# AL-WASHLIYAH BUSINESS MANAGEMENT STRATEGY ANALYSIS OF NORTH SUMATRA AL-WASHLIYAH

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# ABSTRACT.

Al Jam'iyatul Washliyah is an Islamic community organization that was born on November 30, 1930 in Medan, North Sumatra. This study aims to explore the management strategy of Al Jam'iyatul Washliyah's charitable business. This research is classified as field research. That way the object of research is an object in the field that is able to provide information about research studies. This research shows that, on the one hand, Al-Washliyah's charitable efforts already exist in carrying out their functions in the organization. On the other hand, the Al-Washliyah organization has not been able to fully overcome the problems of managing its business charity. The main finding produced in this study, is that the organization has not been able to enforce regulations according to the demands of AD/ART AW, as a result, Al-Washliyah's charitable efforts have not been able to fully regulate organization, assets and administrative order.

Keyword: Al-Washliyah, Charity business, Management strategy.

# INTRODUCTION.

The phenomenon of business charity management in non-profit social organizations from time to time is not free from internal and external problems. What distinguishes it is in three things, namely: (1) The form and size of the problem and the ability to identify. (2) The ability to find solutions. (3) The accuracy of choosing a strategy. The problems are also diverse because of the various fields, for example from religion, art, health, education, natural environment, social, agriculture, and so on. Non-profit social organizations, also called non-profits, have several characteristics, as explained by Salomon and Anheier (in Wardhana, 2014), namely being organized, private, managing themselves, not distributing income to their members, and having voluntary participation.

According to Wardhana (2014) the non-profit sector is the third largest economic sector after the government sector and the private sector (profit oriented). The question is what about the economic role of Islamic organizations in Indonesia? There are at least 38 Islamic mass organizations on a national scale in Indonesia. However, it is undeniable that the economic role of Islamic organizations is still relatively small, unable to show economic strength, one of which

is Al Jam'iyatul Washliyah. This research is important because it analyzes and describes the strategy adopted by Al-Washliyah towards the management of Al-Washliyah's charitable business.

#### LITERATURE

# 1. Strategy.

Strategy is a noun which means blueprint, design, strategy, program, plan, tactic, policy, strategy, approach, and politics. Strategy comes from the Greek word strategeia which means the art or science of becoming a general. Strategy was originally used in the military world as a "grand plan" to destroy the enemy, but later developed into various different fields, such as business strategy, management, and so on. In strategic management references, the word "strategy" is usually associated with activities and decisions that focus on the long-term interactions between an organization and its environment.

# 2. Management.

According to G. R. Terry, Management is a distinct process consisting of planning, organizing, actuating, and controlling, utilizing in each both science and art, and followed in order to accomplish predetermined objectives. Then George R. Terry in the book Principles of Management, also stated that management is the accomplishing of a predetermined objective through the efforts of other people. The above understanding shows the important role of management for each individual or group activity in the organization to achieve the desired goals. Process-oriented management means that management requires human resources, knowledge, and skills so that activities can be more effective or can produce actions to achieve success.

# 3. Al Jam'iyautl Washliyah.

Al Jam'iyatul Washliyah since its establishment on November 30, 1930 in Medan,

North Sumatra, has consistently carried out business charity optimally and continuously from

generation to generation. Al-Washliyah as an Islamic social organization is classified as an non
profit or non-profit organization. Tactics and strategies can be found in the organization, namely

in an effort to achieve the desired goals. The Islamic Organization of Al Jam'iyatul Washliyah is abbreviated as Al-Washliyah. Al-Washliyah is the largest Islamic community organization in North Sumatra Province, and the third largest in Indonesia after Nahdlatul Ulama (NU) and Muhammadiyah. (Source: www.kabarwashliyah.com). There is no doubt about the role and existence of NU, Muhammadiyah, and Al-Washliyah as the largest mass organizations in Indonesia. Through its various charities, since its birth, Al Jam'iyatul Washliyah has continued to develop until now managing fields including: education, da'wah, social and economic development of the people.

## **METHODOLOGY**

This research is a type of qualitative-descriptive research with field studies. Descriptive qualitative research is research that describes the characteristics of a society or a certain group of people, research that describes the use of community facilities, research that estimates the proportion of people who have certain opinions, attitudes, or behaving, research that seeks to make predictions and research that seeks relationship between two or more variables. The type of data in this study consists of primary data and secondary data. Primary data is data collected by researchers directly from the main source. Primary data is data obtained or collected directly from the field by researchers in the form of interviews and observations related to research. Content analysis is research that is in-depth discussion of the contents of a written or printed information to make inferences that can be imitated and valid data by taking into account the context..

#### **RESULTS AND DISCUSSION**

This research shows that on the one hand, Al-Washliyah's charitable efforts already exist in carrying out their functions in the organization. On the other hand, Al-Washliyah organizationally has not been able to fully overcome the problems of managing its business charity. In the sense that this organization has not been able to enforce regulations according to the demands of AD/ART AW, as a result, Al-Washliyah's charitable efforts have not been fully able to order organization, assets and administrative order

# The problem of managing AL Jam'iyatul Washliyah's charity business.

Al-Washliyah, in the midst of increasingly fierce competition in the business world and in education, the condition of Al-Washliyah's business charity, whether consciously or not, is the main problem that often arises and even continues to recur in relation to the management and arrangement of Al-Washliyah's assets, that it turns out that the administration and organization are not yet orderly. Around 35 percent of schools/madrasahs (another AW effort – author) use the Al-Washliyah symbol and name but actually have no structural attachment/relationship to the organization.

A number of previous studies related to Al-Washliyah that are relevant to this research are focused on the following matters: (1). Leadership (Leadership). (2). Organization (Organization). (3). Human Resources (Human resources), and (5). Mentally. This is taken from previous studies as follows:

Ja'far (2015), reveals the biographies of charismatic clerics affiliated with the Al Jam'iyatul Washliyah organization, and will analyze the clerical traditions within the organization. It will be seen that there are three generations of Al Jam'iyatul Washliyah scholars.

This study analyzes the important role of the AL-Washliyah religious tradition that contributes to the development of the Al-Washliyah charitable business.

Ahmad Ghazali Hutagalung, (2017), researched "The Position of Debtors in the Profit Sharing System at Islamic Banks (Study at PT. Bank BPR Syari-ah Al-Washliyah Medan) By looking at this, this study wants to analyze whether Islamic Banks of PT. BPRS Al-Washliyah is managed organizationally and is accountable to the Regional Leader of Al-Washliyah North Sumatra, not to the Executive Board of Al Jam'iyatyul Washliyah in Jakarta.? What is the role of PT. BPRS Al-Wahliyah against Washliyin, the Al-Washiyah organization? Because there are indications that not all businesses operating under the name AL-Washliyah are fully submissive to the parent organization, so this research is important to analyze the strategy for managing the Washliyin business.

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Burhanuddin (2019) explained, Leadership here shows both positive and negative influences on sharia-based business development among Washliyin, North Sumatra Province, both in planning, starting a business, business development, as well as the process of handling internal and external activities involving members/employees. and other related parties. Leadership has positively influenced the economic business, namely the establishment of the Islamic bank PT. BPR Syariah Al-Washliyah in Medan on November 10, 1994. Even though there were new innovations in Al-Washliyah's economic business, the leadership was still not optimal to be able to develop other Al-Washliyah businesses. For example, there is a business that already exists but because it is not managed properly, it was finally closed, no longer operating since 2004, namely the Al-Washliyah hospital/clinic Jl. Medan Exemplary Stadium Statue Building. But later in 2019, Alhamdulillah, the former location of the Al-Washliyah

hospital has been able to build a postgraduate lecture building at the Muslim Nusnatara Al-Washliyah University.

There has been a change in the organizational culture among the Washliyin in North Sumatra Province, from previously dominated by the clerical tradition, where usually the main leadership of Al-Washliyah comes from among the ulama, accompanied by Muslim scholars and Muslim philanthropists. Now this culture has changed with the entry into the elite structure of leadership from the political element. This situation certainly affects the organizational culture among Washliyin, so it also affects the development of sharia-based businesses among Washliyin, North Sumatra Province. For example, during the period when PB AW was still in the city of Medan, which became a tradition or organizational culture in activities involving the masses, such as: celebrating the anniversary of Al-Washliyah and other organizational activities, which were usually attended by Al-Washliyah scholars, Muslim scholars, and other prominent figures. Al-Washliyah who was deliberately invited to attend the organization's activities. However, recently, elements of politicians have also attended similar activities. In other words, the current organizational culture has not significantly influenced the development of sharia-based businesses among Washliyin, North Sumatra Province.

# Al Jam'iyatul Washliyah business charity management solution.

# 1. In the economic field.

In organizational structure, Al-Washliyah North Sumatra has an extensive network from the provincial level to the village/kelurahan level in 27 cities/districts of North Sumatra. This condition should have created a positive perception of Al-Washliyah's business in the economic field because it has an extensive organizational network in North Sumatra Province.

This condition can add to the network for business development, for example Islamic bank PT. BPR Syariah Al-Washliyah, and others.

#### 2. In the field of Education Business.

The development of Al-Washliyah's educational effort was explained by Prof. Dr. H. Syaiful Akhyar Lubis, MA in his press statement to the Medan Tribune daily in 2017 as follows: The need for organizations that promote, emphasize and increase the spread of Islam. "There are four pillars that must be developed, we call them four charities, such as education, da'wah, social charity and economic development. However, the teachings of Al-Washliyah strengthen people's beliefs and uphold tolerance. Tolerance must be built in order to build the nation, and have a positive impact because it maintains human relations".

In order to realize educational charity, Al-Washliyah established schools ranging from early childhood education (PAUD) to high school. There are 500 school units already established throughout Indonesia. Al-Washliyah also has nine universities in Indonesia. In addition to education, the board is also committed to broadcasting Islam throughout Indonesia, especially to areas where guidance is still needed. Such as in the districts of Karo, Dairi, Nias and Tapanuli. Then, the organization carries out social charity either permanently or incidentally. As for what is meant by running a permanent social charity, they set up an orphanage.

From the description above, it can be understood that the dynamics of Al-Washliyah education in North Sumatra Province shows developments that have experienced ups and downs. This is inseparable from the influence of leadership and organizational culture among Washliyin itself. In connection with this research, that the condition of Al-Washliyah in the midst of increasingly stringent competition in the business and education world, the condition of Al-Washliyah's charitable efforts, whether consciously or not, are the main problems that often arise

and even continue to recur in terms of management and arrangement, including against assets that use the name Al-Washliyah, it turns out that it has not been in order as it should be. As explained by A. Rahman Rais, only about 35 percent of schools/madrasahs use the Al-Washliyah symbol and name but actually have no structural attachment/relationship to the organization. This is a concern for many leaders and administrators of Al-Washliyah, because in fact what today is an organizational asset is the legacy of the organization's predecessors, most of the organization's assets are waqf which is then entrusted as a mandate to Washliyin to manage it in the modern era. The results of the XIX Al-Washliyah Congress in 2010 which determined the formation of the PB Asset Council. Al-Washliyah which was continued with various additional policies and regulations which were solely intended to regulate and protect the assets of the organization. This policy is national in nature, which is applied as a guideline from the level of the Executive Board to the Management of the Al-Washliyah Branch throughout Indonesia.

## 3. Social Business Sector.

Based on Burhanuddin's research, (Thesis, 2019), that the data on business charity above the social business sector of Muhammadiyah and Al-Washliyah orphanage units is 7: 9, while the social business sector of Muhammadiyah and Al-Washliyah hospitals/polyclinics is 18: 0 (zero). The orphanages under the auspices of the Al-Washliyah Social Charity Council of North Sumatra

- 1 Al-Washliyah Orphanage Jl. Ismaili Medan 15 April 1934
- 2 Al-Washliyah Orphanage Berayan Island Medan 16 May 1935
- 3 Al-Washliyah Binjai Orphanage 1942
- 4 Al-Washliyah Orphanage in Lalang Village, Medan 1943

5 Al-Washliyah Orphanage Lubuk Pakam May 5, 1946

6 Al-Washliyah Orphanage Tanjung Balai October 1946

7 Al-Washliyah Orphanage Overseas Perapat 1947

8 Al-Washliyah Orphanage, Johor Building Medan

9 Al-Washliyah Orphanage Gunung Sitoli 2006

(Source: The Spirit of Development Book of Al Jam'iyatulk Washliyah... p. 81-82.).

The charity Saha Washliyin founded the Al-Washliyah orphanages that can run until now. Regarding AL-Washliyah's charitable management strategy, this situation was triggered by a major problem within the Al-Washliyah organization in developing its charitable business as explained by Dr. H. Dedi Iskandar Batubara as follows: Currently, it can at least classify Al-Washliyah's charities into 3 parts; (1) ownership and management is in Al Washliyah, (2) ownership is in individuals/foundations but the management involves organizations (3) ownership and management are not in Al-Washliyah (only using the name Al-Washliyah only)

Thus it can be understood, so that Al-Washliyah's charitable efforts do not face internal and external problems as the main obstacle among the Washliyin for development in a better direction now and in the days ahead. The management problems as well as the main obstacles in question will be able to become an obstacle to business progress, namely as long as the three main problems cannot be resolved and a clear enforcement of the rules of the game (regulation). This situation is also considered by some as the hallmark of this organization until it exists today because the name of the Al-Washliyah organization is still used as the name of a joint business even though it is different in management and administration.

With the explanation of the statement above, it shows that Al-Washliyah has a major problem in business governance, maximum efforts are needed in a grand strategy of Al-

Washliyah, so that it does not experience obstacles or difficulties to develop properly. Therefore, it is hoped that Washliyin will be able to respond to this matter by immediately addressing it, for example changing from the current leadership model and organizational culture to lillah leadership (Lillah leadership and sharia entrepreneurship) and applying Islamic organizational culture properly and istiqamah (consistent), seriously.

# Reconstruction of sharia-based business charity management strategy by Al-Washliyah.

Following the tijarah of the Prophet Muhammad, especially the business management that he implemented so as to achieve spectacular success in his time, the theory and practice of the Prophet's business style will remain relevant throughout the ages. For this explanation, that the reputation of the Prophet Muhammad in the business world as also described by Muhaddits Abdul Razzaq, according to him when he reached adulthood he chose a job as a trader/entrepreneur. When he did not have capital, he became a trading manager for investors (shohibul mal) based on profit sharing. A major Makkah investor, Khadijah, appointed him as a manager to the Habshah trading center in Yemen. His entrepreneurial skills have brought him and his investors huge profits. None of the types of businesses he manages are at a loss. He also led four trade expeditions for Khadijah to Syria, Jorash, and Bahrain in the east of the Arabian Peninsula.

The success of the Prophet Muhammad SAW has been widely discussed by historians, both Islamic historians and Western historians. One side of the success of the Prophet Muhammad is his work as a merchant (entrepreneur). However, the life side of the Prophet Muhammad as a trader and entrepreneur received less attention from the ulama, so it was

necessary to reconstruct the side of the tijarah of the Prophet Muhammad, especially the business management that he implemented so as to achieve spectacular success in his time. As the last prophet and apostle, he became a perfect role model for humans in various aspects of life. The Word of Allah swt. in the Qur'an surah al-Ahzab: 33; 21:

Meaning: Verily there has been in the Messenger of Allah a good role model for you (that is) for those who hope (the mercy of) Allah and (the coming of) the Day of Judgment and he mentions Allah a lot (Q. S. al-Ahzab: 33; 21).

According to Imam Ali Ash-Shabuni's commentary, it means that in the Messenger of Allah, there is a great and real example. Especially the example in his sincerity, jihad and patience. In the context of business management, the lessons that can be learned from the Prophet Muhammad are as follows:

- 1) The nature of a true businessman, honest, intelligent and trustworthy. Within 20 years, he became a formidable trader who was well known to Yemen, Syria, Iraq, Bushra, Jordan, and Bahrain. He never lied in conducting various business transactions.
- 2) Tips for success, he does business with a pick-up system, expands his network (networking), looks for new products and looks for strategic trading partners.
- 3) He got justification from the research of American economists and historians Colin, Moores and Zaleznilk's on a number of US businessmen that strong business education should start at a young age. In their research they concluded that "The Act of Entrepreneurship is an Act Patterned After Copying With Childhood Experience" (Source: Hendri Tanjung, 2021, 265-267).

: Prophet Muhammad is the last prophet, whose teachings are sourced from the revelation of Allah SWT. will remain relevant both at the theoretical level, and in business

practice because the main source is from the teachings of Islam itself, and will be sustainable until the end of time. To explain this as stated above, that the essential principle in business is honesty. In Islamic doctrine, honesty is the most basic requirement in business activities. The Prophet was very intense in advocating honesty in business activities. In this case, he said: "It is not permissible for a Muslim to sell a sale that has a disgrace, unless he explains his disgrace" (H.R. Al-Quzwani). "Whoever deceives us, then he is not our group" (H.R. Muslim). The Prophet himself was always honest in business. He forbade traders to put rotten goods at the bottom and new goods at the top, and so on, the management of the business should be in accordance with the guidance of Rasulullah SAW. in business ethics.

Based on the description above, the management (strategy) of the Prophet Muhammad's business. it can be seen from history, where he started doing business at the age of 12 to 37 years or for 25 years, inseparable from his exemplary personal values (traits) namely shiddiq, amanah, tabligh, and fathanah. This is in line with what was written by Dr. Hendi Tanjung, PHd: "Sharia Management, that: 1. The nature of a true businessman, honest, intelligent, and trustworthy. 2. Tips for his success, he does business with a ball pick-up system, expands the network (networking), looks for new products and looks for strategic trading partners. 3. He received justification from American historians and economists Colin, Moores and Zaleznik's against a number of successful US businessmen that strong business education should start at a young age. The conclusion of their research is that the act of entrepreneurship is in act patterned after of copying with childhood experiences" (Hendri Tanjung, 2021).

# CONCLUSION.

Al-Washliyah needs to improve the management strategy of business charity, namely in the economic, educational and social fields. Carrying out business management in the style of the Prophet, because this is in accordance with Islamic teachings. Strategy, as a comprehensive plan to achieve organizational goals. The strategy is intended to maintain the continuity of the organization for the welfare of the people. The strategy that is expected here is a business

management strategy which is an effort to regulate or control activities based on concepts and principles to make goals a success in order to be achieved more effectively and efficiently. In other words, management in the Lillâh business management strategy (Management Of Lillâh Business strategy). The Prophet's business management strategy is a sharia-based business that is professionally Islamic, has shariah goals (maqâshid syarĩah), is oriented to da'wah lillah, imitates the Prophet, and has a syar'i entrepreneurial spirit.

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