

# Knowledge Chain as a System in Developing Pesantren Entrepreneurship

Muhardi Muhardi\*, Nurdin Nurdin, Aminuddin Irfani

Economy and Business Faculty

Universitas Islam Bandung

Bandung, Indonesia

\*muhardi@unisba.ac.id

**Abstract**—This research aims to analyse the role of knowledge chain as a system in developing pesantren entrepreneurship. In line with the objectives of this study, the analysis approach used is knowledge chain model. The study is conducted at the pesantren Dzikir Al-Fath in Sukabumi City, Indonesia. Data is collected through interviews and discussions with leaders of pesantren, mahasantri (santri at higher level), alumni, and also the entrepreneurial community fostered by the pesantren. The results of this study indicate that knowledge chain can be derived from internal knowledge with knowledge sources from pesantren's internal or external creativity. The practice of internal knowledge is then transformed into entrepreneurial practices of the external environment executed by alumni and jamaah community. This means that knowledge chain can be assessed as a system that can develop pesantren entrepreneurship in a sustainable manner.

**Keywords:** *knowledge chain, systems, pesantren entrepreneurship*

## I. INTRODUCTION

Pesantren indeed changes from time to time in accordance with the journey of ummah [1]. Dynamic environmental conditions require all institutions to change for the better, including pesantren as an educational institution needed by the community. In this dynamic educational industry environment, the sustainability of an institution is also determined by its economic independence. For this reason, the West Java provincial government through its policy encourages pesantren to become entrepreneurs with the "one pesantren one product" program.

Related to the program, there are a number of pesantren in West Java that have been conducting entrepreneurship by their creativity and knowledge that they had long before the government program issued. Because of the encouragement of the government program, pesantren have now become more motivated to be entrepreneurial and competitive through efforts to strengthen entrepreneurial knowledge and implement that knowledge in the internal practices of pesantren and in the pesantren-fostered community for a wider scope.

The success of entrepreneurship in pesantren is interesting to study because it is said to be reinforced by the existence of entrepreneurial knowledge and the transformation of knowledge in pesantren internally. Knowledge and creativity

are assets and keys to the success of entrepreneurial practices. Therefore, the researchers consider it is important to conduct research on the role of knowledge chain as a system in building pesantren entrepreneurship. Various empirical studies have been carried out regarding the development of entrepreneurship in pesantren [2,3], entrepreneurship education in educational institutions [4-6], empirical studies of the knowledge chain model [7], and the importance of understanding the knowledge chain model in educational institutions [8,9]. The novelty of this research is the emphasize on knowledge chain perspective as a system in developing pesantren entrepreneurship. Various empirical studies above, are also strengthened the motivation to do this research.

## II. RESEARCH METHODOLOGY

Analytical method for the research discussion used the knowledge chain approach. Primary data were obtained from interviews and focus discussions involving the leaders of the pesantren, mahasantri, and also the jamaah fostered by the pesantren. After the data was obtained, it was then analysed and systematically described. The study was conducted at the pesantren Dzikir Al-Fath in Sukabumi City, Indonesia, because the pesantren uses entrepreneurship as the base of its education.

## III. KNOWLEDGE CHAIN AS A SYSTEM

A system is a series of ongoing linkages. Likewise, the knowledge chain shows the relationship between one interaction with another and forms a knowledge enrichment and renewal with one of its objectives is to produce an interaction that adds the value of know-how. The knowledge chain was first introduced by Koulopoulos, Toms and Spinello, stating that there are four links in the knowledge chain that determine the uniqueness and sustainability of an institution. They are internal awareness, internal responsiveness, external responsiveness, and external awareness [10].

Knowledge enrichment and renewal will be determined by the existence of each knot in the knowledge chain. This means that if the knot of internal awareness still shows the weak of expertise, know-how, and unclear core competencies of the organization or institution, it will be weakening the application of this knowledge in the internal and external institutions.

The pesantren studied have intellectual capital that is capable of transforming entrepreneurial know-how into entrepreneurial practices. Vice versa, if all the knots in the knowledge chain run well and increase the value of knowledge, then knowledge renewal to external parties will emerge. According to Ballantyne, this knowledge renewal process describes a continuous cycle [11]. The success of entrepreneurship in pesantren is built from internal awareness, that this institution not only offers educational services as its core competency but also an asset of entrepreneurial knowledge.

#### IV. KNOWLEDGE CHAIN IN DEVELOPING PESANTREN ENTREPRENEURSHIP

Discussing the system means understanding the flow of movement from a series of one interaction with another so that it is expected to be better as a result of novelty and sustainability. The entrepreneurship knowledge chain in internal of pesantren is considered to play a role in the success of entrepreneurial practices in pesantren. From the research results, it is known that pesantren which develop their economic independence through entrepreneurial practices have a knowledge chain ranging from internal to external, and from external as feedback to internal pesantren so as to form a sustainable knowledge chain system. Therefore, referring to a knowledge chain of four links explained at the beginning of this discussion, the following is the description of the knots of knowledge chain that plays a role in building entrepreneurship in pesantren.

The first chain begins with the increase of internal awareness, namely awareness of entrepreneurial knowledge owned by institutions. Pesantren Entrepreneurship as an effort for pesantren economic independence is basically initiated and built by creative pesantren leaders with the support of internal pesantren human resources who are equipped with entrepreneurship knowledge, in addition to having Islamic religious education as the core competence of pesantren education services. Entrepreneurial knowledge is one of the requirements to build entrepreneurial practices in pesantren.

The second chain is internal responsiveness, namely the ability of institutions to realize internal knowledge into entrepreneurial practice. The mahasantri practice entrepreneurship in accordance with their passion. For this reason, they should go through a feasibility test and aptitude test before being placed in a line of business and work that suits their passions. At this stage, the mahasantri are equipped with knowledge through training and coaching activities that are relevant to their job assignment.

The third chain is external responsiveness, namely the ability of institutions to understand and serve the external market as best as they can. The alumni and entrepreneurial communities fostered by pesantren are involved in running the pesantren business as well as in pesantren partner businesses. From this entrepreneurship, they get both the income and value-added knowledge beneficial for the practice of entrepreneurship.

The fourth chain is external awareness. This chain not only shows the ability of institutions to understand how the market

evaluates products and work results from their entrepreneurial practices in the external market, but also understands what the market wants from their products and work, understands the industry's competitors and how the competitor's abilities and actions, including understanding government policies related to this pesantren entrepreneurial practice. The government policies of "one pesantren one product" program to trigger the economic independence of pesantren have been generally implemented by pesantren in West Java. Most of the pesantren welcomed this program because it is able to increase the economic independence of the pesantren.

The above explanation of four links shows knowledge chain as a system in developing pesantren entrepreneurship that initiated by an internal awareness of entrepreneurial knowledge possessed, the ability to execute knowledge practically in internal markets, knowledge of entrepreneurial practices to knowledge about entrepreneurial practices in the external environment to fulfil the future market needs.

#### V. CONCLUSION

Knowledge chain shows a series of entrepreneurial knowledge from internal to external, then from external to internal, thus forming an entrepreneurial chain system. Knowledge chain can start from internal knowledge with knowledge sources from pesantren's internal or external creativity that are transformed into entrepreneurial practices in the external environment, namely the alumni and community members who participate in the success of the pesantren. This means that the knowledge chain can be valued as a system which can build pesantren entrepreneurship better and sustainably.

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