

Dynamic Capability Pesantren Entrepreneur

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ABSTRACT

The dynamic capabilities approach examines how organizations build and maintain their competitive position in situations of rapid and unpredictable organizational change. Teece (2008) states that the dynamic capability component involved in shaping (not just adjusting) the environment is an entrepreneurial characteristic. This means that an organization with strong dynamic capabilities is highly entrepreneurial. Where they not only adapt the business ecosystem, but also shape it through innovation and collaboration with other organizations or companies and institutions. Based on the background and several studies from the literature that the author reviewed, and the model contained in Figure 1 in this research report, the authors are interested in conducting a study of dynamic capabilities in relation to how to realize and develop entrepreneurship-based pesantren, or in this paper it is called as a pesantrenpreneur. A new concept that can be developed into a new theory about how pesantrenpreneurs are developed through dynamic capabilities. Furthermore, this study brings theoretical implications and directions for future research.

Keywords: Dynamic Capabilities, Pesantrenpreneur

INTRODUCTION

Pesantren is known as popular's name the Islamic Boarding School is a very big pillar in building the Republic of Indonesia. The role and contribution of pesantren is very large, since the republic was founded until now. It is undeniable, however, that the impression of "slanted" is bad in the community. Among them, the term pesantren as a shabby, slum, rural, old-fashioned boarding house, unclear future, not advanced, not prospective, unproductive, unwilling to accept change, and other "tilted" terms such as, for example: pesantren graduates can only understand religion only. Of course, not all pesantren are like that. Then, what is happening in the pesantren world today?

The rush of information and demands for economic acceleration have made some Islamic boarding schools (pesantren) have changed their orientation, vision, mission and educational targets. Pesantren is not only a religious educational institution (tafaqquh fi-din), but has led to economic development and entrepreneurship (tafaqquh fi-tijarah), where boarding schools

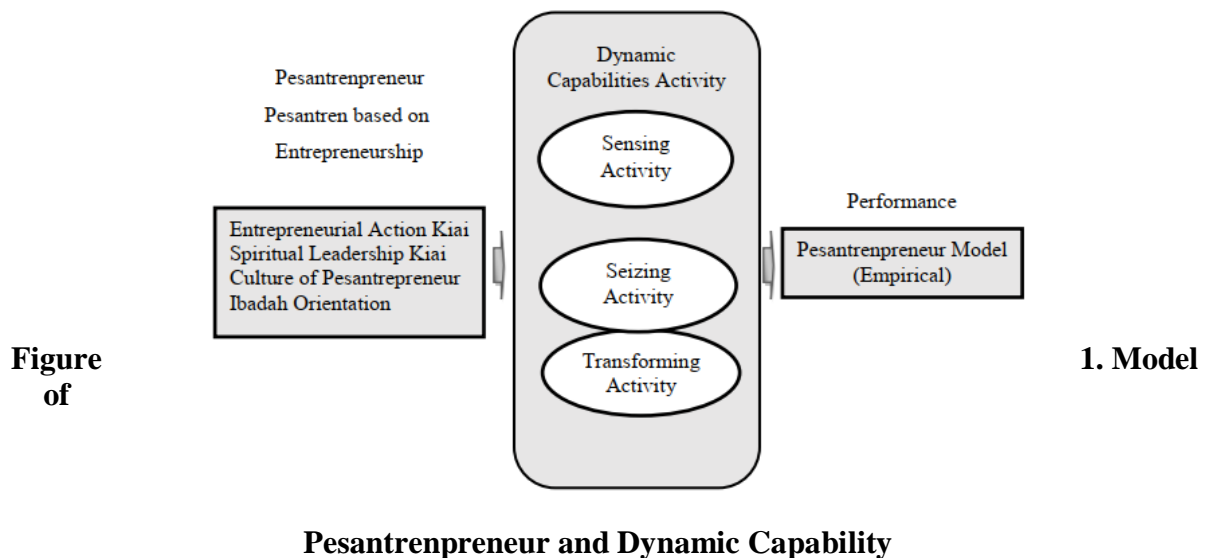
not only teach students to understand religious knowledge, but also educate students to become entrepreneurs. Reflecting on history, that the Prophet Muhammad besides being a prophet and apostle, he was also an entrepreneur abroad. That also makes the motivation that students should also be educated to trade to become entrepreneurs as a provision for the future (Setiawan, 2018).

In Indonesia, Pesantren or Islamic boarding schools that educate and teach their students about entrepreneurship have started to emerge. Among them is the Al-Ittifaq Ciwedey Islamic Boarding School, Bandung, West Java, the pesantren is developing the entrepreneurship business sector in the vegetable sector. The caregiver is KH. Fuad Affandi (wartaekonomi.co.id, accessed on 7/11/2020). In East Java, there is the Sunan Derajat Lamongan Islamic Boarding School, this pesantren is one of the entrepreneurial boarding schools that involves its students in developing the mineral water, table salt and fertilizer production sectors for agriculture. The caregiver is KH. Abdul Ghofur (jawapos.com, accessed on 7/11/2020). Of course, there are many other entrepreneurship-oriented Islamic boarding schools.

The presence of an entrepreneurial-oriented boarding school is certainly very encouraging. In addition to answering the accusations of "tilt" above, of course, these pesantren have been able to answer the needs of the community as well as become a new model in the world of pesantren today. Making it happen is certainly not easy, it takes courage and a dynamic ability to think and act. Dynamic capabilities according to Teece, et. al (1994) is a firm's ability to adapt its resources to create value in a rapidly changing environment. Given the entrepreneurship sector is not common in the world and the traditions (culture) of Islamic boarding schools. In a study conducted by Heaton, et. al (2019), they see the relevance of dynamic capabilities as a framework for thinking about how long-term strategic leadership in a university encourages the campus climate to become an entrepreneurial campus. In other words, without dynamic capabilities universities will be in a mediocre position, and see no opportunity to create value for their institutions.

In line with the research of Zahra, et.al (2006) who conducted a study on entrepreneurship and dynamic capabilities. Where researchers see the importance of entrepreneurship as a conception in developing companies that are supported by dynamic capabilities. More interestingly, dynamic capabilities has to do with learning organization in an innovative and proactive context. As explained in the research by Handrimurtjahjo & Kuncoro (2012), it provides information that an organization can build dynamic capabilities through various levels of organizational learning in the context of an innovative and proactive atmosphere.

Ningsih, et.al (2012) also in their article that brought the topic of dynamic capabilities in resource-based SMEs, explained that one of the factors that influence the development of SMEs in fish and shrimp cracker processing centers in Indramayu is (1) determining the strategy, (2) carry out production, (3) carry out R&D and innovation, and (4) carry out marketing. The dynamic capabilities approach examines how organizations build and maintain their competitive position in situations of rapid and unpredictable organizational change. Teece (2008) states that the dynamic capability component involved in shaping (not just adjusting) the environment is an entrepreneurial characteristic. This means that an organization with strong dynamic capabilities is highly entrepreneurial. Where they not only adapt the business ecosystem, but also shape it through innovation and collaboration with other organizations or companies and institutions.



Based on the background and several studies from the literature that the author reviewed, and the model in Figure 1 above, through this paper, the author is interested in conducting a study of dynamic capabilities in relation to how to realize and develop entrepreneurship-based pesantren, or in writing. This is known as pesantrenpreneur. A new concept that can be developed into a new theory about how pesantrenpreneurs are developed through dynamic capabilities. Furthermore, this study brings theoretical implications and directions for future research.

LITERATURE REVIEW

The Definition of Entrepreneurship

Entrepreneurship as in the sense that is often raised by a management expert was expressed by an American economist, Schumpeter. Where entrepreneurship according to (Hult, 2003), is an important thing in economic development. Schumpeter makes a distinction between entrepreneurship as a function and entrepreneurship as a person. An entrepreneur can be someone who creates innovation and becomes an independent entrepreneur. Furthermore, the set of innovations created by entrepreneurs is virtually unlimited, including the development of new products/services, new distribution channels or the reorganization of the entire industry (Birkinshaw, 2000 in Hult et al 2003).

Entrepreneurship as a function refers to a disturbance in the balance within a firm (or economy) caused by the creation and application of new combinations of resources. Levels of entrepreneurship also vary across organizations. For example, firms pursuing a “prospector” strategy, on average, combine more resources than firms pursuing a “defender” strategy (Miles & Snow, 1978). Over time, the organization develops an entrepreneurship orientation that blends into its culture. Some organizations pay more attention to entrepreneurship than others, and this affects their orientation towards other competitive factors such as innovativeness, customers and markets, and learning.

Entrepreneurial-Based Islamic Boarding School (Pesantren)

Before giving an overview of what an entrepreneurship-based pesantren looks like, the author tries to present a brief history of pesantren in Indonesia. Pesantren comes from "pesantri-an" which means a place for students. A place for students to study religion and general knowledge. In addition, pesantren is a unique institution, different from other

institutions. A distinctive institution that is inherent and has a very strong influence in efforts to empower and educate the nation. His journey has been passed down from one generation to the next.

Pesantren grow naturally and never stop. As part of the community, pesantren has main elements, namely: Kiai, santri, mosques, huts, and the yellow book (the classical book) has become its own sub-culture. Although the currents of modernization and globalization continue to hit, the existence of pesantren still survives until now. The history of Islamic educational institutions in Indonesia has had its ups and downs. The ups and downs started from the entry of Islam into Indonesia until now. Among educational institutions in Indonesia, pesantren is the oldest education and is considered the result of a long historical process. Its influence is very strong especially in rural communities.

Since the colonial period, pesantren has become an alternative to education, in addition to the Western education system. In fact, at that time the pesantren education model became a matter of pride. We are proud that the pesantren education system not only provides knowledge and sharpens the brain, but also forms a moral personality. In the last decade of the 19th century, the Dutch colonial government introduced a colonial education system. This education system was only intended for a small group of people, especially the aristocrats, not for pesantren, which at that time were mostly located in suburban areas. The situation that makes the pesantren practice the doctrine of the santri and the surrounding environment. The doctrine of jihad to fight against the invaders, made the Islamic boarding school not only a center for people's education, but also a symbol of resistance to the colonial government.

Entering the era of independence, the pesantren education system was required to follow the curriculum of the national education system, but in the end it did not work. Along with development programs in Indonesia, Islamic boarding schools with their independent character are experiencing rapid development. Islamic boarding schools are not only transformed as people's educational institutions, but also as houses of change and community development. Since the New Order era, many pesantren organizations have sprung up whose orientation is focused on the social, religious and educational fields. The establishment of formal educational institutions in Islamic boarding schools is intended to meet human and scientific needs. Pesantren can play various potential roles. Pesantren has a high level of integrity in society, as well as a moral reference (reference of morality). The era of the reform order until now pesantren has experienced a shift. Starting from the phenomenon of emerging boarding schools that focus on entrepreneurial efforts. Pesantren equip students with entrepreneurship whose orientation is to empower the economics of students in order to answer the demands and needs of the times. In Indonesia, many pesantren have sprung up.

The pesantren model is formed according to the wishes of the kiai and the needs of the community. That's what makes pesantren a model of education that still survives. Entrepreneurship-based boarding school or what is known as an entrepreneurial boarding school is a boarding school that not only teaches religious knowledge, but also teaches and educates students to become entrepreneurs by involving students in managing businesses at the pesantren. This is as in the research conducted by Zakki, et. al (2016) in a preneur boarding school in East Java, where Zakki discussed the relationship of the kiai's leadership as a leader and its relation to the performance of santri as human resources (HR) or employees in companies developed by the pesantren. Among the entrepreneurial boarding schools in his research, there are three Islamic boarding schools, the first is the Sunan Drajat Islamic Boarding School Lamongan, the second is the Alam Bumi Al-Quran Islamic Boarding School Jombang and the third is the Mukmin Mandiri Islamic Boarding School in Sidoarjo. These Islamic boarding schools in addition to teaching students religious knowledge also teach entrepreneurship in the field of agro-industry and agribusiness. Even

the santri in the pesantren get incentives (salaries) from the results of the efforts carried out by the pesantren or Islamic Boarding School.

Dynamic Capability

Dynamic capabilities are the driving force behind the creation, evolution, and recombination of other sources into new sources of competitive advantage (Hederson and Cockburn, 1994; Teece et al., 1997). According to Eisenhard, the definition of dynamic capabilities is the company's process of using resources, specifically the process of integrating, reconfiguring, retrieving and releasing resources to match and create market changes.

Dynamic capabilities are often categorized as special and unique processes that emerged from the history of sole proprietorships (Teece et al., 1997). Dynamic capabilities refer to the company's capability to integrate, develop and rearrange internal and external competencies in a rapidly changing environment (Teece et al, 1997). To define how effectively dynamic capabilities affect competitive advantage, several researchers have examined operational mechanisms. For example, dynamic capabilities can be technical knowledge related to the existing knowledge base during the evolution of their business and technical operating models that dynamically enhance existing activities (Zollo & Winter, 2002).

Related Previous Research

Below is presented previous research that is relevant to the topic discussed, however, the researcher tries to focus on the context of dynamic capabilities and pesantrenpreneur. The research conducted by Paolo Boccardelli and Math G. Magnusson (2006) "Dynamic capabilities in early- phase entrepreneurship", as follows: Where his research explains that: The dynamic capabilities perspective has received increasing attention in the field of strategic management research. By focusing not only on the competitive advantage provided by a given constellation of resources, but also on changing the firm's resources over time to suit a changing business environment, this perspective underscores the strategic importance of innovation.

Despite the apparent interest in firm resource dynamics, there is still limited empirical evidence on how strategic matching of resources and market needs is actually done, especially in a more rapidly changing environment. To investigate this process, an empirical study of 59 start-ups in the Swedish mobile Internet industry was conducted. The first finding of the study is that start-ups that change market focus have a much higher probability of surviving in their first years. In addition, it is seen that in most cases the change in market focus occurs without any change in the technological resources used by the company, which indicates that the important factor at this stage is the flexible use of resources in finding a suitable match between resources and market opportunities.

This mode of learning and adaptation is very different from the previously proposed model which focuses on the acquisition and transformation of resources. In contrast, early-stage dynamic capabilities reveal themselves as bricolage, that is, the capacity to reinterpret and recombine existing resources and thereby improve their suitability to the demands of the market environment. The results show that the previously proposed dynamic capabilities framework needs to be modified, by taking into account single entrepreneurs as a source of dynamic capabilities, and by introducing the concept of resource flexibility. In terms of managerial implications, the findings underscore the importance for entrepreneurs to balance the struggle for specific capabilities that provide competitive advantage and the experimentation and improvisation needed to adapt to changes in the marketplace.

RESEARCH METHODS

The approach in this study uses a literature study approach that relates to aspects of the dynamic capability of entrepreneurial boarding schools (pesantren). Based on the literature study, a pattern of relationships between these factors is then made as a research framework. And to confirm the relationship between the dynamic capability factor in realizing entrepreneurial boarding schools, the researchers took a case study at an entrepreneur-based Islamic boarding school in East Java. Conducting observations and communicative interactions, especially in-depth interviews. The findings from the in-depth interviews using a qualitative approach are unique and conclusions can be transferred to certain situations with the same or almost the same characteristics.

Types and Sources of Data

The types of data used in this study are literature studies and qualitative data. Qualitative data is data in the form of explanations and information from interviews with resource persons regarding how dynamic capability is in realizing entrepreneurial boarding schools.

Data Collection

The steps taken in collecting the required data are as follows:

1. **Preliminary Survey.** The researcher made a visit to one of the pesantren based on entrepreneurship. The pesantren is the Mukmin Mandiri pesantren, an entrepreneur boarding school in Sidoarjo, East Java. As an entrepreneurial-based boarding school, it is to explain the aims and objectives of conducting research as well as to obtain information about the situation and condition of the pesantren in relation to how its dynamic capability can manifest as an entrepreneurial pesantren.
2. **Field Study.** In this stage, relevant data is collected related to the research problem. Data was collected by using interview, observation and document techniques.

RESULTS AND DISCUSSION

The research uses a literature study method that relates to aspects of dynamic capability in realizing entrepreneurial boarding schools. Based on the literature study, a pattern of relationships between these factors is then made as a framework for further research. In strengthening the study from the literature study, it will be confirmed with empirical data generated through in-depth interviews with one of the leaders of an entrepreneur-based pesantren in East Java, in this case a case study of the pesantren Mukmin Mandiri in Sidoarjo.

Islamic Boarding School or Pesantren Human Resources (HR) Entrepreneur and Dynamic Capability

Resources and capabilities are interconnected. In the explanation of organizational growth, as presented by Penrose (1959) which emphasizes the importance of human and physical mediated by managerial ability. Then build the cognitive abilities of actors and their ability to regulate the interaction between resources in providing services to the organization, generating capabilities (Penrose, 1959). Thus, according to the resource-based view of SE (Wernerfelt, 1984; Barney & Wright, 2001) resources can be combined and developed over time to generate unique capabilities that enhance competitive advantage (Amit & Schoemaker, 1993).

The type of resources needed for companies depends on the environment: fast-growing companies in dynamic environments require intangible resources (especially entrepreneurial human resources), while moderate-growing companies in stable environments usually require tangible resources (Lichtenstein & Brush). , 2001). In the early stages of a new firm's growth,

the identification and acquisition of resources are usually more important than their allocation (Katz & Gartner, 1988). This is consistent with learning in model testing in a rapidly changing environment (Eisenhardt & Martin, 2000). However, as a company, it is necessary to acquire or available resources to sustain appropriate changes in product/market strategy and in the environment (Chandler & Hanks, 1994). This corresponds to a path-dependent variation in strategic management according to a moderately dynamic market (Teece et al., 1997).

In this research, more emphasis is placed on the resources of santri and kiai in carrying out managerial boarding schools so that they have an entrepreneurial attitude and behavior, they must have dynamic capabilities as theoretically stated above. A leader (leader / kiai) must be able to think and perform quickly and intangible. Then prepare quality human resources who can adapt to the principles of the pesantren that were built, think strategically in accordance with such dynamic market demands. This was conveyed by KH. Muhammad Zakki, an entrepreneur-based pesantren caregiver at Mukmin Mandiri Sidoarjo, stated as follows:

“However, pesantren must be able to respond to changes and prepare human resources who have dynamic abilities, think strategically and can work quickly and of course hold the principles of identity as a Muslim believer. whose background is Islamic boarding school, namely prioritizing the benefit of the people, being honest and open”.

Dynamic Capability with Innovation Performance Pesantren Entrepreneur

There are many research results which state that dynamic capabilities can affect the innovation performance of a company or organization (Cabral, 2010; Chang et al., 2012). According to Cabral (2010), a company that has a high level of adaptive, absorptive and innovative capabilities, its innovation development focuses not only on the orientation of a high level of profit but also on the environment and social equity. In this case, the company directs its innovation strategy to focus on sustainable results, where dynamic capabilities are at the center of the company's capability development, which results in a higher level of continuity in the creation of new products or services. On the other hand, low levels of adaptive, absorptive, and innovative capabilities lead to low levels of continuity in the creation of new products and services as well. Therefore, the results of continuous innovation are more significant in companies with high levels of adaptive, absorptive, and innovative capabilities, so companies that carry out innovative strategies will play a role.

Chang et al (2012), companies that focus on customers tend to rearrange their organizational capabilities, namely by innovating their products and services to suit the wishes and experience of using customers. In this study, the author will present an empirical finding that companies that have dynamic capabilities will tend to innovate their products and services to suit the existing market demand. In this case, as the topic of this research is the entrepreneurial boarding school institution. At the Mukmin Mandiri entrepreneur boarding school, which is an entrepreneurship boarding school in the field of agribusiness and agro-industry, producing ground coffee, coffee sachets and oven coffee as well as coffee, where this pesantren with its dynamic capabilities is able to produce an innovation of coffee products from which in general are non-religious bases, but when boarding schools it's orientation is entrepreneurship and producing products so that it is able to produce innovative products such as one of the 4 in 1 coffee products (coffee, sugar, milk + prayer). as conveyed by the caretaker of the pesantren (islamic boarding school) Mr. Doctor (Dr). KH. Muhammad Zakki who is the leader of the pesantren as follows:

"This coffee plus prayer is an innovation that we can come up with from the product side, of course it is not without purpose other than seeing an opportunity that our society, especially in East Java, still believes in irrational things, so that if coffee is prayed for they will be interested and a sense of It's emotional to get the blessing of prayer, besides

that, people's motivation to buy must be because there is an element of blessing as well as an element of *sodaqoh*, this is a marketable innovation, after all” (Zakki, 55).

The innovation and dynamic capabilities of companies are significantly influenced by the position and path of previous developments in the industry. The aspects of dynamic capabilities that affect innovation performance are adaptive capabilities, absorptive capabilities, and innovative capabilities (Wang and Ahmed, 2007; Oktemgil and Gordon, 1997; Gibson and Birkinshaw, 2004; Pekka and Thomas, 2006; Bell, 2009; Cabral, 2010).

Dynamic Capability with Performance Pesantren Entrepreneur

Based on several studies, it turns out that dynamic capability can directly affect a company's performance (Protogerou et al., 2008; Teece & Pisano, 1994; Stam et al., 2007; Ambrosini, Bowman, & Collier, 2009; Teece, 2007). On In this study, the performance of the pesantren entrepreneur performance was formed due to the existence of a dynamic capabilities in shaping and configuring institutional capabilities so that able to respond to environmental changes well by holding the principle of identifying and assessing changes that occur in the pesantren organizational environment which focuses on the entrepreneurial base. As stated by an informant who to be a resource person in this research are as follows:

"We really respond to changes that occur in the business environment in Islamic boarding schools, for example, during the COVID-19 pandemic we must be able to respond and change it what some people initially saw was a threat but for me and us Islamic boarding schools must be opportunities, meaning that we must have adaptive capabilities. Second must have an absorptive principle, meaning that it is able to absorb important information to To recover the pesantren's business and economy, thirdly, we must be innovative. This innovation is not only in one product but we try to think rationally and then we turn to the business sector that remains relevant despite the pandemic era like water health, hand sanitizer and masks” (Zakki, 55).

Protogerou et al. (2008), dynamic capability is antecedents for further functional competence have a significant effect on company performance, so that dynamic capabilities do not have a significant direct effect on company performance. Teece and Pisano (1994), a company's competitive advantage comes from: dynamic capabilities embedded in high day-to-day performance within the firm, embedded in enterprise processes, and conditioned by processes its development. According to Stam, Gibcus, and Garnsey (2007), the growth of new firms related to dynamic capabilities and other important economic growth. Capability and the growth most likely to be found are first-time R&D activities and alliances between companies.

CONCLUSIONS AND SUGGESTIONS

Based on the literature study and discussion of the research results, then the author concludes as follows:

1. that there is a direct relationship between dynamic capability and innovation performance supported by well-prepared resources and can perform well entrepreneurial pesantren who are able to illustrates the importance of dynamic abilities in a boarding school that The basis is entrepreneurship.
2. The variables for dynamic capabilities include adaptive capabilities absorptive capabilities, and innovative capabilities
3. While the relationship between dynamic capabilities and company performance (Islamic boarding schools or pesantren entrepreneur) can be directly or indirectly through innovation performance.

The model or framework of the relationship between dynamic capabilities, innovation performance, and company performance can be described as follows.

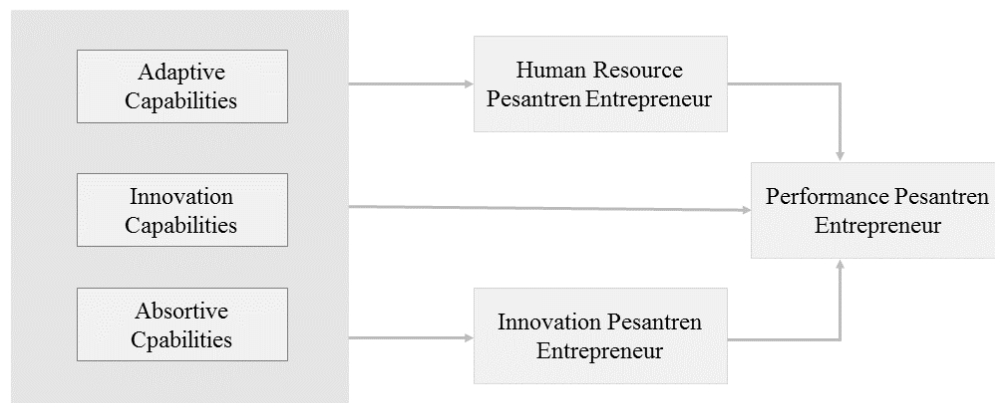


Figure 2. Figure: Dynamic Capability of Pesantren Entrepreneur

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