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KIAI LEADERSHIP IN EMPOWERING THE INDEPENDENT ENTERPRISES OF PESANTREN

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Abstract

This study aims to analyze the role of Kiai leadership in empowering independent businesses at two pesantren: Al Azhar Pesantren in Balikpapan and Salsabila Pesantren in Samarinda. The main focus of this research is to examine how Kiai leadership influences the management and development of independent businesses at both pesantren, as well as the factors that support the success of these ventures. The research method employed is a qualitative approach with in-depth interviews and participatory observation techniques. Data were collected from the Kiai, independent business managers, and students (santri) at both pesantren. The results show that Kiai leadership significantly influences strategic decision-making, motivation, and the entrepreneurial culture applied in the independent businesses of the pesantren. Leadership based on values of independence, role modeling, and individual empowerment plays a key role in developing independent businesses that contribute to improving the welfare of the pesantren and its students. Furthermore, this study also finds that support from the surrounding community and cooperation with various stakeholders contribute to the success of the independent businesses. Therefore, Kiai leadership can be seen as an important factor in optimizing the resource potential of the pesantren and realizing economic independence within the pesantren environment.

Keywords: Kiai Leadership, Empowerment, Independent, Pesantren

1. Introduction

Becoming an institution that is can maintaining its existence and respond to the developments of the times is the hope of every organization. To realize these hopes and

ideals, every institution or organization requires a leader. Wankel and Stoner state that, to help a community or group achieve its aspirations, a leader is needed—someone who can contribute to this process¹. Robbins also points out that the ability to influence the direction of a community's work to achieve its goals is the essential role² of leadership.

In several of his works, Stoner mentions that leadership is the process of giving direction and influencing the work of groups to ensure that their activities align with the achievement of a vision³. Yulk asserts that leadership is the interpretation of a formulation, signs, behavior, impact, and mutual influence within a work activity. The core task and main role of a leader is to influence and direct every available resource toward achieving the goals of the organization or group they lead⁴.

All efforts made by a leader to direct others can be effectively carried out by engaging in active dialogue and building relationships with individuals. Therefore, communication is a key element in a leader's efforts to perform their duties. Griffin and Moorhead explain that the exchange of information and mutual understanding between two or more parties define communication as a social process ⁵. Coulter and Stephen P. Robbins believe that good communication leads to mutual understanding among members of an organization. In this context, communication is not merely about transmitting information; more importantly, it must also be accompanied by understanding ⁶.

According to Stoner and Wankel, there are two reasons why communication is so important for a leader. First, communication is the process that runs the functions of planning, organizing, actuating, and evaluation⁷. Second, communication is an activity of exchanging information that takes up much of a manager's time. Barnard states, "The failure to implement a wise communication strategy can eliminate the possibility of adopting certain objectives within an organizational framework⁸. Implementing good communication techniques will create a stable environment." This statement emphasizes how crucial communication is for a leader.

An ideal leader is embodied in all the characteristics and actions of the Prophet Muhammad SAW, namely: *siddiq, amanah, fathonah*, and *tabligh*. The essence of great leadership is to inform accurately and truthfully, not to conceal what has been entrusted to be conveyed. It is hoped that this will be reflected in the communication process to achieve transparent and ideal leadership.

¹ Stephen P. Robbins, David A. Decenzo, and Mary Coulter, "Fundamentals of Management Essential Concepts and Aplications," Eighth, 8 Th (United States of America: Pearson, 2013).

² James A.F Stoner and Charles Wankel, "Manajemen," in *Alih Bahasa: H. Buchari Zainun*, Edisi Ketiga (Jakarta Indonesia: Penerbit s.n., 1990).

³ Richard B. Robinson John A. Pearce, *Manajemen Strategis (Formulasi, Implementasi, Dan Pengendalian)* (Malang: Salemba Empat, 2013).

⁴ Amstrong Kotler, *Dasar-Dasar Pemasaran. Terjemahan Sindiro. A Edisi Bahasa Indonesia* (Jakarta: Gramedia Pustaka Utama, 2003).

⁵ Peter F Drucker, *Management*, 2nd ed. (Harper Collins e Book, 1999).

⁶ Geertz Clifford, The Javanese Kijaji: The Changing of Culture Broker, Comparatif Studies in Society and History, 2nd ed. (Cambridge University Press, 1960).

⁷ William R Tracey, *The Human Resources Glossary*, 3rd ed. (London, United Kingdom: Taylor & Francis Ltd, 2004).

⁸ Robert L. Mathis and John H. Jackson, *Human Resource Management*, 13th ed. (Boston, Massachusetts, Amerika: Cengage Learning, 2010).

As stated in the Qur'an, Surah An-Nisa, verse 639:

ٱولَبِكَ الَّذِيْنَ يَعْلَمُ اللهُ مَا فِيْ قُلُوْبِهِمْ فَاَعْرِضْ عَنْهُمْ وَعِظْهُمْ وَقُلْ لَمُّمْ فِيْ انْفُسِهِمْ قَوْلًا ، بَلِيْغَا

"These are the people whom Allah knows what is in their hearts. Therefore, turn away from them, admonish them, and speak to them words that will be imprinted on their souls".

Pesantren, as an educational institution led by Kiai, has long contributed to education in Indonesia. Today, Kiai, as leaders, are expected to transform into figures capable of accommodating the community's needs for quality pesantren education. This is similar to what was achieved by the companions during the time of the Khulafaur Rashidin, who experienced rapid progress marked by advancements in various fields, such as territorial expansion, military defense, naval fleet development, the establishment of the Baitul Mal institution, the construction of places of worship, the compilation of the Quran, the standardization of the Quranic script, the development of knowledge, and more. All of these accomplishments were closely linked to the application of effective communication with the public¹⁰.

In facing the dynamic developments of the times and the increasing complexity of societal demands, pesantren requires leaders (Kiai) who actively participate in reforms, including the empowerment of independent businesses (pesantren enterprises). This process needs to be gradual, well-planned, and supported by several strategies to achieve improvements in both national and global civilizations. Considering the increasingly dynamic current situation, pesantren, in addition to its role as a producer of religious cadres, must also prepare religious cadres who are ready to compete and contribute to the ongoing changes of the era.

The Law No. 18 of 2019 on Pesantren¹¹ relates to the recognition and protection of pesantren in Indonesia. This law regulates various aspects of pesantren, including the rights and obligations of pesantren, and provides a legal foundation for the development of pesantren as educational and religious institutions. It emphasizes that the law addresses several important aspects of pesantren, outlining both their rights and obligations. By doing so, it ensures that pesantren are legally supported and can function effectively as both educational and religious institutions. The law serves as a legal framework to guide the development of these institutions, which have long been a cornerstone of Islamic education in Indonesia. To analyze further, one could explore how this law impacts the management, funding, and curriculum development of pesantren, as well as the balance it seeks to maintain between religious practices and formal education. Additionally, the law might also affect the interaction between pesantren and the Indonesian government, particularly in terms of regulatory oversight, funding, and aligning with national education standards.

A deeper examination of the Law on Pesantren shows in purpose is to ensure the implementation and existence of programs in pesantren as institutions for da'wah, education, and community empowerment, with recognition, affirmation, and facilitation for pesantren. In this law, the leadership of Kiai is crucial, as their positioning and role are central to the sustainability of pesantren in the future.

⁹ Departemen Agama RI, Alqur'an Dan Terjemah (Bandung, Indonesia: Jabal, 2020).

¹⁰ Hasan Langgulung, Berbagai Pemikiran Tentang Pendidikan Islam (Bandung: Al Maarif, 1962).

¹¹ Indonesia, "Undang-Undang (UU) Nomor 18 Tahun 2019 Tentang Pesantren," 2019.

Article 5, paragraph 2 of the Law on Pesantren states that pesantren are expected to meet certain elements, such as having Kiai, santri (students), a dormitory or asrama, a mosque or musalla, and the study of classical Islamic texts for traditional pesantren and Islamic studies for modern pesantren with a Mu'allimin curriculum. Then, Article 9, paragraph 2 explicitly states that the Kiai referred to is the highest leader of the pesantren, expected to reflect the attitude of the caretaker and serve as a role model in implementing the pesantren system.

Historically, leadership is recognized as the key to the success of an organization. As reported by Belumberg, leadership holds a significant place in the process and existence of an organization, supporting the sustainability of the institution or organization. This view is supported by Christina P, who mentions that leadership will have an impact and bring challenges due to the movement toward the goals of the organization, whether positive or negative. Furthermore, Christina¹² elaborates that cooperation between the leader and the organs within the organization is important to provide balance to the concerns caused by leadership felt by subordinates ¹³.

Several studies have shown empirical phenomena about leadership, as revealed by Kusmawati Rini¹⁴, who stated that the leadership process will be conducive to employees and subordinates within an organization if the following five elements can be implemented: first, the ability to identify the position of a good leader; second, the ability to analyze the competencies and potential of subordinates; third, the ability to implement a managerial system, such as human resource management (HRM); fourth, the ability to evaluate comprehensively the programs and performance of subordinates.

Pesantren is an Islamic educational institution in Indonesia that offers religious, moral, and academic education to santri (students). The education in pesantren includes Islamic subjects, Arabic language, and general knowledge such as mathematics and science. The educational system in pesantren is usually based on classical Islamic texts and Islamic scholarly traditions.

Some characteristics of pesantren include: Dormitories, where santri live in dormitories called "pondok." They study and reside at the pesantren for a certain period, and their daily lives are closely related to religious activities and education. Religious Curriculum, pesantren focuses on Islamic education. Santri study the Quran, Hadith, Tafsir (interpretation of the Quran), Fiqh (Islamic law), Aqidah (Islamic theology), and other Islamic subjects. Arabic Language, most pesantren use Arabic as the medium of instruction for Islamic subjects. Therefore, santri typically study Arabic as part of the curriculum. Teachers or Kiai, pesantren are led by respected teachers called "Kiai." Kiai play a crucial role in guiding santri, teaching, and leading religious activities at the pesantren. Islamic Scholarly Tradition, pesantren often have a strong Islamic scholarly tradition and use teaching methods derived from classical Islamic traditions. Pesantren plays an essential role in preserving and promoting Islamic values and culture in Indonesia. While many pesantren maintain classical traditions, some also integrate modern general education into their curriculum to provide santri with a broader understanding.

 ¹² Gary A. Yukl, *Leadership in Organizations* (Upper Saddle River, New Jersey, Amerika: Prentice Hall, 1998).
¹³ Joseph C. Santora, "Book Review: A Force for Change: How Leadership Differs from Management,"

Journal of Management 17, no. 1 (March 1, 1991): 218–218, https://doi.org/10.1177/014920639101700115. ¹⁴ Nida F.L.K, Intervensi Teori Perkembangan Moral Lawrence Kohlberg Dalam Dinamika Pendidikan Karakter. Edukasia: Jurnal Penelitian Pendidikan Islam, 1st ed., 2013.

As stated in the Law on Pesantren No. 18 of 2019, pesantren serves as an institution for community empowerment aimed at improving the welfare of the pesantren community. The implementation of community empowerment in pesantren involves human resource readiness with skills and active participation in development. In this regard, the development of pesantren and its independent businesses is a suitable choice because pesantren has the potential for both tangible and intangible empowerment. By utilizing these potentials, pesantren can achieve its independence through Kiai leadership, leveraging communication, power, and authority in building and empowering pesantren's independent businesses ¹⁵.

Based on the above discussions, the researcher has selected two sites for the research. These two sites are the Al Azhar Modern Pesantren in Balikpapan. The Al Azhar Modern Pesantren is an Islamic educational institution located on Mulawarman Street, RT 41 Teritip, Balikpapan Timur, East Kalimantan. This Islamic educational institution is under the auspices of the Al Azhar Foundation of Balikpapan.

The Al Azhar Modern Pesantren was founded by KH. Muntasam Abdullah and Nyai Hj. Robi'atul Adawiyah on Friday, 1st Ramadan 1433 H / July 20, 2012, located on Mulawarman Street RT 41 Teritip, occupying an area of about 5 hectares, donated and gifted by KH. Muntasam Abdullah and Nyai Hj. Robi'atul Adawiyah.

Subsequently, preliminary research was conducted at Pesantren Salsabila in Samarinda. This pesantren is an independent Islamic educational institution, not affiliated with any political party. It is democratic and open to all groups. Pesantren Salsabila Samarinda was founded in 2012 by KH. Mukhamad Ilyasin. Its educational management strives to balance intellectual and spiritual education. This pesantren has an integrated system, as seen in the integration of its educational institutions, such as Pesantren, SMP Plus Salsabila, and PIAUD Salsabila. The integration at Pesantren Salsabila is also evident in what they refer to as the "educational trilogy," which blends school education, family, and the community environment.

Pesantren Salsabila is an institution that shapes future cadres of the ummah based on values of independence, simplicity, Islamic brotherhood (ukhuwah islamiyah), and free thinking and behavior grounded in the Quran and Hadith. The preliminary research also found that to ensure its independence, this educational institution in Samarinda has established several business units, including an Islamic travel business, PT. Salsabila Global Wisata, a cooperative, and a canteen managed by teacher families to support their independence.

Earlier studies on leadership and independent businesses at pesantren have been conducted by Imam Syafii from UINSA Surabaya, titled *Kepemimpinan Kiai dalam Pengembangan Pendidikan Entrepreneurship di Pesantren Sunan Drajat Lamongan*. Moh. Ali Aziz from UINSA Surabaya also conducted a study titled *Kepemimpinan Kiai: Pola Kepemimpinan Kiai di Pesantren Mahasiswa Surabaya*. Another relevant study by Khusniyah Nur Indrawati, titled *Management by Inspiration: Implementation of Transformational Leadership on Business at Pesantren Sunan Drajat*, focuses on similar themes.

Imam Syafii has also conducted research similar to the study this researcher will undertake. His study is titled *Modeling Kepemimpinan Kiai dalam Membentuk Santri Mandiri di Era 4.0.* In addition, research related to independent pesantren businesses has been conducted by several researchers, such as Rofik, whose study is titled *Pemberdayaan*

¹⁵ Wayne Hoy and Cecil Miskel -, "Educational Administration: Theory, Research, and Practice" (New York, United State of America: McGraw-Hill Companies, Incorporated, 1988).

Pesantren: Menuju Kemandirian dan Profesionalisme Santri dengan Metode Daurah Kebudayaan. Another relevant study by Mustadi from UINSA Surabaya focuses on pesantren independence in Sidogiri, titled Internalisasi Nilai-nilai Pengembangan Wirausaha: Studi pada Pesantren Sidogiri Pasuruan. Abdul Jalil from UINSA also researched Spiritual Leadership Entrepreneurship: A Study of the Transformation of Entrepreneurial Spirituality in Kudus. Nor Ahmadi's research from UINSA covers Pesantren dan Pengembangan Wirausaha: Peran Pesantren Sidogiri dalam Menetak Wirausaha Muda Mandiri¹⁶.

Based on these previous studies, it can be identified that there are similarities between the current research and earlier studies, particularly in discussing Kiai leadership and independent businesses in pesantren. However, differences can be found, especially in the research background, research sites, and the main and sub-themes chosen. Most of the earlier studies were conducted in pesantren located on Java Island. Furthermore, there are differences in research methods, data collection instruments, data analysis, and data conclusions. Therefore, the recognition of this research can be elaborated on in the research process.

Based on philosophical, historical, theoretical, and empirical facts regarding Kiai leadership in empowering pesantren's independent businesses, this research, titled Kiai Leadership In Empowering The Independent Enterprises Of Pesantren, piques the researcher's interest for further study.

2. Literature Review Kiai Leadership

A leader is someone who has the ability to lead, guide, and direct individuals or groups toward a specific goal. Leaders can be found in various contexts, including organizations, government, society, or even within personal spheres. The traits and leadership styles may vary depending on the situation, culture, and values upheld by the leader ¹⁷.

Leadership is often the focus of discussions among management experts. Hemphill and Coons, as cited by Gary Yukl¹⁸, define leadership as an individual's behavior that directs group activities toward achieving common goals. Meanwhile, Mangunharjana in Effendi states that the term "leadership" comes from the word "pemimpin" (leader), which is known in English as "leader," derived from the verb "to lead." This word encompasses interconnected meanings, such as moving ahead, leading, setting an example, taking the first step, as well as influencing and guiding others through action and influence.

Kartini Kartono¹⁹ views leadership as a relationship and influence between the leader and their followers. Leadership develops as a result of the interaction between the leader and the individuals they lead (an interpersonal relationship). The function of leadership is reflected in the leader's ability to invite, influence, and motivate others to take action in order to achieve a specific goal. Thus, a leader exists within the context of a group, organization, or community, and their existence is connected to the group, followers, or society they lead.

¹⁶ Badrut Tamam, "Reorientasi Pendanaan Pendidikan Dalam Membangun Mutu Sekolah," *Misykat Al-Anwar Jurnal Kajian Islam Dan Masyarakat* 1, no. 2 (July 31, 2018): 44–57, https://doi.org/10.24853/ma.1.2.44-57.

¹⁷ Stephen P. Robbins and Mary Coulter, *Management*, 14th ed. (Harlow: Pearson Education, 2018). 555

¹⁸ Dasep Suryanto, *Effective Leadership Communication* (Gramedia Pustaka Utama, 2019).

¹⁹ Kartini Kartono, Pemimpin dan kepemimpinan: apakah pemimpin abnormal itu ? (RajaGrafindo Persada, 1998).

Leadership in Islam is not merely understood as a form of power or dominance, but more profoundly, it involves moral and spiritual responsibility. In this context, leadership is not only the ability to lead others, but also an amanah (trust) that must be executed with justice and wisdom, in accordance with the values taught in Islam. Etymologically, the term "leadership" in Arabic is associated with several words that carry deep meanings, such as Khilafah, Imamah²⁰, and Imarah, which describe the capacity to lead, the quality of leadership, and the actions involved in leading.

Terminologically, leadership in Islam can be understood as the ability to guide others towards achieving certain agreed-upon objectives. In this view, leadership is not just about control over individuals or groups, but more about the effort to transform the potential within each individual into a reality that benefits society²¹. A leader in Islam plays a very important role, not only in worldly affairs but also in the spiritual and moral context, because a leader in Islam must be able to serve as an example and role model for their community.

In Islamic tradition, terms such as ulil amri, imam, and malik are frequently used to refer to a leader ²². Ulil amri refers to someone who is given the authority to govern and lead the society, whether in matters of government, social affairs, or religion. Imam refers to a leader who is followed in religious matters, both in worship and in daily life, while malik is more commonly used to refer to a king or ruler who governs a region or nation.

In Islam, every individual, whether male or female ²³, has a leadership role in their life. This aligns with the saying of Prophet Muhammad SAW, as narrated by Bukhari and Muslim: "Each of you is a leader and will be asked about your leadership." This hadith indicates that every individual is responsible for their leadership role, whether as the head of a family, a leader in society, or on a larger scale, as a leader of a nation or state. This leadership is not only worldly but also has a spiritual dimension, where every action of the leader will be accountable before Allah SWT.

Empowerment of Independent Businesses

Empowerment of independent businesses is a concept that emphasizes efforts to provide support and resources to individuals or groups so that they can develop their businesses independently²⁴. This approach aims to enhance the economic and social independence of the community²⁵, as well as provide opportunities for them to become financially self-sufficient.

The empowerment of independent businesses involves several strategic steps, including:

1. Education and Training: Providing education and training to individuals or groups in various skills required to manage and develop their businesses. This may include

²⁰ H. Hadari Nawawi, Kepemimpinan menurut Islam (Gadjah Mada University Press, 2001).

²¹ Umiarso Umiarso, Kepemimpinan Transformasional Profetik Kajian Paradigmatik Ontos Integralistik Di Lembaga Pendidikan Islam (Kencana, 2018).

²² Neng Dara Affiah, Islam, Kepemimpinan Perempuan, dan Seksualitas (Yayasan Pustaka Obor Indonesia, 2017).

²³ Imam; Moedjiono, Kepemimpinan Dan Keorganisasian: Oleh Imam Moedjiono (UII Press, 2002), //10.170.10.3%2Findex.php%3Fp%3Dshow_detail%26id%3D12090.

²⁴ Dr H. Zainuddin Mustapa H Drs , S. Psi, M. Si, M. and Dr Maryadi M.M S. E., *KEPEMIMPINAN PELAYAN : Dimensi Baru Dalam Kepemimpinan* (Celebes Media Perkasa, n.d.).

²⁵ Dr Mhd Syahdan Lubis Syahdan, Kepemimpinan Spiritual KIAI: Menguak Tabir Kepemimpinan Kiai di Pondok Pesantren Musthafawiyah Purba dan Pondok Pesantren Al Jamaliyah Raso (umsu press, 2024).

training in financial management, marketing, and technical skills relevant to the type of business being operated²⁶.

- 2. Access to Resources: Ensuring adequate access to resources such as capital, equipment, and infrastructure necessary to run the business. This can involve offering loans, capital assistance, or other facilities to help start or develop a business²⁷.
- 3. Technical Support: Offering technical support and consultancy to help individuals or groups overcome the challenges they may face in running their businesses. This support can include marketing, operational management, and improving the quality of products or services²⁸.
- 4. Building Networks and Partnerships: Encouraging the formation of networks and partnerships between independent business owners, the government, financial institutions, and the private sector. These partnerships can expand business opportunities, increase market access, and provide further support in various aspects of business operations²⁹.
- 5. Social Empowerment: Promoting the creation of an environment that supports social empowerment, where individuals or groups feel they have control and a significant contribution to economic and social development in their communities³⁰.

The empowerment of independent businesses not only involves economic aspects but also encompasses social and psychological dimensions. By providing comprehensive support, it is hoped that individuals or groups can overcome obstacles and achieve sustainable growth³¹.

Pesantren (Islamic boarding schools) are educational institutions that have existed for a long time and play a very important role in shaping the character of Muslims, particularly in religious, social, and cultural aspects. However, the challenges faced by pesantren today are not only related to education and da'wah (preaching), but also to economic sustainability. The continuity of pesantren heavily depends on sufficient financial resources, as most pesantren in Indonesia still rely on donations from the community, the government, or external donors. Therefore, empowering independent businesses within pesantren has become a very relevant solution to strengthen the economic resilience of pesantren while supporting the vision of independent and sustainable education³².

Independent businesses in pesantren are efforts by the pesantren to develop their existing potential to create sources of income that can support the operational costs of the pesantren, as well as improve the quality of education and the welfare of the students (santri). This empowerment not only focuses on economic aspects but also includes

²⁶ Dr Maryam Dunggio Maryam ST, *Strategi Pemberdayaan Koperasi: Integrasi Modal Sosial Dan Modal Intelektual* (Deepublish, 2004).

²⁷ Romi Aqmal Roqmal, *Strategi Pengembangan Pendidikan Kewirausahaan Di Pondok Pesantren* (Penerbit Adab, 2017).

²⁸ Dr Sarwenda Sarwenda, *Kemandirian dan Sikap Entrepreneurship Santri di Pesantren* (Publica Indonesia Utama, 2009).

²⁹ Moedjiono, Kepemimpinan Dan Keorganisasian.

³⁰ Ajid Thohir, Mulyana, and Ucep Hermawan, Kyai dan Pendidikan Kewirausahaan: Membangun Ekonomi Masyarakat Perkotaan (Gunung Djati Publishing, 2024).

³¹ Affiah, Islam, Kepemimpinan Perempuan, dan Seksualitas.

³² Badrut Tamam and Akhmad Muadin, "Implementasi Edupreuneurship Dalam Pembentukan Karakter Sekolah Unggul," *Ulumuna: Jurnal Studi Keislaman* 5, no. 1 (June 10, 2019): 13–21, https://doi.org/10.36420/ju.v5i1.3521.

social and spiritual dimensions that will shape the mindset of the santri in facing the challenges of the ever-developing world.

3. Research Method

This study uses a qualitative approach with a case study design to examine Kiai Leadership In Empowering The Independent Enterprises Of Pesantren. A case study approach was selected as it allows for an in-depth exploration of how the leadership of Kiai empowers independent businesses at these pesantren. This design provides an opportunity to uncover specific practices, challenges (Jones, 2022; Welch et al., 2022), and the overall impact of Kiai leadership on the development of independent pesantren businesses at both institutions.

The research locations were chosen as representative examples of pesantren striving for self sufficiency. The selection of Al Azhar Modern Pesantren in Balikpapan and Salsabila Pesantren in Samarinda is expected to offer valuable insights into the role of Kiai leadership in the pesantren's independent businesses, within both academic and social contexts.

The sources of information for this research include key informants such as the Kiai as the pesantren leader, the vice leader, teachers, and managers of business units, as well as santri directly involved in the Kiai's leadership in the pesantren's efforts for self-sufficiency. In-depth interviews were conducted with them to explore the role of Kiai leadership in the pesantren's self-sufficiency efforts. Additionally, secondary data were collected through document studies, including the policies implemented by the Kiai in managing the pesantren's independent business units.

The data collection techniques used in this study are interviews, observation, and documentation. In-depth interviews provide specific and comprehensive information to the researchers about how Kiai leadership is understood and implemented in pesantren's independent businesses. Direct observation of business activities, discussions, and the involvement of business unit managers and other santri allows the researchers to gain insights into how Kiai leadership is practiced in these independent businesses. Documentation techniques were also used to collect various relevant documents, such as Kiai policies, business unit lists, financial reports, and other financial references that reflect the characteristics of Kiai leadership.

The data collected were analyzed through three main stages. The first stage is data condensation, where the researchers filtered and focused on relevant data from interviews, observations, and documentation. This process enabled the researchers to select important information while excluding irrelevant data. The next step involved presenting the selected data in the form of descriptive narratives, tables, or diagrams to facilitate understanding and further analysis. Finally, in the conclusion drawing and verification stage, the researchers synthesized the findings and verified the results by discussing them further with informants and re-examining the collected data to ensure the accuracy and validity of the research conclusions.

4. Finding and Discussion

The findings of this study highlight the crucial role of Kiai leadership in fostering the growth of independent businesses within pesantren. The leadership demonstrated by the Kiai in both Pondok Pesantren Al Azhar Balikpapan and Pondok Pesantren Salsabila Samarinda adheres to the principles of trustworthiness (*amanab*), justice (*keadilan*), and social responsibility (*tanggung jawab sosial*), which align with Islamic values. This kind of leadership not only aims at economic empowerment but also ensures that the initiatives serve broader social goals.

One of the key results of this leadership is the transformation of the pesantren from being solely reliant on external financial support to a more autonomous institution. Through strategic planning and the application of entrepreneurial skills, the Kiai have led their institutions to financial sustainability. The businesses established at these pesantren contribute significantly to the operational costs of the institutions, reducing their dependency on donations or external funding.

In addition, the economic empowerment through independent businesses provides the santri with entrepreneurial skills that are beneficial both for the pesantren and the wider community. These skills equip students with knowledge that they can apply in various sectors, thus enhancing their personal growth and future employment prospects.

The socio-economic impact is evident not only in terms of financial stability but also in terms of creating a stronger connection between the pesantren and the local community. By establishing businesses that are deeply integrated into the local economic structure, the pesantren serve as an active agent of social change. The jobs and skills generated by these businesses help to address local economic needs, while also contributing to the broader Islamic mission of the pesantren.

Furthermore, the sustainability of both the pesantren's educational and da'wah activities is significantly bolstered by the profits generated through the independent businesses. These profits enable the pesantren to invest in educational infrastructure, resources, and the development of new programs, thereby ensuring the continued relevance of the pesantren's teachings and outreach efforts. The strong social ties fostered between the pesantren and the local community also result in more collaborative efforts and mutual support in carrying out educational and religious activities.

In this study, the role of Kiai leadership in designing, managing, and developing independent businesses at Pondok Pesantren Al Azhar Balikpapan and Pondok Pesantren Salsabila Samarinda has been discussed in depth. Both pesantren demonstrate that visionary leadership, based on Islamic values such as trustworthiness, justice, and social responsibility, can create sustainable independent businesses that have a positive impact on the pesantren, students (santri), and the surrounding community.

The Kiai at both pesantren play a strategic role in designing and managing independent businesses aimed at empowering the economic strength of the pesantren. Through a participatory and transformational approach, the Kiai have successfully inspired students and staff to actively participate in business activities that lead to the economic independence of the pesantren. This empowerment not only benefits the pesantren financially but also provides valuable entrepreneurial skills for the students, preparing them for their future careers.

The impact of Kiai leadership on the independent businesses of the pesantren is significant. At both pesantren, the independent businesses that have been developed have been able to increase the income of the pesantren, strengthen the economic independence of the pesantren, and create job opportunities and skills for the students. Furthermore, these independent businesses also contribute to the sustainability of educational and da'wah (Islamic outreach) activities, as well as strengthen social ties between the pesantren and the surrounding community.

5. Conclusion

In this study, the role of Kiai leadership in designing, managing, and developing independent businesses at Pondok Pesantren Al Azhar Balikpapan and Pondok Pesantren Salsabila Samarinda was thoroughly examined. These two pesantren demonstrate that visionary leadership based on Islamic values, such as trustworthiness (*amanah*), justice (*keadilan*), and social responsibility (*tanggung jawab sosial*), can create sustainable independent businesses that have a positive impact on the pesantren, students (*santri*), and the surrounding community.

The Kiai in both pesantren play a strategic role in the design and management of independent businesses that focus on empowering the economic sustainability of the pesantren. Through a participatory and transformational approach, the Kiai have successfully inspired students and staff to actively engage in business activities aimed at achieving economic independence for the pesantren. This empowerment not only benefits the pesantren financially but also provides valuable entrepreneurial skills to the students, preparing them for their future careers.

The impact of Kiai leadership on the independent businesses at the pesantren is significant. In both pesantren, the independent businesses that have developed are capable of increasing the income of the pesantren, strengthening its economic independence, and creating job opportunities and skills for the students. Furthermore, these independent businesses contribute to the sustainability of educational and da'wah (Islamic outreach) activities, while also fostering stronger social bonds between the pesantren and the surrounding community.

This study highlights the important role of Kiai leadership in fostering the growth of independent businesses at Pondok Pesantren Al Azhar Balikpapan and Pondok Pesantren Salsabila Samarinda. Both pesantren exemplify how leadership grounded in Islamic values, particularly those of trustworthiness, justice, and social responsibility, can lead to the creation of sustainable and impactful businesses. The visionary leadership of the Kiai has enabled the pesantren to reduce their dependency on external financial support by creating their own income-generating businesses. These businesses contribute significantly to the economic sustainability of the pesantren, ensuring that they remain independent and able to continue their educational and religious missions.

The Kiai at both institutions have adopted a participatory and transformational approach to leadership. By involving students and staff in the management and operation of the businesses, they have created an inclusive environment that promotes active engagement and entrepreneurship. This approach not only strengthens the financial position of the pesantren but also provides students with practical entrepreneurial skills, preparing them for future employment opportunities.

The results of the leadership approach are evident in the significant impact on both the pesantren and the wider community. The independent businesses have increased the income of the pesantren, making them financially self-sufficient. In addition, these businesses provide students with job opportunities and valuable skills that they can apply in their future endeavors. Beyond economic benefits, these businesses contribute to the sustainability of the pesantren's educational activities and da'wah efforts, ensuring that the pesantren continues to fulfill its social and religious mission. Moreover, the independent businesses strengthen the social ties between the pesantren and the surrounding community. By creating local employment and involving the community in their activities, the pesantren has become a key player in local economic development and social cohesion. These efforts align with the broader Islamic principles of social responsibility, and they demonstrate how pesantren can play a crucial role in the economic and social empowerment of their communities.

In conclusion, the Kiai leadership at Pondok Pesantren Al Azhar Balikpapan and Pondok Pesantren Salsabila Samarinda serves as a model for how Islamic values can be integrated into business management and leadership to create sustainable, self-sufficient institutions. The impact of these independent businesses is multifaceted, benefiting not only the pesantren but also the students, staff, and local communities. The positive outcomes of this leadership approach highlight the potential for pesantren to contribute significantly to both the economic and social well-being of their surrounding areas.

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