

## The Institutional Capacity Building of Al-Ittifaqiah Islamic Boarding School Based on Entrepreneurship

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### **Abstract**

This study aims to analyze Islamic boarding schools' institutional capacity building to improve entrepreneurship among students. The method used is mixed. The data were collected through in-depth interviews. Observations are made by observing the daily activities of the boarding school in carrying out its roles and functions. The results of this study indicate that the institutional capacity building is carried out in a long and continuous. Normatively, it is arranged in the vision and mission and practically through various program activities that encourage the implementation of the vision and mission of the Islamic boarding school. Efforts to develop the institutional capacity of the cottage institutions are carried out by developing the ability of life skills, talents and potential based on the conditions and situations of the boarding school and students. Islamic boarding schools also carry out socio-economic adaptations in line with global developments and the digital era.

**Keyword:** *Capacity Building, Islamic Boarding School, Entrepreneurship*

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## **Introduction**

The presence of Islamic boarding schools that have been around for hundreds of years and is an original Indonesian educational institution has its characteristics and roles since its presence and development until now during people's social life. At the beginning of their presence, Islamic boarding schools functioned as institutions to gain religious knowledge. Along with the times, nowadays, Islamic boarding schools do not only function as religious, educational institutions. However, many Islamic boarding schools have developed various curricula other than the religious curriculum.

Islamic boarding schools, with various hopes and predicates placed on them, lead to three main functions: First, as a center of the cadre of religious thinkers (center of excellence). Second, as an institution that prints human resources (human resources). Furthermore, third, as an institution that has the power to empower the community (Bustomi, Umam, & Syari, 2017).

The study of Islamic boarding school entrepreneurship has been studied by previous researchers, including Mawardi et al (2014) regarding social entrepreneurship at the Sidogiri Pasuruan Islamic boarding school. The results of the study show that the social value of social entrepreneurship is reflected in terms of ta'awun (help) such as giving zakat, infaq, sodaqoh, endowments, scholarships for students, bisyaroh and health insurance as well as SHU profit sharing (residual business results). Part of the proceeds is used for social funds to support the operational costs of the Sidogiri Pasuruan Islamic Boarding School in carrying out its da'wah and tafaqquh fiddin programs. Social entrepreneurship education is given implicitly in several subjects and is practiced by social entrepreneurship members (Reginald & Mawardi, 2015)

In addition, Mappaturi et al (2012) examined the application of sustainable development principles to the design of entrepreneur boarding schools. The results of his studies include the application of the three-dimensional principles of sustainable development, strengthening the existence of the Entrepreneur Islamic Boarding School as an educational institution that produces responsible

entrepreneurs. Islamic boarding school building designs apply the principles of sustainable development, and the principles of sustainable development are also used in determining the right location and potential in terms of the availability of natural resources, community conditions, and opportunities for organizing entrepreneurial activities. A wise development process for nature and society, by minimizing the use of heavy equipment, and optimizing the use of natural materials. Implementation of entrepreneur boarding school education with appropriate facilities and activities and upholds the three-dimensional sustainability principle (Annur & Mappaturi, 2001).

Sa'diyah (2010), examines the revitalization of entrepreneurship in Islamic boarding school. The results show that Islamic boarding schools as educational and social institutions need to transfer religious knowledge/Islamic values and are able to play a role in social control. The students need to be equipped with the skills to form soft skills, namely behavior that can maximize the performance of the students through the provision of entrepreneurship training in the Islamic boarding school environment. Adequate entrepreneurial provision accompanied by the willingness and ability to practice, the students will be ready to enter the job market (Wahid & Sa'diyah, 2020).

Meanwhile, Sunarsih (2013) examines the Development of a Sharia-based Entrepreneurial Culture to create entrepreneurs from the students' environment at Islamic boarding schools in Jember district. The results show that students and administrators of Islamic boarding schools who have perseverance, training, and entrepreneurial guidance have the potential to work alone towards success. Santri are encouraged to join with positive-minded people who can guide and inspire. Education and training are needed in developing a sharia-based entrepreneurial culture to create entrepreneurs from the santri environment. This is stated in the module that will be given to the students as guidance material in the second year, in order to better understand and understand the material when education and training are carried out, as well as assistance so that at the end of the second year you can see the success (Sunarsih, Rahmawati, & Qomaruzzaman, 2013)

The study of Islamic boarding schools and entrepreneurship curricula reviewed by Wekke et al (2012) shows that one of the factors considered in the curriculum formation process is the suitability of the environment and educational institutions. The Roudhatul Khuffadz Islamic Boarding School adapts the curriculum to the needs of the environment and the surrounding community. For example, when the environment around a pesantren requires skills in animal husbandry, agriculture and fisheries, Islamic boarding schools accommodate these needs by integrating them into formal education. Patterns of development in the form of curriculum and learning methods (Suardi Wekke, 2012).

This research complements previous research by focusing on Islamic boarding schools' efforts to develop institutional capacity based on entrepreneurship. This is based on the argument that pesantren is not only a place for the transmission and transfer of religious knowledge, but also has a new function as a place to equip students with skills in facing the world of work.

The economic empowerment of the pesantren community is an internal effort usually driven by the leadership of the pesantren to achieve mutual prosperity in a community. Participation members, leaders, students, and even the community around the pesantren environment are mobilized to achieve these goals. In line with the objectives of the pesantren economic model, which illustrates that economic activity is a means to a prosperous life, thinking about economic development is very important. According to Yusuf et al., the pesantren economic model includes 1) replication of techniques for analyzing the economic potential of pesantren, which then gives birth to fields of cultivation or types of business, techniques for recruiting and training experts (production and marketing), 2) replication of managerial application which includes work systems/mechanisms, relationships between units and institutions, as well as evaluation techniques and product quality assurance, 3) replicas of networking techniques, which include network and market expansion techniques (Rokhlinasari, 2014).

Students/santri are the successors of the relay that must be prepared early on. Students are the nation's hope in facing and

preparing for the future of this country. So that students who study at Islamic boarding schools must also be equipped with self-development capabilities, where the institution that oversees them, namely Islamic boarding schools, must take appropriate steps in preparing for this capacity development.

The purpose of this study was to find out the processes and steps that have been taken by the al-Ittifaqiah Indralaya Islamic Boarding School in increasing the capacity and empowerment of Islamic boarding schools through entrepreneurship.

### **Methods**

This type of research is qualitative research used by researchers to collect data about capacity building at Pondok Pesantren al-Ittifaqiah Indralaya. This study used the descriptive qualitative method. Determination of informants is done by the purposive method, where informants have been determined based on specific criteria adapted to the information that researchers will need. This study's participants were students, cooperative employees, teachers, employees, and officials of Islamic boarding schools. This research aims to describe how Islamic boarding schools prepare for capacity building to equip students with an entrepreneurial spirit. Research data were collected through participant observation (participant observation), interviews, and documentation studies.

### **Result and Discussion**

*Capacity building* is an effort made to create a better situation. According to Brown (in Rohdewohld, 2005:11), "capacity development is a process that increases the ability of people, organizations or systems to meet the goals and objectives that have been set." Based on this understanding, capacity building is a process of increasing the ability of people, organizations, or systems to achieve the goals and objectives that have been set. Alma and Lambert define *capacity development* as a collaborative effort with more integrative steps in creating opportunities through organizations/institutions (Prasetyo, Bashori, & Masriani, 2020)

From this understanding, we can conclude that capacity building is a process that aims to improve the ability of a person, institution, or system to achieve its goals. This capacity development is

a learning process that includes individuals, groups, institutions, or systems related to ideas in preparing or surviving situations so that they can adapt to existing changes.

From the above understanding, it can be formulated that the objectives of capacity building include:

*Acceleration.* Acceleration of implementation in the process increases capacity building in processes that are going well so that the objectives can be achieved as planned. *Acceleration* is a step that can improve efficiency, effectiveness, and the responsiveness of the performance of individuals, institutions, organizations, or systems from the performance itself quickly.

*Utilization.* Utilization in using and mobilizing resources effectively and efficiently. The sources in question are natural and human resources within that scope.

#### *The Dimensions of Capacity Development of Al-Ittifaqiah Boarding School*

##### *Structuring (Organizational Structure)*

The theory of organizational dimensions in capacity building, according to Milen that one focus focuses on processes and structures that can affect how organizations assign and assign work intensively. So in institutions, there needs to be an adequate organizational structure (Radyan Danar, Amelia Novita, Prakasa, & Rachman, 2021).

At the Pondok Pesantren al-Ittifaqiah Indralaya, it has gone through stages in perfecting organizational arrangements. This effort is to accelerate the progress of the institution itself. It started from its establishment as a traditional boarding school to becoming an international boarding school as it is today. Pondok Pesantren al-Ittifaqiah Indralaya is the number one best Islamic boarding school in South Sumatra and is in the top 20 influential Islamic boarding schools in Indonesia. The organization's modernization began in 1976 when this period was a song created from its previous status, which changed from a madrasa school to a boarding school.

Now, the Pondok Pesantren al-Ittifaqiah Indralaya experienced a reasonably significant increase in students. The institution needs

to implement a strategy of institutional strengthening in fostering intensive communication with the government, the community, and the media with a commitment to being a neutral and independent organization, not affiliated with any organization or organization. Certain party. Moreover, do something critical by sticking to the pesantren tradition.

In 1999, Pondok Pesantren al-Ittifaqiah Indralaya strengthened its organization by establishing three institutions, namely LESGATRAN (Institution of Arts, Sports, and Skills), LEBAH (Institution of Language), and LEDAPPMAS (Institution of Da'wah and Community Service). Then in 2005, the fields of PUSPAMAYA (Center for Community and Cultural Studies) and PUSDEM (Center for Community Economic Empowerment, Avicenna Institute (Institution engaged in Human Rights and Policy), and in 2010 LEMTATIQUI (Al-Quran Calligraphy Institute) was established, and in 2013 the Research Institute was established, Development and Publishing.

*Fixing (Working Mechanism) of Alittifaqiah Islamic Boarding School*

An institution/organization, of course, in realizing the goal, have a working mechanism—the development of work mechanisms in the context of reforming the organization related to the main tasks and functions. The improvement/work mechanism development can be interpreted as the institution having a good working relationship between sectors within the organization.

*Formulation of Culture Values (Organizational Culture) of Alittifaqiah Islamic Boarding School*

Milen said that institutional capacity development in the dimensions of organizational strengthening is strategy and culture. The relationship between the two shows the need for direction on one aspect: achieving practical goals by developing an organizational culture system with leadership, communication, and value systems strategies (Danar et al., 2021).

From the data analysis, Pondok Pesantren al-Ittifaqiah Indralaya is a modern Islamic boarding school with a combination of Khalaf and salaf types. The institution applies a formal education system that is classical and tiered with a selected state curriculum and applies a traditional education system, namely using classical books such

as Nahwu (Matan Jurumiah, Kawakib Durriah, and Qothrun Nada), Fiqh (Safinatun Najah, Bajuri, and Panatut Tholibin), Tafsir (Jalalain and Sofwatut Tafasir) by maintaining the bandongan and sorogan methods as applied by salaf lodges. Special times are prepared in some evenings and evenings for programs to strengthen mastery of state curriculum subjects (courses) and classical books (takhossus, muthola'ah and mudzakaroh).

Pondok Pesantren al-Ittifaqiah Indralaya makes al-Quran education a hallmark and excellent program, both from the ability to read, memorize, read the sciences, and understand and practice the teachings of the Qur'an. In addition, Arabic and English education are crown programs, so students are required to communicate in these two languages daily. The education process at Pondok Pesantren al-Ittifaqiah Indralaya uses a complete and integrated education system. It consists of intellectual intelligence (intellectual quotient), emotional intelligence (emotional quotient), spiritual intelligence (spiritual quotient), competitive intelligence (adversity quotient), social intelligence (social quotient), and creativity & productivity. The intelligence (creativity & productivity quotient) is used to teach students to be good Muslims. Good Muslims always have a desire to know and apply their knowledge. They have integrity, can work together, be responsible for the environment (to master the local), and in the end, have a deep awareness that the universe is the creation of the Almighty Creator (to know God's creation).

The education program and system described earlier is an effort to strengthen three essential components in students, namely remembrance (heart), thought (head), and charity/skilled (hand). The goal is to form santri to become human beings with solid faith and piety, noble character, love of the homeland, highly knowledgeable, broad-minded, skilled, independent-minded, ready to become guides and leaders of the people and spread grace.

#### *Budget System of Alittifaqiah Islamic Boarding School*

Kaho stated that the task of institutional autonomy is influenced by several factors, one of which is that finances must be sufficient and suitable. In the institutional capacity development program at Pondok Pesantren al-Ittifaqiah Indralaya, a budget allocation is



needed to support the implementation of all organizational activities. Following the World Bank theory, which emphasizes capacity-building attention to the focus of the organizational environment that leads to financial and budgetary support in realizing all activities and organizational needs (Kaho, 1991). According to the research results at the Pondok Pesantren al-Ittifaqiah Indralaya, the budget system is not only collected from the monthly fees of students but is also met from other sources. Other sources include results from processing agricultural lands such as rice, palm oil, and rubber, fisheries, and cattle and chicken farming.

The sources of the budget system come from cooperatives, minimarkets, canteens, pharmacies, and citronella cultivation. In the future, business development plans to meet the agency's budget needs include optimizing and improving livestock (cattle, chicken, fish), expanding plantations (palm, rubber, rice), and opening new minimarket branches. In addition to upgrading and optimizing existing ones, plans will add new business units, including brick and paving block printing, wedding equipment rental, restaurant opening, building shop opening, vegetable land clearing, swallow nest making, goat farming, construction apartments, hotels and malls, construction of futsal fields and swimming pools, the establishment of Islamic banks and establishment of gas stations.

*Facilities and infrastructure of Alittifaqiah Islamic Boarding School*  
According to Kaho, regarding the factors that influence institutional autonomy, one is good enough equipment needed for creating a good organization, such as office equipment, communication tools, transportation equipment, and others (Kaho, 1991). The development of infrastructure facilities is implemented periodically by Pondok Pesantren al-Ittifaqiah Indralaya. Pondok Pesantren al-Ittifaqiah Indralaya has 5 campuses with the main campus located on Jl. East Cross KM.36 Indralaya. Campus B is near the Indralaya market and is used as a Madrasah Ibtidaiyah campus. In 2009, Pondok Pesantren al-Ittifaqiah Indralaya received 4 ha of waqf land. Then the land is now used as campus D specifically for male students. Campus C was used in 2010 specifically for Islamic Kindergarten and MA Putri students. As well as campus E in Lecah Muara Enim

Pondok Pesantren al-Ittifaqiah Indralaya has adequate educational facilities, including many multi-story learning buildings, mosques, libraries, headquarters, dormitories equipped with adequate facilities (MCK, electricity, and others.), multimedia study rooms, laboratories (language, computers, science), health and sports centers, soup kitchens, laundry, and others. Pondok Pesantren al-Ittifaqiah Indralaya also manages plantations such as oil palm, rubber, rice fields, and fisheries.

*Standard Operating Procedure (Work Procedure) of Alittifaqiah Islamic Boarding School*

Standard Operating Procedures (SOPs) are work procedures that are written in detail step by step systematically from routine work. This SOP is very influential in an institution in minimizing work errors. Pondok Pesantren al-Ittifaqiah Indralaya applies a curriculum designed to be implemented with national and international standards. The national standard curriculum includes the cottage curriculum and madrasas that follow national standards. International standard curriculum with TOEFL and TOAFL 450 standard Arabic and English curriculum is suitable for study abroad. Pondok Pesantren al-Ittifaqiah Indralaya also applies the AJEL Plus learning system (Active, Joyful, Effective, Quality, and Responsible). The SOP for Pondok Pesantren al-Ittifaqiah Indralaya also has an active website, constantly updating the latest information and programs that anyone can access online.

*The Factors Affecting Capacity Development in Pondok Pesantren Al-Ittifaqiah Indralaya*

*Shared Commitment*

Milen revealed (Radyan Danar et al., 2021) that one of them is that capacity building takes a long time and requires a long-term commitment from all parties involved (An organization/institution must have a collective commitment because this is closely related to every part of the institution in developing its capacity. Pondok Pesantren al-Ittifaqiah Indralaya carries out a shared commitment in every activity and decision. This commitment to advancing the pesantren can be seen from the leaders' hard work involving every existing stakeholder. The division tasks are distributed evenly and are also a form of togetherness commitment carried out by

individuals in the Al-Ittifaqiah Islamic Boarding School Indralaya.

### *Leadership*

Leaders with a conducive leadership role and spirit in the context of achieving the goals and sustainability of the organization are critical. With the spirit of leadership, a leader can make appropriate and fast decisions in managing all organizational affairs to realize the development of qualified institutional capacity. The leadership relay of the Al-Ittifaqiah Islamic Boarding School Indralaya began in 1918 until now. Every leader in Pondok Pesantren al-Ittifaqiah Indralaya every year always experiences increasing results. It can be seen from the growing and an increasing number of students who study here. The developments carried out are also not left behind with the demands of the times.

The leaders always considered the needs of the Pondok Pesantren al-Ittifaqiah Indralaya in the modern era and developed even better. Of course, this must have a role in the success of the leader with high and consistent integrity. If the leader is not visionary, the relay and the institution's development will be hampered, retreat and even disband.

### *Regulatory Reform*

Regulations made by an institution related to regulations in achieving sustainable capacity development must be prepared systematically. With this regulation, the division of leading tasks and functions will run well and not overlap.

Educational institutions ranging from kindergarten to tertiary institutions at Pondok Pesantren al-Ittifaqiah Indralaya have regulations. In addition to formal educational institutions, study institutions within the scope of the Al-Ittifaqiah Islamic Boarding School Indralaya also have their own rules. Fear of overlapping regulations is a threat to achieving the institution's capacity-building goals if it is not accompanied by clarity of rules made without coordination above.

### *Institutional Reform*

Institutional reform refers to an institution's conducive atmosphere and culture in implementing programs to realize the goals to be

achieved. Institutional reform refers to two things, structural and cultural, where each of these aspects must be managed in such a way and tandem. Pondok Pesantren al-Ittifaqiah Indralaya was originally a Madrasa. It was only in 1976 that it turned into a model institution of a boarding school. The status of Islamic boarding schools requires institutions to meet requirements, including the availability of dormitories, students, mosques, and kyai. In institutional reform, the leadership of the Pondok Pesantren al-Ittifaqiah Indralaya also invited potential students who had just finished their education at well-known campuses (Fatchurrohman; Ruwandi, 2018).

#### *Strengths and Weaknesses*

Identifying the weaknesses and strengths in an institution so that it is structured by the institutional strengthening and development program serves as the first step in determining the next steps. With the identification of weaknesses, they can be easily overcome and repaired. Identification of strengths also serves so that strengths can be maintained and improved again. Pondok Pesantren al-Ittifaqiah Indralaya, as a boarding school, certainly has weaknesses, including budget. Many students are from the lower middle class, so it is impossible if the entire cost is charged to the students. So, in this case, the Pondok Pesantren al-Ittifaqiah Indralaya has entrepreneurship programs such as land use for agriculture, plantations, and fisheries, as well as other entrepreneurial programs such as minimarkets, laundry, canteens, and others.

#### *The Efforts to Strengthen Islamic Boarding Schools Ability Development*

The essence of an education system is to prepare the next generation to realize the expected and valuable potential in the present and future life. Education is a means for the younger generation to get life skills in the hope that students can use these abilities when directly involved in the community. The success of education can be seen in how students can transform what has been learned and understood in the Islamic boarding school. Another capability that must be developed is the capacity development of the teachers, employees, and coaches at the Islamic boarding school itself.

As a socio-religious and social institution, Islamic boarding

schools have a multi-functional role. The three main roles of pesantren include functions as religious institutions, educational institutions, and community development institutions. It's just that, the reality of the different institutional capacities of Islamic boarding schools causes the character of independence that is built to vary according to the processes and capabilities possessed by each Islamic boarding school (Fauroni, 2016).

In developing capabilities, Pondok Pesantren al-Ittifaqiah Indralaya applies cottage-based and national-based education. The Pondok Alittifaqiah develop two kinds of education 1) formal education and 2) non-formal education. The kind of non-formal education was memorization Quran, art training, and intensive Arabic and English. The students also learn "Kitab kuning" Friday sermon training, sports arts education, executive education, management, entrepreneurship, accounting, and health.

Pondok Pesantren al-Ittifaqiah Indralaya also develops the ability of educators to teach. The programs include strengthening academic competence, pedagogy, and teaching methods through education and training and postgraduate and doctoral scholarships, strengthening competence and education administration, and implementing the Egypt al-Azhar class program.

#### *Skill Development of the students*

Students who study at Islamic Boarding Schools are students who are still teenagers. In these times, teenagers experience emotional turmoil and always try to show their identity. If they are not guided properly, it is feared that deviations and delinquency will occur, which they will highlight in their daily lives. In this case, a mentor is needed who has a significant role in providing personal skills services that aim to help develop his skills.

The skills development carried out by the Pondok Pesantren al-Ittifaqiah Indralaya for its students includes the establishment of an al-Quran e-learning center, the establishment of a TOAFL and TOEFL center, the establishment of a center for Islamic economics, zakat, and international Arabic in collaboration with Sudan, the establishment of a cooperation architecture center. With Sriwijaya and Sudan Universities, it established an Islamic bank in cooperation

with the Middle East and UIN Raden Fatah, adding foreign language courses and strengthening al-Ittifaqiah publishers to improve students' writing skills.

#### *Potential Development*

Potential is an ability of a person/institution that has something that can be developed. The capacity building of individuals in Islamic boarding schools who are involved in the capacity-building process is significant to carry out their duties and roles to the fullest. Pondok Pesantren al-Ittifaqiah Indralaya is developing potential, especially in the natural and human resources field. Such as land that is used as a location for cattle farming, fisheries, oil palm plantations, and rubber and rice fields. In addition, there are other potentials because the Pondok Pesantren al-Ittifaqiah Indralaya is located on the side of the central axis road. The potential that can be developed according to the institution's design includes gas stations, additional minimarket units, lodging, hotels, and others.

The resources of the Alittifaqiah Islamic boarding school have the potential to be developed and managed professionally so that they have added value to the pesantren. One strategy that can be pursued is to increase the role of pesantren cooperatives. As the results of Sulaiman's research (2018) show that the strategy of pesantren cooperatives in empowering the Santri economy is very important to improve institutional management, membership, finance, cooperation and agribusiness development in business groups to improve welfare for pesantren, Santri and the community (Sulaiman, Chusmeru, & Masrukin, 2018)

#### *Talent Development*

Talent has three dimensions, namely perceptual, psychomotor, and intellectual. The perceptual dimension includes the ability to hold perceptions which include the factors of sensory sensitivity, attention, space orientation, time orientation, the breadth of the perception area, the speed of perception, and others. The psychomotor dimension includes six factors: strength, impulse, speed of movement, accuracy, coordination, and flexibility. Talent is a gift that God has given to his creatures that should be grateful for and developed as a form of gratitude. (Ma'mur, 2012).

Pondok Pesantren al-Ittifaqiah Indralaya plays a role in presenting various activities to develop student's talents. Among others, in the field of religion, such as memorizing the Qur'an, the art of reading the Qur'an, studying, and deepening the yellow book, upgrading Islamic femininity, upgrading da'wah, da'wah safaris, and upgrading world ideologies and the Iqro method. In general talent development, among others, foreign language speech courses and training (Arabic, English, Japanese, Persian, and French), arts and sports training (calligraphy, qasidah, drama, decoration, silat, football, futsal, takraw, volleyball, badminton, table tennis, swimming), skills education (computers, sewing, weaving, embroidery, screen printing, block printing), executive education, management, entrepreneurship, accounting, health, press/journalism, and scouts.

To develop students' talents, efforts are needed to open containers and facilities to increase students' talents. One way is to develop an entrepreneurship curriculum in Islamic boarding schools. Such as the results of research on Islamic boarding schools whose results suggest compiling a curriculum for Islamic boarding schools that accommodates the formation of new entrepreneurs who are reliable and uphold ethics. It is hoped that this curriculum can be implemented so that Islamic boarding schools are not only religious educational institutions but also educational institutions that prepare superior and independent human resources. So that Koppontren's performance can be improved when it is managed by human resources who have excellence and independence (Sujianto, 2012).

#### *Student Entrepreneurship*

Islamic boarding schools are technically a place inhabited by students. This shows the importance of the characteristics of Islamic boarding schools as an integrated educational environment. The boarding school education system is the same as the system used by military academies; for example, characterized by the presence of a veranda building, where one can take experience integrally (Wahid & Sa'diyah, 2020).

Islamic boarding schools are responsible for developing and empowering students in all fields, including in the economic

field (Nadzir, 2015). In its economic activities, Pondok Pesantren al-Ittifaqiah Indralaya involves not only the institutional structure but also the human resources in it, such as students, teachers, and employees.

Entrepreneurship in Islamic boarding schools can be carried out with special superior programs, curricular, extracurricular, and non-curricular pathways. Entrepreneurial activities can have an economic impact and life skills on the students. The problems that arise from entrepreneurial activities in Islamic boarding schools come from human resources, technology, and management. To overcome this problem, pesantren can continuously coordinate with related parties (stakeholders) and try to improve their entrepreneurial management. (Fatchurrohman; Ruwandi, 2018).

#### *The Islamic Boarding School Strategy for Overcoming Challenges Globalization Challenge*

The era of globalization presents a new face in the social interactions of modern society. Pesantren must be able to produce a generation with well-established resources that can compete fiercely on the global stage. Therefore, Islamic boarding schools must be able to face the era of globalization, which at first was a challenge and an obstacle that became a golden opportunity for the development of Indonesian society. Of course, pesantren must process and change according to the global community's needs by not leaving old traditions that are still considered good (Jamaluddin, 2012). It means that Islamic boarding schools are expected to be able to bring the existing generation into a generation that can face global challenges but does not forget to make religious values the primary guide in moving forward.

In the field of entrepreneurship, Pondok Pesantren al-Ittifaqiah Indralaya provides provisions for students to develop capacity, one of which is in the field of entrepreneurship. Provisions provided and implemented include students participating in entrepreneurship activities in the Islamic boarding school environment, such as opening stands, filling booths, boarding cooperatives, and others. Not only students, teachers, employees, and even the general public are also involved in these activities.



### *Economic Challenges*

In the process of achieving economic independence, Islamic boarding schools face various challenges. Among them are still administrators who do not understand managing the assets given by the community in the form of zakat, infaq, and shodaqoh. Public trust is not balanced with the ability to manage these economic resources. In facing these challenges, entrepreneurship should be an option that must be developed and trained so that the management of these assets can be carried out optimally in the future.

Pondok Pesantren al-Ittifaqiah Indralaya uses the land to face economic challenges by processing these lands into productive land and continuously increasing every year. Activities in the use of the land include oil palm plantations, rubber plantations, rice fields, fisheries, and cattle breeding. These programs are already running, and the land that is managed will be further improved in the future. From the land management, it is hoped that the economic independence of the pesantren can be realized. In addition, businesses such as minimarkets, laundry, canteens, and Taylors are already running. It plans to open gas stations, hotels, and Islamic banks in the future.

Islamic boarding schools basically have the function of increasing the nation's intelligence, both knowledge, skills, and morals. However, it is the function of moral control and religious knowledge that has been attached to the Islamic boarding school education system. This function has also led Islamic boarding schools to become important institutions that are eyed by all levels of society in facing the advancement of science and the swift flow of information in the digitalization era. Moreover, the advancement of knowledge in modern society has had a major impact on shifting religious, cultural and moral values (Hassan, 2015).

### *The Challenge of Digitization*

Islamic boarding schools increase the nation's intelligence in knowledge, skills, and morals. However, the function of moral control and religious knowledge has been attached to the boarding school education system. This function has also led Islamic boarding schools to become important institutions that are glimpsed by all

circles of society in the face of scientific progress and the rapid flow of information in the era of digitalization. Moreover, the advancement of knowledge in modern society significantly impacts the shift in religious, cultural, and moral values (Jamaluddin, 2012).

Islamic boarding schools are also faced with the growth and development of technology that continues to develop. Fast information services connected to the virtual world cannot be dammed. Changes in people's mindsets are also experiencing a shift. The shift raises the stigma within the pesantren to be able to adapt to social changes in society. The emergence of modern Islamic boarding schools is part of how to adopt current technological changes. The presence of modern pesantren is a response to adopting virtual education, which means learning Islam together. This slogan is exciting and, following the current situation, populist, egalitarian, and shares experiences without being patronizing (Aziz, H. & Taja, 2016).

Pondok Pesantren al-Ittifaqiah Indralaya has implemented various provisions for its students to enter the post-education digitalization era in Islamic boarding schools. Programs that have been running include study rooms with multimedia systems, computer laboratories, radios, and pens.

### **Conclusion**

In conclusion of this research, we propose that the institutional capacity building is carried out in a long and continuous. Based on discussion above, it is arranged in the vision and mission and practically through various program activities that encourage the implementation of the vision and mission of the Islamic boarding school. Efforts to develop the institutional capacity of the cottage institutions are carried out by developing the ability of life skills, talents and potential based on the conditions and situations of the boarding school and students. Islamic boarding schools also carry out socio-economic adaptations in line with global developments and the digital era.

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