

Analysis of Kyai's Strategy in Cultivating Entrepreneurship among Students (Case Study at Assunniyah, Madinatul Ulum, and Al Bidayah Islamic Boarding Schools)

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Abstract: Classic problems frequently faced by Islamic boarding schools include time management strategies, effective business implementation, and limited professional human resources. To address these challenges, Islamic boarding schools have made breakthroughs by cultivating entrepreneurship by providing practical skills to students. It is hoped that these skills will provide important provisions for students when they return to society as alumni. This study used a qualitative approach with data collection techniques through observation, in-depth interviews, and documentation. Research subjects were determined by purposive sampling, while data validity was tested through source triangulation. The results show that the main strategies of kyai in cultivating entrepreneurship include providing spiritual motivation, a reward system, skills-based training, and providing a place for direct practice. The positive impacts of this cultivation include increased non-religious knowledge, mastery of life skills, mental strengthening, and the formation of entrepreneurial character. However, several obstacles are encountered, such as difficulty identifying students' intentions in participating in the program, limitations in adapting students' interests, challenges in regeneration when students drop out, and difficulties balancing entrepreneurial activities with religious activities. These findings demonstrate the importance of a visionary and adaptive kyai leadership strategy in building an entrepreneurial ecosystem in the Islamic boarding school environment.

Keywords: Entrepreneurship of Islamic boarding school students, Kyai's strategy, Islamic boarding school

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INTRODUCTION

Indonesia is a large country, rich in all aspects: religion, culture, language, and especially its natural resources. This diversity should be a key asset in driving the nation's growth toward greater progress and independence. However, Indonesia still cannot be categorized as a developed nation and remains a developing nation. This situation gives rise to various complex issues, one of which is the employment issue. Employment issues are crucial and controversial in society (Soleh, 2017). This issue not only impacts individuals but also affects national social and economic stability. To date, Indonesia has not succeeded in overcoming the employment problem, which is far from ideal. This is due to an imbalance between labor supply and demand, with available jobs being smaller than the number of workers. In other words, the demand for labor is lower than the very high supply, and this trend tends to increase year after year.

Based on data from the Central Statistics Agency (BPS), the Open Unemployment Rate (TPT) fluctuates, showing an upward trend over time. In February 2019, the TPT was recorded at 5.01%, meaning there were 6.82 million unemployed people. Then, in August 2019, this figure increased to 5.28%, equivalent to 7.05 million people. Furthermore, in August 2020, the TPT jumped significantly to 7.07%, indicating 9.77 million unemployed people. Although the TPT decreased to 6.49% in August 2021 and again in February 2022 to 5.83%, with 8.40 million unemployed people, this trend still indicates that the overall unemployment rate remains high. Although there has been a decline in the past three years, when compared to 2019 and excluding the pandemic, unemployment in Indonesia still tends to increase (Central Statistics Agency, 2022).

According to data from the East Java Central Statistics Agency, a similar phenomenon is also occurring in other regions, including Jember Regency. The number of unemployed, or the Open Unemployment Rate (TPT) in Jember Regency, has increased significantly from year to year. In 2019, the number of unemployed was recorded at 47,629 people. This figure jumped to 67,448 in 2020. In 2021, the number rose again to 73,020 people, or approximately 5.44% of the total workforce in the region (BPS Jember, 2021). This increase reflects a worrying situation, especially in an area with significant local economic potential.

Based on the above situation, to reduce unemployment, society cannot rely solely on the government as the sole responsible party. Unemployment is no longer a personal issue, but has become a shared problem that must be addressed collectively by all elements of the nation, including the government, the business world, and the general public. One strategic step that can be taken by the community is entrepreneurship. Through entrepreneurial activities, individuals can create jobs, not only for themselves but also for others around them (Maidiyah, 2019). Therefore, entrepreneurship development needs to be part of the national agenda to address employment issues.

The role of entrepreneurs will undoubtedly have a significant impact on economic progress and improvements in Indonesia's economic situation (Kurniawan, 2021). An entrepreneur has the ability to identify and evaluate business opportunities, gather the necessary resources, and take appropriate action to capitalize on them. Entrepreneurship is not merely an economic activity but also part of the process of social transformation and community empowerment. Therefore, the higher the level of entrepreneurship in a nation, the higher its level of economic independence. Therefore, the increasing number

of entrepreneurs is expected to directly contribute to economic growth and stability in Indonesia.

According to David McClelland, a country can prosper if at least 2% of its population is entrepreneurial (McClelland, 1961). This demonstrates the crucial role of entrepreneurs in a nation's progress. The importance of entrepreneurship in society extends beyond its role as a tool for improving personal and social well-being, but it has also been proven to contribute significantly to national well-being. Therefore, systematic and planned transformation efforts are needed by all stakeholders, including the government, educational institutions, and the community, to create a sustainable entrepreneurial ecosystem. In this context, Islamic boarding schools (*pesantren*) are one of the community-based educational institutions with significant potential for fostering an entrepreneurial spirit among students (Sulaeman, 2020).

The word "*pesantren*" comes from the word "*santri*" with the prefix *pe-* and the suffix *-an*, meaning a residence for students. Broadly speaking, a *pesantren* is a traditional Islamic educational institution that has grown and developed within the community. This institution has a dormitory system, where students receive religious education through religious studies or a *madrasah* system. *Pesantren* are generally under the leadership of one or several *kyai* (Islamic scholars) who possess charismatic characteristics and independence in managing all aspects of the *pesantren*, including educational and socio-economic aspects (Dhofier, 2011). The uniqueness of the educational system in *pesantren* makes this institution a potential forum for the development of various aspects of knowledge, including entrepreneurship.

According to data from the Ministry of Religious Affairs, the number of Islamic boarding schools (*pesantren*) in Indonesia has reached 27,722 units spread throughout the country, with the majority located on the island of Java. Meanwhile, the number of students is recorded at 4,175,531. This enormous number demonstrates that Islamic boarding schools are not only centers of religious education but also play a strategic role in human resource development. With such a large potential student population, Islamic boarding schools can serve as a strong foundation for building an entrepreneurial ecosystem based on Islamic values and self-reliance (Ministry of Religious Affairs of the Republic of Indonesia, 2022). This makes Islamic boarding schools ideal targets for economic empowerment programs and life skills training.

Recognizing this significant potential, the Ministry of Industry (Kemenperin) has been providing guidance to a number of Islamic boarding schools (*pesantren*) since 2013 to foster an entrepreneurial spirit among students. To date, the Ministry has provided guidance to 82 Islamic boarding schools and 10,104 students, including seven in the Yogyakarta Special Region (DIY) and Central Java. This training program includes production training, the provision of production facilities and equipment, as well as education on entrepreneurship, access to People's Business Credit (KUR), digital marketing, and business management. Currently, many Islamic boarding schools have successfully met their internal needs through business units and are even able to serve the wider community. Islamic boarding school leaders have successfully fostered and instilled an entrepreneurial spirit in their students (Ministry of Industry, Republic of Indonesia, 2021).

This is crucial because not all graduates or alumni of Islamic boarding schools become kyai (Islamic clerics) or religious leaders. Some students have diverse aspirations and interests, including in non-religious fields. Therefore, equipping students with entrepreneurial skills is a strategic step in preparing them for the diverse world of work. Entrepreneurship education will open up new opportunities for students to develop their potential and actively contribute to economic development, without having to abandon the religious values they acquired at Islamic boarding schools (Mujahidin, 2020).

The leadership of a kyai (Islamic cleric) within an Islamic boarding school (pesantren) is a key factor in the overall development of the school, including its economic development. The kyai has full authority in determining the direction and strategy for the school's development. Therefore, the kyai's personal qualities and leadership vision are crucial for the success of entrepreneurship programs in the school. Within the structure of the Islamic boarding school, the kyai serves not only as a formal leader but also as a role model and spiritual guide for the students. As Sutrisno explains, the kyai is the foundation and most fundamental element in the existence of an Islamic boarding school (Sutrisno, 2018). Therefore, the kyai's influence on the character and entrepreneurial spirit of the students is significant.

Kyai as boarding school leaders have a big responsibility in forming the character and guiding the students, not only in religious aspects, but also in social and economic life. He became a role model, teacher and parent for the students. In carrying out this role, kyai must be able to direct and mobilize students to become independent and competitive individuals. Kartono stated that a good leader is a teacher who can guide, direct and encourage his subordinates to achieve their best potential. Thus, the presence of kyai in Islamic boarding schools is the main pillar in cultivating a strong entrepreneurial character in students (Zamakhsyari Dhofier, 2011).

Entrepreneurial culture is a set of values, attitudes, behaviors, and habits that support the emergence of an entrepreneurial spirit. In Islamic boarding schools (pesantren), this culture develops through an integrated learning process that combines religious aspects with practical skills. The role of the kyai (Islamic scholars) in guiding students is not limited to teaching Islamic values but also encompasses the development of an entrepreneurial mindset. Students are not only taught entrepreneurial theory but also involved in practical activities that provide hands-on experience. The Islamic boarding school lifestyle, which instills the values of independence, sincerity, and simplicity, is fundamental to fostering a strong entrepreneurial spirit. If the kyai's strategies are not appropriate, there is concern that entrepreneurship development in Islamic boarding schools will not be optimal (Sulaeman, 2020).

Through preliminary observations and interviews, researchers found that one of the primary reasons for establishing various types of businesses at the Madinatul Ulum, Assunniah, and Albidayah Islamic Boarding Schools in Jember was to provide skills for students upon graduation. Reality shows that not all students will become kyai (Islamic clerics) or devote themselves to religious affairs. Therefore, entrepreneurial skills are crucial for students' survival in society. This step anticipates the increasingly complex challenges of the times and the increasingly diverse needs of society (Rohman, 2021).

The Kyai at these three Islamic boarding schools not only guide their students in deepening their religious knowledge but also provide opportunities for them to learn

other disciplines relevant to the needs of the times. Various businesses have been established as a means of learning and practicing entrepreneurship, including cooperatives, Hajj and Umrah souvenir shops, printing, radio, mineral water, and animal husbandry. These activities involve both active students and alumni who have returned to the community. The researchers chose these three Islamic boarding schools as research subjects because they have proven successful in implementing entrepreneurship education directly with their students. Uniquely, the profit-sharing system implemented does not include loss-sharing, thus providing a sense of security and encouragement for students to continue learning and developing in the business world (Rohman, 2021).

LITERATURE STUDY

In examining the role of kyai (Islamic religious leaders) in fostering the entrepreneurial spirit of students in Islamic boarding schools (*pesantren*), several key theories are needed to provide a scientific perspective on this phenomenon. One highly relevant theory is Transformational Leadership Theory, which explains that transformational leaders have the ability to inspire, motivate, and facilitate positive change in their followers. This theory was developed by James MacGregor Burns and expanded by Bernard Bass. In the context of Islamic boarding schools, kyai can act as transformational leaders who not only provide direction but also awaken the entrepreneurial spirit of students through values, vision, and role models. Kyai are key actors capable of creating a *pesantren* environment conducive to the growth of innovation and economic independence.

Furthermore, Role Model Theory is also highly relevant for framing the role of kyai (Islamic scholars) in developing the entrepreneurial character of students. This theory states that individuals tend to imitate the behavior, attitudes, and values of figures they respect or consider role models. In the Islamic boarding school tradition, the kyai is a central figure with high moral and spiritual authority. Students look to the kyai as a reference in various aspects of life, including work ethic, responsibility, and risk-taking. Therefore, kyai who demonstrate a commitment to entrepreneurial values will be an effective role model in shaping the entrepreneurial mindset in their students.

Furthermore, the Theory of Planned Behavior developed by Ajzen (1991) provides a strong psychological framework for understanding how entrepreneurial intentions are formed. This theory states that a person's intention to perform a behavior is influenced by three main factors: attitude toward the behavior, subjective norms of the social environment, and perceptions of self-control over the behavior itself. In this context, the kyai, as spiritual and social leaders in Islamic boarding schools, has a significant influence in shaping students' attitudes toward entrepreneurship, creating norms that support entrepreneurial activities, and increasing students' self-confidence in starting a business. Thus, students' entrepreneurial intentions can grow through the interaction between the kyai's influence and the social dynamics of the Islamic boarding school.

The fourth and equally important theory is Cultural Embeddedness Theory, which states that economic practices are always embedded in social, cultural, and local values. As traditional Islamic educational institutions, Islamic boarding schools (*pesantren*) possess distinctive values such as independence, simplicity, sincerity, and collective responsibility, which are integral to the lives of students. In this regard, the kyai (Islamic scholars) play a crucial role as guardians of these values and agents who adapt

the pesantren's cultural values to the demands of the modern economy. Thus, the development of entrepreneurship in Islamic boarding schools is not a neutral endeavor, but rather the result of the inculturation of religious values into economic practices through the leadership of the kyai.

Finally, Spirituality-Based Entrepreneurship Theory provides a conceptual basis for understanding that entrepreneurial activity is motivated not only by economic factors but also by spiritual and religious values. In this theory, entrepreneurship is seen as a form of devotion to God and society, so that profit orientation does not stand alone but is balanced by religious intentions, business ethics, and social responsibility. Islamic boarding schools (pesantren) as Islamic educational institutions have unique characteristics that align closely with this theory, particularly because education in pesantren aims not only to produce intelligent individuals but also pious and independent ones. In this regard, the kyai (Islamic cleric) is the primary driving force in instilling the awareness that entrepreneurship is part of practicing Islamic values in real life.

Referring to these five theories, it can be concluded that the role of kyai in fostering the entrepreneurial spirit of students is not merely technical or managerial, but also an intervention that touches on psychological, spiritual, cultural, and social aspects. The success of cultivating entrepreneurship in Islamic boarding schools is greatly influenced by the quality of the kyai's leadership, exemplary values, and ability to build a business ecosystem based on Islamic values and independence. This theoretical foundation is strengthened by several previous studies that highlight how the role of kyai, the Islamic boarding school education system, and Islamic spiritual values contribute to shaping the entrepreneurial spirit of students.

Siti Afidah, in her thesis entitled "Entrepreneurship of Santri (A Study of the Tegalrejo Magelang Entrepreneurial Islamic Boarding School)" (Afidah, 2018), examined how santri view the concept of entrepreneurship and how the process of internalizing entrepreneurial values takes place in the pesantren environment. This study shows that santri interpret entrepreneurship as the ability to start their own business with the main goal of achieving economic independence. This independence is interpreted as a condition in which santri are able to meet economic needs independently, without relying on others. Afidah also found that the basic capital in entrepreneurship is the courage to act and high spirituality, which are important foundations in running a business. The entrepreneurial spirit of santri is based on the motivation of worship and extensive social contributions to society. The driving factors in entrepreneurial activities include hard work, never giving up, courage to take risks, and the integration of religious values in every business activity. Meanwhile, the main obstacle is the lack of managerial skills and business management. The process of internalizing entrepreneurial values in Islamic boarding schools is carried out through structured entrepreneurship training, the establishment of Islamic boarding school business units, as well as follow-up programs such as internships and spiritualpreneurship activities, one of which is known as "kliwonan" (Afidah, 2018).

Makrifatul Ilmi, in his thesis entitled "Cultivating the Entrepreneurial Spirit of Students Through the Development of a Sharia-Based Entrepreneurial Culture at the Mambaul Hikam Islamic Boarding School (MMH) in Jombang" (Ilmi, 2016), attempts to

answer the question of how developing a sharia-based entrepreneurial culture can foster an entrepreneurial spirit in students, as well as what factors support and hinder this process. This study found that efforts to foster an entrepreneurial spirit were carried out through various training and extracurricular activities focused on productive businesses. Some forms of activities carried out included buying and selling herbal products such as tea and fig trees, as well as craft activities such as sewing and calligraphy. This development was not only oriented towards technical skills, but also instilled sharia values as the main guideline in entrepreneurship. This demonstrates the integration between religious and economic education, where Islamic values become the basis for building the character of students as entrepreneurs. Thus, the entrepreneurial culture implemented at the MMH Islamic Boarding School has been proven to have become an integral part of the education system at the Islamic boarding school (Ilmi, 2016).

In an article titled "Building an Entrepreneurship Tradition in Society," Helisia Margahana and Eko Triyanto explain how entrepreneurial traditions can be formed and preserved in the wider community. This study uses a literature review method to analyze various theories and practices in building an entrepreneurial culture. This research highlights the important role of three main institutions in building an entrepreneurial tradition: family, education, and government. All three have significant contributions in shaping the mindset, attitudes, and skills required of an entrepreneur. The family forms core values, educational institutions provide knowledge and training, and the government provides regulations, incentives, and access to resources. This study provides a strong theoretical perspective that cultivating entrepreneurship is not only an individual's responsibility but needs to be supported by a comprehensive social system (Margahana & Triyanto, 2019).

Lukman Hakim in his research entitled "The Role of Islamic Boarding Schools in Shaping Entrepreneurial Values and Religious Leadership of Students (Case Study at Al Mawaddah Jekulo Kudus Entrepreneurial Boarding School and Shofa Azzahro' Gembong Pati Islamic Boarding School)" (Hakim, 2019), examines how entrepreneurial activities in Islamic boarding schools can shape the character of students who are independent and have religious leadership. The results of the study show that Islamic boarding schools are not only centers of religious learning, but also places for the formation of a strong and adaptive entrepreneurial spirit to the times. Activities such as skills training, dragon fruit cultivation, snack production, and Umrah bureau management are concrete forms of entrepreneurial practice in these Islamic boarding schools. These activities are designed not only to create economic independence, but also to emulate the figure of the Prophet Muhammad as a successful entrepreneur. Islamic boarding schools also modernize their education systems to address global challenges, while strengthening spiritual values in business practices. This study emphasizes that entrepreneurship and leadership developed in Islamic boarding schools can be a strategic medium for forming independent, creative, and communicative students (Hakim, 2019).

These four studies make significant contributions to the growing literature on entrepreneurship in Islamic boarding schools. Theoretically, these studies confirm that the process of cultivating entrepreneurship in Islamic boarding schools requires the integration of religious values and practical skills, as well as systemic support from the Islamic boarding school environment. This research reinforces the assumption that the kyai, as the leader of the Islamic boarding school, plays a strategic role in designing and

implementing entrepreneurship programs that are contextual, adaptive, and tailored to the characteristics of the students. In other words, the success of cultivating entrepreneurship in Islamic boarding schools depends heavily on the kyai's leadership, the learning system, and collaboration between the Islamic boarding school, family, and the surrounding community.

RESEARCH METHOD

A research method is a scientific way to obtain data for a specific purpose and use. Scientific methods mean that research activities are based on scientific characteristics, namely rational, empirical, and systematic. Rational means research conducted using reasonable methods that are acceptable to human reasoning. Empirical means research methods that can be observed by the human senses. Systematic means the process used in research using logical steps.

This research employs a qualitative approach, aimed at presenting and generating accurate data, presented systematically, to uncover the facts. The research uses a case study, exploring a problem related to the cleric's strategy in cultivating entrepreneurship at the As-Sunniah, Madinatul Ulum, and Al-Bidayah Islamic Boarding Schools.

RESULTS AND DISCUSSION

RESULT

Kyai's Strategy in Cultivating Entrepreneurship

Based on the research findings, it is stated that the establishment of various types of businesses at the Assunniah, Madainatul Ulum, and Al Bidayah Islamic Boarding Schools, began with several thoughts and considerations from the caretakers and all the families of the Islamic boarding schools to establish an economic sector for the Islamic boarding school, with the hope of improving the Islamic boarding school economy, improving human resources, so that they become dignified human beings.

There are several efforts undertaken by Islamic boarding schools (kyai) to cultivate the entrepreneurial spirit of their students. In this case, the researcher focuses more on the strategy. Several efforts undertaken by Islamic boarding schools (pesantren) to cultivate entrepreneurship among their students.

First, by providing doctrine and motivation, students are motivated through direct doctrines given by the kiai, which are inserted into the religious studies. There is even one Islamic boarding school that provides a special time to motivate students to become better, including becoming independent individuals without burdening others. By providing doctrine and motivation, it is hoped that students will be motivated to be independent when they return home or leave the Islamic boarding school, become wealthy individuals so that they become sincere people when teaching and become dignified individuals.

Second, in addition to motivating students by instilling or changing their mindset, students are also motivated by giving them rewards. The strategy of praise and rewards is based on positive thinking and applying positive reinforcement. The purpose of giving these rewards is to attract students to join and learn entrepreneurship and aims to strengthen the students' mentality, because when they return to society, they will be faced

with many people, thus requiring a strong mentality. The method used by the kyai is by promising profit sharing if they are able to sell the boarding school's products and promising transportation costs, so that if they are unable to sell the products, the students will not suffer the slightest material loss, only a loss of time, but they will gain an extraordinary experience.

Third, providing entrepreneurship training. According to Veithzal Rivai, one of the benefits of training is that it helps encourage and achieve self-development and self-confidence. Through various business simulations, usually conducted both indoors and outdoors, this training tests courage and responsiveness to the dynamics of environmental change, continuously improving and developing them. The training provided by kyai varies, including those related to production, marketing, digital, and mental strengthening. This training aims to develop the students' self-esteem. Students are required to develop not only their knowledge but also their skills. The expected goal, once they have adequate skills, is at least students can develop creative and innovative thinking and the skills to develop their own businesses someday.

Fourth, practice for students given directly by the kyai or Islamic boarding school. Students are placed in business units owned by the Islamic boarding school, both around the Islamic boarding school and outside the Islamic boarding school or choose according to their interests. This is intended so that students can experience directly how an entrepreneur works, in addition to being intended for the development of self-potential so that students' abilities can be honed both in terms of problem-solving, independence, career planning. This is in accordance with the theory that states that self-development is to provide opportunities for students to develop and express themselves according to their needs, potential, talents, interests, conditions and development, by paying attention to the conditions of the school/madrasah, and specifically self-development aims to support students' education in developing talents, interests, creativity, competence, and skills in religious life, social skills, learning abilities, insight and career planning, problem-solving skills and independence.

After gaining broad insight and being provided with good examples of entrepreneurship, the time will come for students to go directly into the field or into business units. This not only aims to develop their insight, creativity, and innovation, but also serves as a platform for experimentation and to demonstrate their abilities. Students who are given internship opportunities will be given the responsibility of managing the tasks assigned to them.

The Impact of Entrepreneurship Cultivation Among Islamic Boarding School Students

In general, entrepreneurship has a significant impact on various aspects of human life. Entrepreneurship can help alleviate poverty and improve people's well-being. Entrepreneurship provides opportunities for people to start their own businesses. Entrepreneurship also creates numerous job opportunities. Therefore, the spirit of fostering entrepreneurship among Islamic boarding school students has the following impacts:

First, gaining knowledge beyond religious knowledge. In general, especially traditional Islamic boarding schools tend to provide their students with knowledge related to religion, how to be a good servant, devout in worship so that in the end they

can become lovers of Allah. Indeed, this is the main goal of life, but it should not neglect worldly matters, even how someone is able to make the world a field and even be able to preach through non-religious channels such as politics, business and so on. Therefore, with the improvement in Islamic boarding schools that initially only focused on religious or afterlife matters, then began to understand that Islamic boarding schools must also follow the development of the times without eliminating the values of Islamic boarding schools so that formal institutions were established that were able to provide new knowledge that was less related to religious knowledge and even considered less suitable for the world of Islamic boarding schools, such as development science, accounting, screen printing, radio and so on that were modern.

Second, possess life skills. Life skills are the ability to adapt and demonstrate positive behavior that ultimately enables a person to face the demands and challenges of everyday life effectively. Such skills are essential when entering society, especially since no one can guarantee what they will become. Likewise, students, even if they stay at Islamic boarding schools for a long time, when it's time for them to leave, don't know what they will become. They may not necessarily become religious figures. Therefore, knowledge and skills are needed to maintain survival. Therefore, it is very appropriate and wise for Islamic boarding schools to change their curriculum models or add skills that can be provisions when they are later in society.

Third, strengthen your mentality. The working world isn't easy and isn't always smooth sailing. There are bound to be challenges, both small and large. It takes a steely mentality to survive in a stressful and challenging workplace. Training your mental strength and courage from an early age is crucial. Therefore, it's highly appropriate for one of the kyai to directly send his members to seek and offer skills directly to the community. This way, they are trained to strengthen their mentality from the moment they leave the pesantren, so that when they leave, their mental strength will be unquestionable.

Fourth, become an entrepreneur. Being an entrepreneur is very good because it not only allows you to work independently but also creates jobs. The importance of entrepreneurship in society is not only as a "tool" to improve and change the quality of oneself and society, but also proven that entrepreneurship plays a significant role in improving the quality of oneself, society, and the nation. Based on the assumption that not all graduates or graduates of Islamic boarding schools will become clerics or kyai choosing a career in the religious field, other skills such as entrepreneurship education need to be provided to students, before they enter the midst of real society. This is what Islamic boarding schools do as institutions.

Obstacles to Cultivating Entrepreneurship

Broadly speaking, the obstacles faced by kyai (Islamic boarding schools) or Islamic boarding schools (pesantren) in cultivating entrepreneurship are: First, the difficulty in determining the students' intentions in participating in activities. Therefore, kyai or Islamic boarding schools (pesantren) have established regulations that allow students to participate in entrepreneurial activities on the condition that they achieve the required pesantren or diniyah material. If any of these are not achieved, they are removed from the entrepreneurial group.

Second, the difficulty of meeting all the students' interests. Islamic boarding schools with a large number of students naturally require a high level of management, especially in aligning their thinking, as each student has different ideas and aspirations. Therefore, in addition to utilizing existing businesses, kyai also began developing or developing other skills.

Third, the difficulty in finding a replacement if a student has left, because the student will not be at the Islamic boarding school forever, therefore a replacement is needed that is comparable, and whose abilities can even exceed those of the previous one, therefore regeneration and high motivation are needed.

Fourth, lack of balance in activities. This means that students with busy schedules at religious studies and school are required to balance their study with their entrepreneurial endeavors. In religious studies or Islamic schools, there are obligations that must be met, such as memorizing the appropriate texts for the school level, in order to advance to the next grade and graduate on time.

Discussion

The results of this study confirm that the role of kyai as a key actor in cultivating entrepreneurship in Islamic boarding schools aligns with various theories explained in the literature review. The motivational strategies and doctrines provided by kyai through religious study groups align with Transformational Leadership Theory, which states that visionary leaders can influence behavioral change in their followers through inspiration and noble values. Kyai leadership can create a learning atmosphere that emphasizes spiritual values as well as socio-economic awareness.

Furthermore, providing rewards or incentives to students reflects the concept of the Theory of Planned Behavior (Ajzen), which suggests that intention to act is strongly influenced by perceived benefits and social support. The reward and positive reinforcement strategies implemented by Islamic boarding schools strengthen students' entrepreneurial intentions, especially within a supportive social context.

The entrepreneurship training provided by Islamic boarding schools supports Human Capital Theory, which states that investment in education and training can increase individual productivity. The knowledge and skills acquired by students at Islamic boarding schools demonstrate that they are prepared not only spiritually but also professionally. This expands the function of Islamic boarding schools from religious institutions to centers for human resource development.

The hands-on practice provided in business units supports the theory of Cultural Embeddedness, which emphasizes that economic practices are inseparable from social and cultural values. In the context of Islamic boarding schools, entrepreneurial practices become part of religious and social life, not merely economic activities. Economic activity is seen as a medium for worship and da'wah (Islamic outreach), thus fostering an Islamic work ethic and social responsibility.

These findings align with research by Afidah (2018), Ilmi (2016), and Hakim (2019), which demonstrated that entrepreneurship in Islamic boarding schools successfully develops religious, independent, and creative students. However, this study also provides a new contribution by emphasizing the holistic role of the kyai: as a motivator, facilitator, trainer, and regeneration manager. This research demonstrates how

the charismatic role of the kyai extends beyond the spiritual dimension to building the community's economic capacity.

The practical implication of this research is the need for Islamic boarding schools to develop a sustainable entrepreneurial cadre system to ensure the regeneration of entrepreneurs is not disrupted. A mentoring system between generations, documentation of good practices, and regular evaluations can be solutions to ensure the program's sustainability. The theoretical implication is the importance of integrating theories of leadership, motivation, and learning within the context of faith-based education.

For further research, it is recommended to explore the management model of Islamic boarding school businesses in greater depth and examine the effectiveness of digital-based entrepreneurship training for Islamic boarding school students (*santri*) in facing the challenges of the creative economy in the era of the 4.0 industrial revolution. Furthermore, a participatory and interdisciplinary approach involving experts in education, economics, and sociology of Islamic boarding schools could also enrich our understanding of the dynamics of Islamic boarding school-based entrepreneurship.

CONCLUSION

This study reveals that kyai (Islamic religious leaders) play a strategic role in cultivating entrepreneurship within Islamic boarding schools (*pesantren*) through a systematic approach oriented toward strengthening the character and independence of their students. The strategies implemented include providing motivation through religious doctrine, a reward system as positive reinforcement, practice-based entrepreneurship training, and providing a space for actualization through Islamic boarding school business units. These findings enrich the literature on transformational leadership in Islamic education, particularly in the context of fostering an entrepreneurial spirit based on spiritual values.

The impact of this cultural development is evident in the development of non-religious skills among students, the strengthening of life skills, mental resilience, and the emergence of a spiritually-based entrepreneurial spirit. *Pesantren* serve not only as a space for transmitting religious values, but also as a vehicle for developing the economic and social capacities of students to face the realities of modern society. This represents a significant theoretical contribution to the study of Islamic ecopedagogy and community-based contextual learning.

However, this study also identified several obstacles hindering program optimization, such as difficulties in identifying students' genuine motivations, limitations in accommodating diverse interests, challenges in revitalizing entrepreneurs, and an imbalance between academic workload and entrepreneurial activities. These findings highlight the importance of developing an integrative curriculum management that can synergize *diniyah* education and entrepreneurship development in a balanced and sustainable manner.

Practically, the results of this study provide implications for Islamic boarding school administrators, local governments, and other Islamic educational institutions to encourage the integration of values-based entrepreneurship programs into the curriculum and learning activities. Theoretically, this research opens up space for developing

leadership and entrepreneurship concepts within the unique Islamic boarding school setting.

Further research is recommended to further explore collaboration models between Islamic boarding schools and local business actors, as well as to conduct longitudinal studies on the impact of the sustainability of entrepreneurship programs on the economic independence of alumni santri.

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