

ISLAMIC SOCIAL ENTREPRENEURSHIP MODEL IN ISLAMIC BOARDING SCHOOL (STUDY ON PABS)

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ABSTRACT

Islamic Social Entrepreneurship from the Islamic boarding school perspective has not been studied much, as has the implications of change management theory with the ADKAR concept. This study aimed to determine Islamic social entrepreneurship model in Islamic Boarding School. Research methods employed an ethnographic research case study with an inductive qualitative approach. The data was processed using NVIVO 12. This study contributes to a deeper understanding of Islamic Social Entrepreneurship (ISE) from the Islamic boarding school perspective. By adopting Good Corporate Governance, this study shows how changes in management structure, use of information technology, and human resource development through the implicit application of the ADKAR concept can be implemented in the context of Islamic boarding schools to achieve economic independence and sustainability. This study enriches academic studies in the field of social entrepreneurship by introducing a different model from the perspective of Islamic boarding schools that is in line with Islamic values. From the managerial aspects, this study provides practical guidance for Islamic boarding school managers in developing business units.

Keywords: Islamic Social Entrepreneurship (ISE); Model; Islamic Boarding School

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INTRODUCTION

Islamic Boarding School, with its Islamic vision of "*rahmatan lil'alamin*," has significant potential to address social and economic problems in Indonesia, such as poverty, education quality, and unemployment, which means that it also plays a role in the goal of solving the SDGs of Indonesia and even the world. (Ahwarumi et al., 2018; Hidayah, 2021; Zaki et al., 2020). The role of PABS towards SDGs is to provide quality education through quality control of graduates, with the existence of business units as training institutions and labor absorbers, a way to alleviate poverty and reduce unemployment. Apart from its role as a religious educational institution.

PABS is one of the Islamic Boarding Schools located in Kubu Raya, West Kalimantan. It was established in 1986 and obtained an operational license in 1995. It was chosen as the first research object because of its achievements in the field of entrepreneurship, namely the selection of PABS in the pesantren business incubator program facilitated by the Ministry of Religion in 2021. In 2020 and 2021, it was selected as the leading Islamic boarding school in the field of economic independence, representing the West Kalimantan Representative Office of Bank Indonesia to compete with all selected Islamic boarding schools throughout Indonesia in the national level FESYAR event organized by Bank Indonesia in cooperation with relevant ministries. Second, based on its history, PABS has been actively developing entrepreneurship since 1986 to support economic independence by involving skilled students and graduates and playing an active role in non-profit activities, such as social and environmental empowerment. Third, the role of the PABS business unit in supporting the operations of the Islamic Boarding School, according to the author, is interesting to discuss.

However, in recent years, the PABS business unit has experienced setbacks in

the field of business development and non-academic achievements, as well as the rapid advancement of information technology which is a challenge for the PABS business unit to continue to improve and adapt. The author is interested in making observations, and it is known that PABS and business units have overhauled the management system several times. In addition, there is a gap between the Islamic Boarding School education process and the adaptation of graduate students to digitalization and post-pandemic economic changes which have an impact on employment in business units, the absence of regeneration from skilled students who have been trained to students afterward, the absence of a centralized management system, and several problems in the field that have not been revealed. To overcome the problems mentioned above, PABS continues to improve, one of which is by holding extracurricular training in several fields, holding internship programs, and establishing a college.

Theoretically, the entrepreneurial activities carried out by PABS are part of the concept of Islamic Social Entrepreneurship (ISE) which practices business based on Islamic sharia (providing benefits to others, maintaining relationships with fellow humans and with Allah), striving to achieve *maqashid sharia*, and allocates its business for social and environmental empowerment, (Boulven et al., 2018; Ramadani et al., 2016; Zainol et al., 2014). Studies on social entrepreneurship have been widely conducted in recent decades. Various studies have explored the concept of social entrepreneurship, the characteristics of social entrepreneurs, and strategies to develop and fund social entrepreneurship (Bretos et al., 2020; Roomi, 2013; Sabila & Saptutyingsih, 2020; Thompson et al., 2000). However, the existing literature still does not provide a comprehensive understanding of Islamic social entrepreneurship from the perspective of

Islamic boarding schools and their management.

This Study is expected to enrich academic studies in the field of social entrepreneurship by providing a new view from an Islamic perspective and introducing a different model from the Islamic Boarding School perspective. In addition, this study is also expected to provide practical implications for developing social entrepreneurship business models that align with Islamic values. Then departing from the phenomena in the field, the author tries to frame this research by making ADKAR's change management theory a grand theory that oversees the changes that occur in PABS management.

MATERIAL AND METHODS

Islamic Boarding School and Their Potential Independence

As described in the introduction regarding the role of Islamic Boarding School, the role of Islamic Boarding School business models is closely related to solving SDGs in terms of poverty, quality of education, and cooperation to achieve global goals. (Zaki *et al.*, 2022). As the role is so great, Islamic Boarding Schools are required to be independent and solve their problems in all aspects, including social, educational, governance, and economic, and this has indeed been proven to be able to sustain the independence and sustainability of the Islamic Boarding School itself. (Alhifni *et al.*, 2018; Hanif *et al.*, 2023; Mahfud, 2021). It even has an impact on the graduates of the Islamic Boarding School, as has been done in PPSD. (Alhifni *et al.*, 2021).. Graduates from Islamic Boarding Schools are the greatest strength of most Islamic Boarding Schools, therefore maximizing the potential of abundant human resources and natural resources can be a solution for Islamic Boarding Schools in realizing the vision of Islam and Maqashid Sharia, namely "rahmatan lil'alamin" with a detailed description as researched by (Ahwarumi &

Sawarjuwono, 2017). Relevant to the research conducted, PABS has optimized its role function and independence and continues to strive to improve it.

ISE Concept & Islamic Boarding School

Islam strongly supports and encourages the spirit of entrepreneurship. The Prophet Muhammad and his companions are role models of entrepreneurship in Islam. Forms of social entrepreneurship in Islam focus on solving social problems and creating social benefits (Abd Muin, 2015; Adib *et al.*, 2014). In addition, in Islam, there is also the concept of ta'awun (mutual help), takaful (sharia insurance), and careful Hasan (kindness loan), all of which are based on the spirit of help and benefit to maintain the maqashid sharia and convey the vision of Islam rahmatan lil'alamin (Alhifni *et al.*, 2021; Boulven *et al.*, 2018a). These concepts are also in line with the values of social entrepreneurship and its activities are summarized in one entity of Islamic Boarding School.

Research conducted by Abd Muin *et al.*, (2015); Boulven *et al.*, (2018b) mentioned that the ISE elements that need to be considered include: *Iman, Taqwa, Ihsan, Shifat Mahmudah (Taubat, Ikhlas, Khauf, Zuhud, Shabr, Syukur, and Tawakal, Mahabah, Ridha, and Zikrul Maut)* and *Maqashid syariah*. Meanwhile, to find out the characteristics of the concept of social entrepreneurship according to Chowdhury, (2012) seen from the goal (Goal), Institutional Stakeholders, Interaction of Social Entrepreneurs with stakeholders, and dependence of Social Entrepreneurs on stakeholders. Meanwhile, according to Boulven *et al.* (2018c) seen from the concept of amar ma'ruf wa nahi munkar, Welfare, justice, al-falah, Developing and improving Social Value providers, Khalifah, Alms, Waqf, grants and zakat, Justice and balance, Welfare and social security, Jihad economy, Prayer and prospering the Mosque. From this study, ISE in Islamic Boarding Schools has four main dimensions: 1) Dimensions

of Values and Ethics, 2) Dimensions of Purpose, 3) Dimensions of Innovation, and 4) Dimensions of Independence. In this study, the author surveyed PABS, to see if there are similarities in the model of ISE applied with previous research, to enrich the literature review for the ISE model or the form of ISE in terms of its application in one of the Islamic Boarding Schools in Rural West Kalimantan, which certainly has significant differences, seen from the diverse backgrounds of Islamic boarding schools in Indonesia.

ADKAR Theory and Islamic Boarding School Resource Management

The relationship between this study and the object of PABS research lies in the process of management change which is also carried out not only by the institution but starting by members or individuals of the institution. This theory serves as a comparison tool for phenomena that occur in the field. Awareness, Desire, Knowledge, Ability, and Reinforcement, this model provides concrete structure and guidance for leaders who want to motivate change in others, (Paramitha et al., 2020; Prosci Inc. 2024).

Research Methods

To answer the research questions in depth, researchers used ethnographic research case studies with an inductive approach, which allows the generation of a theoretical framework based on real facts in the field, as done by Cavalcanti (2021). Data collection was carried out using four methods, namely interviews, observation, data analysis, and data triangulation. The sampling method used was non-probability sampling in the form of purposive/judgmental sampling, which involved all management of boarding schools and business units as the main informants. This sample was selected based on the considerations and needs of the researcher by the characteristics of the research, involving six informants (Head of the Foundation, Islamic Boarding Schools Supervisor, Economic Supervisor, Head of Economy, and HRD Manager). The analysis

in this study used a descriptive inductive method, and the data was processed using NVIVO 12.

RESULTS AND DISCUSSION

After processing and analyzing the data, the author found that PABS' business unit development strategy is focused on solving the previous problems. PABS experienced problems in HR development, IT, and governance as described. Then PABS tries to create a development strategy in the form of 1) implementing good corporate governance for changes in its management structure, or what is called a social constructionist strategy in SE theory (Kolaković et al., 2018), 2) implementing the use of IT in business unit operations that are integrated with Islamic boarding school management (Santri Link), and 3) explicitly applying ADKAR theory to HR development in the form of training and on-the-job training in professional institutions as a form of relevance of the two previous strategies. This creates a relationship as shown in Figure 1 below:

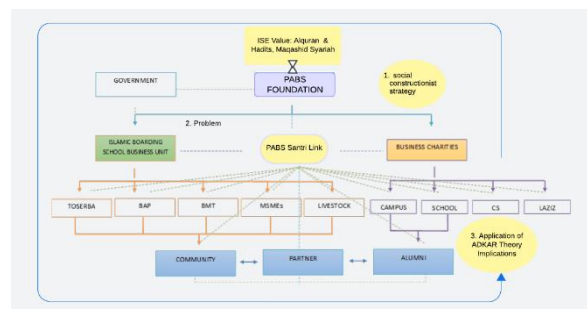


Figure 1. ISE model of the PABS business unit

Based on the results of research and observations in the field, Figure 1 of the ISE model, the author forms according to the flow on the subject of research, following the results of interviews using research questions that have been designed. So there may be slight differences between practice and the model that the author makes. however, from Figure 1 above, the author can explain that: The practice of ISE at PABS is based on the Qur'anic text (QS.

Al-Jumu'ah: 10, QS. Al-An'am: 165, QS. An-Najm: 39, QS. Muhammad: 7, QS. Al-Anbiya': 107, QS. Ar-Ra'du: 11 and QS. Al-Maidah: 2) and the Hadith of the Prophet Muhammad (about helping and lightening the burden of fellow Muslims, one of them narrated by Muslim (2699), and Maqashid Shari'ah: then the results of the interview which the author describes as follows:

RQ 1: Business Development Strategy at PABS its business units through several main strategies: 1) Partnership with the community and alumni, 2) Improving the management structure, including centralization with specific focal points, 3) Digitalisation of operations through IT and the use of e-money by santri-link, 4) Organising Islamic economic training and apprenticeships for Santri, with a focus on regenerating Santri as santripreneurs rahmatan lil'alamin. This strategy is taken from the social constructionist approach as researched by Kolaković *et al.* (2018), which creates innovations to build new social systems that are more collaborative. Building a new, more collaborative social system oriented towards social impact.

RQ 2: Problems faced in the development of Islamic Boarding School business units; Abdussalam Some of the main barriers are 1) Limitations in infrastructure and IT implementation, 2) Lack of skilled human resources and regeneration, 3) Non centralisation of management, 4) Funding and operational issues, 5) This issue reflects a lack of readiness in managerial and operational aspects to support the growth of the business unit.

RQ 3: Activities undertaken to overcome the problems in the PABS business unit, efforts undertaken include 1) Training and internships for Santri and alumni to improve skills, 2) Centralisation and adaptation of the management structure, 3) Collaboration with external institutions for training and development, such as other more professional boarding schools, 4) Regular evaluation and

monitoring to ensure the sustainability of the solution.

In the course of the activities to overcome this problem, indications of the application of the ADKAR theory will be carried out, (Balluck *et al.*, 2020; inc, 2024; Paramitha *et al.*, 2020) such as 1) Awareness: Awareness is created through entrepreneurship training based on Sharia, 2) Desire: Internship program and partnership with alumni motivate HR engagement, 3) Knowledge: Santris are taught entrepreneurial skills through santripreneur rahmatan lil'alamin' curriculum, 4) Skills: The use of IT and e-money and familiarity with the system improves operational skills, 5) Reinforcement: Continuous monitoring and evaluation ensure the sustainability of the implementation.

CONCLUSIONS AND IMPLICATIONS

From the above discussion, this research can conclude that PABS implements ISE with the following three things, namely implementing strategies that focus on social constructs, implementing the use of IT (Santri-Link) in operational business units that are integrated with Islamic Boarding School management and business partners, and human resource development in the form of training and on-the-job training in professional institutions both from the government and other Islamic boarding school as a form of relevance of the two previous policies, applying the ADKAR theory for changes in its management structure, based on the concept of stimulating awareness, increasing desire, deepening knowledge, sharpening ability, and strengthening through evaluation. The implemented ISE model is called the Boarding School Business Holding Model, which is derived from PABS' adaptation of a similar model initiated by Bank Indonesia in general, and specifically integrated by PABS in this study.

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