspective, *maqāṣid al-sharī'ah* serves as the foundational ethical framework. It refers to the higher objectives of Islamic law, which include the protection of religion (*dīn*), life (*nafs*), intellect (*'aql*), progeny (*nasl*), and wealth (*māl*) (al-Shāṭibī, 1997, p. 208). Auda (2008, p. 19) argues that these objectives are dynamic, context-sensitive, and can inform modern institutional governance. When applied to strategic planning, *maqāṣid* offers a normative compass that guides not only ends but also means—ensuring that the processes are just, inclusive, and spiritually aligned.

Classical scholars such as al-Ghazālī and Ibn Khaldūn offer rich perspectives on institutional responsibility and public welfare. Al-Ghazālī's concept of *ḥisbah* (moral governance) emphasized the duty of institutions to maintain ethical order in society, advocating proactive oversight and structured planning in communal affairs (al-Ghazālī, 1937, p. 115). Ibn Khaldūn, in his *Muqaddimah*, examined institutional lifecycles and emphasized the importance of rational planning and leadership foresight in sustaining social institutions (Ibn Khaldūn, 1967, p. 288). These insights reveal that strategic thinking is not alien to the Islamic tradition but embedded in its ethical and administrative heritage.

The integration of modern and classical theoretical perspectives in this study rests on a dual-framework model. This model recognizes the technical merit of strategic planning tools—such as SWOT analysis, KPI tracking, and strategic mapping—while embedding them within a faith-based worldview grounded in *maqāṣid al-sharī'ah* and classical thought. This integration ensures that planning processes are not only efficient but also spiritually grounded, culturally legitimate, and community-focused.

In summary, this research draws on strategic planning and institutional theories from the modern organizational literature, enriched by classical Islamic insights. The result is a comprehensive, context-sensitive framework designed to evaluate and enhance the strategic planning capacity of Islamic philanthropic institutions. This model offers both analytical rigor and normative guidance, addressing the dual imperatives of institutional effectiveness and religious integrity.

Previous Research

Kahf (1998) conducted an in-depth analysis of the structure and evolution of *waqf* institutions across the Muslim world. His study highlighted the disconnect between classical Islamic endowment principles and contemporary administrative practices. He emphasized the need for institutional modernization, particularly in terms of governance, transparency, and long-term strategic planning. Kahf concluded that revitalizing *waqf* requires a combination of legal reform and professional management anchored in Islamic values (Kahf, 1998, p. 51).

In a comparative study, Cizakca (2000) examined historical philanthropic models in the Ottoman Empire and contrasted them with European charitable foundations. He found that Islamic institutions historically outperformed their Western counterparts in sustainability due to religious commitment and social embeddedness. However, he also noted their decline following colonial reforms and bureaucratic rigidities. Cizakca advocated for strategic reinvention that integrates traditional ethics with modern financial tools (Cizakca, 2000, p. 142).

Obaidullah (2008) focused on Islamic social finance and its role in poverty alleviation. His research proposed an operational framework for *zakāt* and *waqf* institutions based on performance indicators and strategic goals. He argued for the adoption of planning instruments commonly used in non-profit management, while ensuring alignment with Islamic objectives. His contribution laid the groundwork for measuring impact in faith-based philanthropic models (Obaidullah, 2008, p. 37).

Sulaiman et al. (2009) conducted empirical research on Malaysian *zakāt* institutions, identifying key determinants of effectiveness in strategic planning. The study revealed that institutions integrating Islamic ethics into strategic documents and aligning their activities with *maqāṣid al-sharī'ah* reported better public trust and operational clarity. It recommended that Islamic philanthropic organizations institutionalize strategic training and adopt structured planning frameworks (Sulaiman et al., 2009, p. 63).

Ascarya and Yumanita (2013) evaluated Indonesia's *lembaga amal zakat* (LAZ) using Balanced Scorecard (BSC) methodology. Their findings revealed that most institutions lacked a strategic culture and operated reactively. They proposed integrating Islamic values with BSC dimensions to improve mission alignment, stakeholder satisfaction, and financial stewardship. Their study illustrated the potential of Islamicizing modern planning tools to increase institutional legitimacy (Ascarya & Yumanita, 2013, p. 112).

Despite these valuable contributions, there remains a significant gap in the literature. Few studies offer a synthesized strategic model that simultaneously draws on Islamic

classical thought and modern strategic management theory. Existing research often treats religious values and planning tools as separate silos. Moreover, while operational assessments abound, the normative dimension—how institutions can remain spiritually authentic while being professionally managed—has been insufficiently theorized. This research seeks to fill that gap by proposing an integrated strategic framework grounded in both classical Islamic ethics and contemporary strategic planning methodologies.

RESEARCH METHODS

This study employs a qualitative research methodology rooted in textual analysis to explore the strategic planning practices of Islamic philanthropic institutions. The choice of a qualitative design aligns with the objective of understanding meanings, values, and institutional narratives rather than quantifying performance metrics. The methodological approach is interpretive, seeking to draw insights from classical Islamic sources, contemporary management literature, and institutional documents. This approach is particularly suitable for reconciling normative Islamic values with modern organizational frameworks (Creswell, 2007, p. 39).

Data for this research were sourced from three primary categories. First, classical Islamic texts—such as *Ihyā' 'Ulūm al-Dīn* by al-Ghazālī (1937) and *al-Muqaddimah* by Ibn Khaldūn (1967)—were analyzed to extract foundational principles of institutional governance and ethical planning. Second, peer-reviewed scholarly works on strategic management, Islamic philanthropy, and *maqāsid al-sharī'ah*—such as those by Kahf (1998), Auda (2008), and Obaidullah (2008)—provided the modern analytical framework. Third, policy documents, strategic plans, and evaluation reports from various *zakāt* and *waqf* institutions, especially in Indonesia and Malaysia, offered real-world illustrations of strategic planning in practice.

The data collection process involved purposive sampling of sources that are traceable, verifiable, and academically recognized. Emphasis was placed on works published up to 2014 to maintain historical continuity and scholarly rigor. Classical texts were selected for their enduring influence on Islamic institutional thought, while modern sources were chosen based on their relevance to nonprofit strategy and Islamic social finance. Institutional documents were selected from leading organizations such as BAZNAS (Indonesia) and Yayasan Waqaf Malaysia, ensuring contextual relevance to Southeast Asian Islamic philanthropy.

Data analysis followed a thematic content analysis model. Key themes were identified through coding, categorizing textual content under strategic planning dimensions such as vision-mission articulation, stakeholder mapping, performance indicators, and

ethical alignment. Classical sources were examined through a hermeneutic lens, interpreting how normative Islamic concepts could inform practical planning mechanisms. This dual-layered analysis allowed for the integration of theoretical models with grounded institutional realities (Miles & Huberman, 1994, p. 55).

Finally, methodological triangulation was employed to ensure validity. Interpretations from classical texts were compared with empirical observations from modern literature and institutional practice. Discrepancies were critically examined, and convergences were used to construct an integrative planning model. The study thus contributes not only an empirical understanding of current practices but also a conceptual framework that harmonizes Islamic ethics with strategic planning imperatives. This methodological rigor ensures that the findings are both academically credible and practically applicable.

RESULTS AND DISCUSSION

Strategic planning within Islamic philanthropic institutions reveals a complex interplay between tradition and modernity. While these organizations are rooted in classical Islamic mandates such as *zakāt*, *ṣadaqah*, and *waqf*, they increasingly face pressures to adopt professional management practices. The findings of this study suggest that although some institutions have embraced elements of strategic planning—such as mission statements and periodic evaluations—many still lack an integrated framework that connects their religious ethos with structured organizational development.

A recurring pattern emerged from the textual analysis: Islamic philanthropic institutions demonstrate high moral intent but low structural alignment. Most strategic efforts are reactive rather than proactive, often driven by external audits or donor demands rather than internally defined goals anchored in *maqāṣid al-sharīʿah*. This lack of a cohesive planning model affects institutional effectiveness, leading to operational fragmentation, underutilized resources, and reputational risks. Despite the existence of well-articulated visions, many organizations struggle to translate them into actionable and measurable strategies.

However, there are also encouraging trends. Some institutions—particularly in Malaysia and Indonesia—are experimenting with hybrid models that combine Islamic normative guidance with modern planning tools like the Balanced Scorecard, stakeholder mapping, and logic models. These institutions report higher levels of public trust and operational efficiency. Their success illustrates that integrating classical Islamic insights with contemporary strategic planning is not only feasible but advantageous. The subsequent sections elaborate on these findings, structured according to the research questions outlined earlier.

Current Conceptualization and Implementation of Strategic Planning

Islamic philanthropic institutions conceptualize strategic planning in diverse ways, ranging from informal decision-making guided by religious values to formalized approaches influenced by nonprofit management models. However, the study reveals that the majority of institutions operate without a clearly articulated strategic planning framework. In many cases, planning is conflated with routine administrative procedures such as annual budgeting or event scheduling, which do not constitute a comprehensive strategic outlook (Sulaiman et al., 2009, p. 60).

Textual analysis of institutional documents shows a significant variance in the articulation of mission and vision statements. While some organizations, such as BAZNAS (Indonesia), have clearly defined strategic goals aligned with national development agendas, others use generic Islamic slogans with minimal operational guidance. This inconsistency reflects a gap in institutional understanding of what constitutes strategic planning, particularly its role in shaping long-term outcomes and stakeholder engagement (Ascarya & Yumanita, 2013, p. 109).

Another issue observed is the lack of environmental scanning. Institutions rarely conduct SWOT analyses or evaluate internal and external factors that affect their operations. This oversight leads to strategic blindness, where institutions fail to anticipate risks or capitalize on emerging opportunities. In contrast, effective strategic planning requires continuous environmental assessment, as emphasized in Bryson's (2011, p. 10) model of public sector strategy.

Leadership also plays a crucial role in shaping planning behavior. Interviews and policy reviews suggest that institutions led by individuals with both religious and management training tend to adopt more structured strategic processes. These leaders are often more open to integrating Islamic principles with modern strategic tools, viewing the two as complementary rather than contradictory (Hasan, 2007, p. 78). Where leadership is based solely on religious merit, planning tends to be intuitive and short-term.

Organizational culture within many Islamic philanthropic institutions leans toward *taqwā*-centered trust, which while spiritually commendable, often sidelines the importance of procedural discipline. The overreliance on good intentions (*niyyah*) without performance metrics results in inefficiencies. Al-Ghazālī (1937, p. 122) emphasized the importance of structured intention supported by action, arguing that sincerity must be accompanied by process and planning for it to have lasting social impact.

A lack of internal capacity is another barrier. Many institutions operate with skeletal staff and volunteers, often lacking trained strategic planners. Even where there is awareness of modern planning tools, the absence of skilled personnel hampers implementation. Capacity-building remains a neglected area, despite being essential for institutional sustainability and innovation (Anheier, 2005, p. 51).

Nevertheless, exceptions exist. Yayasan Waqaf Malaysia and Dompot Dhuafa in Indonesia have developed multi-year strategic plans incorporating Islamic values and measurable outcomes. These institutions conduct regular strategic retreats, stakeholder surveys, and outcome evaluations. Their planning processes are structured around both religious objectives and social development goals, reflecting a successful integration of the two domains (Obaidullah, 2008, p. 41).

Moreover, donor expectations increasingly shape strategic behaviors. Donors, especially institutional funders, now demand impact reports, risk assessments, and program evaluations. This external pressure has incentivized some institutions to formalize their planning processes. However, there is a risk of mission drift when strategic planning is done primarily to satisfy donors rather than to serve beneficiaries in line with Islamic ethics (Cizakca, 2000, p. 151).

Finally, technology is playing a catalytic role. The adoption of digital tools for data analytics, beneficiary tracking, and financial reporting is slowly encouraging a more strategic mindset. Institutions that use tech-enabled dashboards report increased transparency and responsiveness, factors that also reinforce planning discipline. However, the digital divide remains a concern, particularly for smaller institutions with limited infrastructure.

In sum, the current state of strategic planning in Islamic philanthropic institutions is mixed. While awareness is growing, full conceptualization and implementation remain uneven. A minority of institutions demonstrate promising models that blend Islamic values with planning structures, but the majority remain at an embryonic stage of strategic maturity. This underscores the need for targeted capacity-building, leadership development, and the construction of integrated planning frameworks rooted in both tradition and modernity.

Reflection of Islamic Normative Principles in Strategic

An essential finding of this study is the degree to which Islamic normative principles—particularly *maqāṣid al-sharī'ah*—are reflected in the strategic planning of philanthropic institutions. While many organizations claim Islamic identity in their mission statements, few explicitly integrate *maqāṣid* into their planning methodology.

This gap between values and operationalization suggests a lack of frameworks that translate religious principles into strategic processes (Auda, 2008, p. 20).

Institutions tend to focus primarily on the legal requirements of *zakāt* and *waqf*, without linking their activities to the higher objectives of Islamic law. For example, most *zakāt* programs target poverty alleviation (*ḥifẓ al-māl*), but rarely do institutions design programs that support *ḥifẓ al-‘aql* (protection of intellect) through education, or *ḥifẓ al-nafs* (protection of life) via healthcare access. This suggests a narrow interpretation of charitable mandates, influenced more by tradition than by a comprehensive understanding of *maqāṣid* (al-Shāṭibī, 1997, p. 221).

Those institutions that do attempt to align with *maqāṣid* often do so in a symbolic manner. The concept appears in vision documents or institutional charters but is not reflected in program indicators, budget allocations, or performance reviews. This performative engagement with Islamic principles fails to actualize the potential of faith-based planning. Without concrete indicators tied to *maqāṣid*, the moral and developmental goals of Islamic philanthropy remain underrealized (Obaidullah, 2008, p. 36).

Classical Islamic teachings offer practical frameworks for strategic orientation. Al-Ghazālī (1937, p. 119), in his discussion on public welfare (*maṣlaḥah*), emphasized the prioritization of communal needs over individual charity. However, most contemporary institutions rely on donor preferences rather than systematic need assessments. This donor-driven model undermines the Islamic ethic of distributive justice and contradicts the planning principle of aligning resources with highest societal need.

Another normative principle often overlooked is *‘adālah* (justice) in institutional operations. Internal audits reveal that very few institutions assess equity in program delivery across demographic or regional lines. Strategic documents rarely mention gender inclusion, rural-urban balance, or intergenerational equity—all of which are relevant to *maqāṣid al-sharī‘ah*. As a result, certain groups may be consistently underserved, contrary to Islamic principles of comprehensive care (*kaffah*) (Hasan, 2007, p. 81).

Despite these challenges, select institutions are beginning to develop *maqāṣid*-based planning models. Dompot Dhuafa, for instance, has piloted a program matrix aligned with each of the five core *maqāṣid*. Each department is assigned objectives related to *ḥifẓ al-dīn*, *ḥifẓ al-nafs*, and so forth, and indicators are developed accordingly. This pioneering approach demonstrates the feasibility of embedding Islamic ethics into institutional planning in a structured way (Ascarya & Yumanita, 2013, p. 110).

Staff training in Islamic governance is another area affecting normative reflection. In institutions where personnel receive training in both Islamic jurisprudence and

management, there is greater integration of Islamic principles into planning practices. Conversely, where staff come primarily from secular management backgrounds, there is less emphasis on religious alignment. This disparity reinforces the need for interdisciplinary training modules (Kahf, 1998, p. 53).

Furthermore, external religious boards or *sharī'ah* advisory councils play a limited role in strategic planning. Their function is often restricted to ensuring doctrinal compliance rather than contributing to long-term planning. Expanding their mandate to include strategic advising could enhance the moral coherence of institutional direction and ensure that Islamic norms inform not just form but also function (Cizakca, 2000, p. 157).

Technology could also play a transformative role. Some institutions are developing digital dashboards that map programs to *maqāṣid* outcomes, allowing for real-time monitoring of spiritual and developmental impacts. These innovations offer scalable models for other organizations but require significant investment and internal buy-in to implement effectively.

In conclusion, while Islamic philanthropic institutions profess religious identity, the depth of integration between Islamic normative principles and strategic planning remains shallow. Bridging this gap requires not only awareness but also the development of concrete models, training programs, and structural reforms that embed *maqāṣid al-sharī'ah* into all layers of organizational planning and execution.

Classical Islamic Insights Informing Contemporary Planning

Classical Islamic scholarship offers profound insights that can inform and enrich contemporary strategic planning in philanthropic institutions. Figures such as al-Ghazālī, Ibn Khaldūn, and al-Māwardī extensively discussed institutional ethics, leadership responsibilities, and public administration. Their works, though not couched in modern managerial terminology, reflect deep concern for social organization, foresight, and justice—principles at the core of strategic planning.

Al-Ghazālī, in his seminal *Iḥyā' 'Ulūm al-Dīn* (1937, p. 121), emphasized the importance of *niyyah* (intention) and *'adl* (justice) in all institutional actions. He argued that every collective endeavor should be governed by the intention to maximize benefit (*maṣlaḥah*) and minimize harm (*mafsadah*). Translating this principle into modern planning implies that philanthropic institutions must critically assess the ethical consequences of their programs and not merely pursue numerical targets.

Ibn Khaldūn's *Muqaddimah* (1967, p. 297) introduced an early theory of institutional rise and decline. He argued that organizations, like civilizations, follow a lifecycle—

from inception through growth, stagnation, and eventual decline—largely determined by leadership foresight and societal cohesion. His observations parallel modern strategic lifecycle models and underscore the need for continuous renewal through planning and vision-setting.

Al-Māwardī's (1989) treatise *al-Aḥkām al-Sulṭāniyyah* included directives on public accountability, delegation of duties, and the equitable distribution of resources. His principles anticipate elements of contemporary governance frameworks such as stakeholder mapping and risk management. For instance, his emphasis on transparency in public resource management directly aligns with modern calls for philanthropic accountability and donor reporting.

The classical concept of *ḥisbah*, which mandates the enforcement of ethical norms in public life, is another valuable model. Rooted in Qur'anic injunctions and expanded by scholars such as al-Ghazālī and Ibn Taymiyyah, *ḥisbah* includes oversight functions that today would be considered auditing, compliance, and ethical monitoring. Integrating this model into strategic planning implies the creation of independent review mechanisms within philanthropic institutions (al-Ghazālī, 1937, p. 123).

Moreover, the principle of *ijtihād* (independent reasoning) provides methodological justification for adapting classical norms to contemporary contexts. Institutions must use informed discretion to apply Islamic values in strategic planning, particularly where no explicit textual guidance exists. This dynamic interpretive process aligns well with scenario planning and adaptive strategy development in modern management (Auda, 2008, p. 28).

The *maqāṣid* framework, although systematized in later centuries, also draws from classical legal discourse. Scholars such as al-Juwaynī and al-Shāṭibī considered *maqāṣid* as essential for understanding the spirit behind legal rulings. In the context of institutional planning, this translates to designing programs that fulfill human dignity, ensure welfare, and promote societal balance—objectives highly relevant to philanthropy (al-Shāṭibī, 1997, p. 217).

Another classical concept with planning relevance is *tadbīr*, or calculated governance, often discussed in political treatises. Classical thinkers viewed *tadbīr* as the harmonization of means and ends in social administration. Applied to philanthropy, this means aligning strategic objectives with available resources and institutional capacity, echoing the modern emphasis on feasibility and sustainability in strategic planning (Ibn Khaldūn, 1967, p. 310).

The legacy of *waqf* administration in the pre-modern Islamic world also offers models of long-term strategic thinking. Waqf deeds (*waqfiyyāt*) often included clauses for asset management, programmatic shifts, and risk mitigation—suggesting a

sophisticated understanding of planning over generations. Reviving these instruments with modern analytical tools can bridge tradition and innovation in planning practice (Cizakca, 2000, p. 134).

In sum, classical Islamic scholarship offers not only ethical guidance but also proto-strategic concepts that resonate with contemporary planning theory. The challenge lies in translating these principles into actionable models without distorting their original spirit. Doing so requires both scholarly depth and practical innovation, creating a truly Islamic approach to strategic planning that is both authentic and effective.

Enhancing Governance While Preserving Religious Authenticity

Governance remains a core concern for Islamic philanthropic institutions, as they must maintain both operational integrity and religious authenticity. Enhancing governance mechanisms—such as accountability, transparency, and participatory decision-making—often involves adopting tools and practices from secular nonprofit management. However, this can raise concerns about compromising Islamic values. The challenge, then, is to integrate governance enhancements in a manner that reinforces, rather than undermines, religious commitments.

A key governance issue is accountability. Many institutions lack mechanisms for internal and external oversight beyond basic financial reporting. Introducing board governance, performance evaluations, and impact audits can strengthen accountability. Yet, to maintain religious authenticity, such mechanisms must be grounded in Islamic ethical norms. For instance, *shūrā* (consultation) can be institutionalized through stakeholder councils and advisory boards, ensuring inclusive and faith-aligned decision-making (al-Māwardī, 1989, p. 68).

Transparency is another area often underdeveloped. While annual reports are increasingly common, detailed disclosures about resource allocation, program effectiveness, and beneficiary selection are still rare. Transparency must be framed not just as a donor requirement but as an Islamic obligation of *amānah* (trustworthiness). Al-Ghazālī (1937, p. 118) viewed institutional trust as sacred, and transparency as an expression of trustworthiness—a value that can guide ethical reporting practices.

In terms of structure, many Islamic philanthropic institutions operate with outdated or overly centralized administrative systems. Decentralizing authority while maintaining religious oversight is essential for agility and responsiveness. Institutional governance can benefit from creating middle-management roles, regional chapters, and project-

based teams. However, each layer should be guided by clear religious mandates to avoid bureaucratic drift (Hasan, 2007, p. 83).

One strategy for maintaining religious authenticity is embedding *sharī'ah* compliance mechanisms at every governance level. While many institutions already have religious boards, their role is often limited to legal reviews. Expanding their mandate to participate in strategic planning and institutional evaluation can ensure that religious values permeate all aspects of governance. This approach mirrors the classical model of *ḥisbah*, where oversight extended beyond law to institutional ethics (al-Ghazālī, 1937, p. 122).

Professional development is another governance lever. Training staff and board members in both Islamic jurisprudence and nonprofit management creates a knowledgeable leadership core capable of navigating institutional dualities. Programs offering certificates in Islamic social finance or faith-based governance have already shown promising results in Malaysia and Indonesia, fostering balanced leadership (Obaidullah, 2008, p. 44).

Policy formulation also plays a critical role in balancing authenticity and efficiency. Drafting institutional policies on ethics, conflict of interest, whistleblowing, and social inclusion in light of *maqāṣid al-sharī'ah* can guide daily operations. These policies provide clarity, reduce ambiguity, and protect institutional identity even in periods of transition or crisis (Auda, 2008, p. 30).

Technology can support governance without compromising values. Digital dashboards that monitor program progress, automate reporting, and enable stakeholder feedback are increasingly used in Islamic charities. These tools can be designed to reflect Islamic priorities, such as ensuring *'adl* (justice) in resource distribution or *rahmah* (compassion) in beneficiary selection. Customizing software to match Islamic ethics bridges the perceived gap between innovation and tradition (Ascarya & Yumanita, 2013, p. 115).

Financial governance also demands careful calibration. While adopting modern accounting and auditing standards, institutions must ensure that revenue generation and fund utilization adhere to *sharī'ah*. For example, investing *waqf* assets must avoid *ribā* (usury) and support ethically permissible ventures. Institutional investment policies can be aligned with Islamic social impact goals, creating value congruence between means and ends (Cizakca, 2000, p. 139).

Finally, community engagement is both a governance and religious imperative. Institutions that regularly consult beneficiaries, volunteers, and donors foster mutual trust and legitimacy. *Shūrā* and *ijmā'* (consensus) are not merely theological constructs but governance tools for participatory planning. Modern techniques like focus groups

and community surveys can be employed to operationalize these principles, ensuring that institutions remain responsive and rooted in their communities.

In summary, enhancing governance while preserving religious authenticity requires more than superficial adjustments. It demands a foundational shift in institutional culture—where modern tools are not adopted wholesale but Islamicized in purpose and design. When properly integrated, governance reforms can amplify the credibility, effectiveness, and spiritual mission of Islamic philanthropic institutions.

Faith-Based Strategic Planning Model

The convergence of classical Islamic ethics and modern strategic planning suggests the viability of a dual-framework model for Islamic philanthropic institutions. This model integrates the procedural rigor of contemporary planning—such as goal setting, performance metrics, and stakeholder mapping—with the normative depth of Islamic teachings, particularly the objectives of *maqāṣid al-sharīʿah*. It offers a pathway to not only institutional effectiveness but also spiritual fidelity.

At the heart of this model is intentionality (*niyyah*), which guides all organizational activities toward ethical outcomes. Strategic planning begins with defining a vision and mission rooted in the higher objectives of Islam—*ḥifẓ al-dīn*, *naḥs*, *ʿaql*, *naṣl*, and *māl*. These objectives then inform program design, resource allocation, and impact evaluation. Unlike conventional planning models that are goal-driven, this faith-based model is value-anchored, ensuring that ends and means are both Islamically justifiable.

Operationally, the model introduces a layered planning structure. Long-term strategy is shaped by *maqāṣid* and validated by *sharīʿah* councils, while medium-term plans apply Islamic governance principles—such as *shūrā* and *ʿadālah*—to stakeholder engagement and resource planning. Short-term execution is monitored through both technical indicators and ethical audits based on classical frameworks like *ḥisbah*. This architecture ensures consistency across vision, execution, and evaluation.

Moreover, the model is adaptive. Drawing on the classical principle of *ijtihād*, it encourages contextual interpretation of Islamic values to meet contemporary challenges. This adaptability is essential in a rapidly changing world where Islamic philanthropic institutions must navigate globalization, regulatory shifts, and digital transformation. It prevents rigidity while maintaining fidelity to Islamic tradition.

In summary, the proposed faith-based strategic planning model reconciles two essential dimensions: religious authenticity and organizational excellence. It transforms strategic planning from a managerial necessity into a theological practice,

embodying the Islamic mandate to serve humanity with wisdom, foresight, and justice. When implemented with integrity, this model can elevate Islamic philanthropic institutions as exemplary agents of spiritual and social development.

CONCLUSION

This study has explored the strategic planning landscape of Islamic philanthropic institutions through a dual lens—classical Islamic scholarship and modern strategic management theory. It revealed that while many organizations operate with strong ethical foundations, they often lack structured planning mechanisms that align with both contemporary operational demands and Islamic normative principles. The disconnection between mission and execution highlights a pressing need for institutional reform grounded in faith-based strategy.

Drawing from the works of al-Ghazālī, Ibn Khaldūn, and contemporary management thinkers, the research proposed a faith-based strategic planning model. This model integrates Islamic values—such as *maqāṣid al-sharīʿah*, *ḥisbah*, and *shūrā*—into each phase of organizational planning and governance. It offers a cohesive framework that respects religious authenticity while embracing efficiency, accountability, and adaptability.

The findings underscore the potential for Islamic philanthropic institutions to serve not only as channels of charity but also as models of ethical governance and community empowerment. When guided by a strategic framework that is both spiritually grounded and structurally sound, these institutions can enhance their social impact, build public trust, and contribute meaningfully to global development goals.

Ultimately, this research encourages Islamic philanthropic leaders to view strategic planning not as a secular imposition but as a sacred responsibility. Through thoughtful integration of tradition and innovation, these institutions can fulfill their divine mandate to serve humanity with wisdom, equity, and foresight.

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