

## THE EFFECTIVENESS OF MANAGEMENT ON PONDOK PESANTREN TOWARD INCOME-GENERATING AMONG ITS TEACHERS AT BOGOR INDONESIA

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### Abstract

Income generating activities have been acquainted among Pondok Pesantren as the most famous Islamic institutions in Indonesia. Various factors that brought to insufficient of funding caused Pondok Pesantren to seek for additional income as to support the operation expenses. Financial sustainability issues made up the significant impact towards Pondok Pesantren. Through the different instruments adopted by Pondok Pesantren, perhaps the role of leader i.e. Kyai as the role model and the Director as well as the principal of Pondok Pesantren is the only who in charge of income-generating at Pondok Pesantren. This research employed qualitative method by conducting interviews as a medium to provide insights to researcher. Then, the interviews data are described as the result of research. The results pointed out that the primary income generating activities originated from the research and consultancy whilst commercialization contributed the most significant income towards Pondok Pesantren. As a conclusion, the income which generated by the teachers is of utmost important to the development and sustainability of a Pondok Pesantren. Perhaps this research is significant to those who are concerning on the issues of income generating activities arisen among the teachers of Pondok Pesantren. Through the results gained, certain parties may get known to the root of problems and then, solve it. It will eventually help the Pondok Pesantren to get a better way in order to attain the optimal results in income generating.

**Keywords:** income generating activities, Pondok Pesantren, teachers

### 1 INTRODUCTION

The public schools in Indonesia are funded by government and acted as a self-managed institution under the ministry of education, as well as public madrasah under the ministry of Religions affairs, whereas the private schools, madrasah, and Pondok Pesantren acted as self-managed as well, but funded by its foundations. The regulation of Pondok Pesantren more private than madrasah or schools, since there is no minimum

standard used for Pondok Pesantren, therefore management of Pondok Pesantren is running by traditional way.

Every year, a certain amount of budget will be allocated to public schools and madrasahs for the purpose of teaching, development, and also for operation expenses. This shows that the total expenditure of the schools and madrasahs can be enormous and astonished. Other than that, the maintenance and upgrading of new facilities even cause more expenses to the schools and madrasahs. From the aspect of government funding, it still represents a very significant portion of financial support to the daily operation of a schools and madrasahs, including private schools and madrasahs, such as RKB (Ruang Kelas Baru) or new classroom, BOS (Bantuan Operasional Sekolah) operational help for school, (Sertifikasi) salary for certified teachers, and so on. (Suyanto, 2008)

On the other hand, there is Islamic Education that is called by Pondok Pesantren, which is funded and managed privately and marginally from the government system. There are three types of Pondok Pesantren, namely: traditional, modern, and mixed between traditional and modern. Currently, there are more than 8.000 Pondok Pesantren in Indonesia, based on the data from the ministry of Religions Affair, in the year of 2015 there are 4.322 Pondok Pesantren in West Jawa, and 209 of them are in District Bogor. Pondok Pesantren in term of education defined by Mastuhu (1994) is the Islamic institution of learning, understanding, and practicing the teaching of Islamic value with the concentration on the importance of the good ethics as the principle of daily life in the future. (Ministry of Religious Affairs, 2015)

The research objective of this study is to identify the types of activities carried out by teachers of Pondok Pesantren for the purpose of income generating.

## **2 LITERATURE REVIEW**

As proposed by Odundo and Rambo (2013) in Kenya, Resource Dependency Theory (RDT) is applied to describe the behavior of education institutions to start up business enterprises for complementary income to ensure their survival. The characteristics of the theory as resource dependency is the need of obtaining resources, in terms of financial, physical or information, from the environment caused the institutions to be depended on the external sources of resources. The RDT is suggesting the organization is able to minimize the reliance towards the external resources by merger or diversification, boards of directors, joint venture and other inter-organizational relationship, political conduct and executive succession (Hillman et al., 2009; Thompson, 1996). It is same applies to the higher education institutions.

Meanwhile, the Agency Theory is used to describe the contractual relationship between two parties, which one party (the principal) deputy the work to another (the agent), who to perform that job (Jensen & Meckling, 1976). Yet, two problems may arise in the relationship, which is conflict occurs on targets of the principal and agent and the difficulty to measure on agency's performance.

A Pondok Pesantren can acquire different sources of funding to the extent of how the sources could impact on their financial structure. the primary source of financing for a Pondok Pesantren will be the Kyai (principal), students and household fees, and other private units those owned by Pondok Pesantren which accounted as *waqf*. (Mastuhu, 1994) The private institution's resources included private donations, gift and charges for consultancy, patents and any other services (Jongbloed, 2004).

Every Pondok Pesantren is an output of the different process of economic up growth, they have to find out equilibrium between teaching and extensive range of income-generating activities. And now, the government is pushing the educational institutions to be in an entrepreneurial paradigm due to many external overwhelming forces (Gibb & Hannon, 2006).

A review of empirical studies concerning the impact of economic crisis on education by Asia (2012) shows different cost-saving methods carried out including all the reduction in traveling expenditure, research grants, students; activities fund, wastage and delay in infrastructure development. Some universities are even developing innovative and business to generate extra income.

According to Siswanto et al. (2013), the academic-oriented income producing is merely generated through ways of teaching and education services. So, they are able to fully utilize their knowledge and experience by immersing into the income generating activities. Pondok Pesantren has another objective, it is to initiate and engage in the business boundary to improve skill levels amongst the employees and facilitate knowledge transfer. In order to reduce the reliance towards grant funding, the educational institution is responsible for raising the income from the non-funding organization (Estermann & Pruvot, 2011).

From this perspective, it causes a critical issue to certain Pondok Pesantren when the scarcity of experienced teachers becomes an encumbrance towards a Pondok Pesantren to generate income from the community services as well as commercialization activities (Gebreyes, 2010).

Table 1. Summary of income generating activities carried out by teachers of Pondok Pesantren

<b>Author (s)</b>	<b>Income-generating activities</b>
Guang (2011)	Tuition fees (contract with the private sector) and provision of service.
Siswanto et al. (2013)	Education, research and community services.
Todericiu (2009)	Private companies, fundraising through scientific research, sponsorship, education with tuition fees, and funding from European projects.
Wächter et al. (2012)	Contract with private partners, philanthropic funding, provision of service, consultancy facility-related services.

Income generating activities is meaning a set of small-scale projects which able to create a source of revenue to the individual beneficiaries or groups, on the other hand promote the rights to self-determination, repatriation and integration (UNESCO, 1993). Based on the information that collected from previous studies, most of the teachers of Pondok Pesantren are more likely to involve in the community services, community services and commercialization activities in order to generate income for Pondok Pesantren. Furthermore, the teachers of Pondok Pesantren also provide a variety of courses purposely to attract more student to further their studies in the distinct field.

On the other hand, commercialization is easier to handle and allocated without delimitation internally compared to other types of income-generating activities (Wächter et al., 2012). However, education environment is quite important in the process of cultivation and provides support to the commercialization activities without compromising core social value. As proposed by Yusof and Jain(2009), there should be some teachers who act as leaders that behaved entrepreneurially to others. This is because the entrepreneurial leadership behavior can indicate a definite enabler when they are able to exert their entrepreneurial mind set, cogitation, channel and potential. Apart from that, the entrepreneurial mind set can be installed towards the academics via the innovative teaching and advisory activities.

### **3 METHODOLOGY**

In this research, a qualitative approach is selected because it is useful to study the significant differences in challenges faced by teachers when they carried out the activities of income-generating. It also enables the researcher to read and engage with information critically but also to learn to discriminate and refine out the essence from the large body of information (Braun & Clarke, 2013). By using a qualitative approach, deeper understanding and insights on the types and challenges of income generating activities can be furnished to the researcher.

The sampling method employed in this research study is purposive random sampling. The criteria chosen is to study only on those teachers who are truly conducting the income generating activities at Pondok Pesantren; this is to ensure that the target respondents are well fit to the requirement precisely. The total sample size of six participants which randomly selected from the name list provided by the District Officer Ministry of Religious Affairs (Kantor Wilayah Kementerian Agama) Kabupaten Bogor who governs the data of Pondok Pesantren. A face-to-face and semi-structured interview that lasts for an hour are conducted. Moreover, a set of open-ended questions is asked during the interview sessions to reveal as many details as possible.

In this research, the primary data is analyzed by using the Interactive Model to transform raw data into a structured and organized formed of data. It included the steps of Data Reduction, Data Displays, and Conclusion Drawing and Verification.

### **4 RESULTS AND DISCUSSIONS**

From the research, it reveals that the investigation, community services and commercialization activities are the most common income generating activities occur at Pondok Pesantren. This is mentioned by respondent C who is one of the assistants of Kyai. However, not many teachers are qualified to be involved in commercialization because products produced mostly are in the form of direct business rather than the actual products which have commercial value.

Besides, most of the respondents also agreed that the levels of income generating activities participated by teachers are still low and not optimism. This can be improved when teachers are free from working hours

or as not stated in the honorarium payment. So, various types of income generating activities should be promoted to the teachers that are yet to be involved in it to contribute to Pondok Pesantren.

On the other hand, the research points out that income generating activities are very important to ensure the sustainability of Pondok Pesantren even though it is still new in the income generating activities which may not be able to generate as much revenue as other established school or madrasahs, which have joined those activities long time ago as stated by Respondent B. Hence, the additional income that acquired by the teachers are vital in supporting the functional and operational activities as to reduce the financial burdens endured by Pondok Pesantren rather than heavily relying on foundation (Yayasan).

According to Thompson (1996), Resource Dependency Theory suggesting that institutions including higher education institutions are able to minimize the dependency towards primary external resources through a joint venture, mergers or diversification of income with other external organizations. From the research, it explores that there are also teachers who collaborated with outer organizations to gain the experience and also generate revenue towards Pondok Pesantren through completing certain projects as mentioned by Respondent F. From there, it will help the teachers to gain the real working experience with outsiders by fulfilling the counterparts' requirements in order to complete the distinct projects that required different field of knowledge respectively.

With the achievement of academicians in income-generating activities, perhaps Pondok Pesantren X is able to manage its own financial system by allocating different portions of the funding to various programs to support students' activities as well. This is confirmed to the previous studies which done by Estermann et al. (2009) and mentioned that, a school that undergone income-generating activities actively are more flexible in managing the internal finance. So, there goes the benefit that Pondok Pesantren X can obtain through the effort contributed by academic staffs.

Apart from that, the result also shows that certain amount of incentives given to the profit sharing basis is motivating teachers in further involved in income generation activities. This is very encouraging because self-achievement and desire for extra personal income can be the driving forces towards individual to attain the goal in their teaching life.

Furthermore, from the research, it explores that all the respondents agreed to the extent that autonomy of oneself to ease those teachers in the activities of income generating is another motivator. For instance, the freedom for a teacher in negotiating the commercial products in terms of price and contracts details as mentioned by Respondent D.

The autonomy granted by management i.e. Kyai enables teachers to smooth out the process when dealing projects with the external parties who are interested. This is due to the reason all of the procedures are taking time to get approval from management i.e. Kyai when it is stated compulsory to pass through the administration level. In the end, the probability of that project to be carried out successfully will be lower because another teacher from another Pondok Pesantren may grab it before Pondok Pesantren X. Besides, the granted autonomy is to ensure that the teachers possess the authority during decision making and resolving the conflict as immediate when certain issues arisen in accordance with the rules and regulations stipulated by Pondok Pesantren.

As a conclusion, the management of Pondok Pesantren which is driven by Kyai (principal) plays a significant role in determining the successfulness of Pondok Pesantren to acquire other sources of funding to support its own operations. Therefore, a comprehensive and enduring strategy should be plan carefully based on objectives of Pondok Pesantren to maintain the stable financial income.

## **5 CONCLUSION AND RECOMMENDATIONS**

As a conclusion, the income which generated by the teachers or *asatidz* of Pondok Pesantren is at utmost important to the development and sustainability of a Pondok Pesantren. The two objectives have been achieved in the research, which the researcher is able to identify the types of income generating activities that involved by teachers and the challenges faced by them during the activities are carried out. The most traditional income-generating activities are community services and commercialization activities which have been participated by teachers themselves. Whereas, the primary challenge that comes across to the teachers is the implementation of current policy regarding income generating activities is that do not fit the favorable conditions for the teachers.

Perhaps this research is significant to those who are concerning on the issues of income generating activities arisen among education staffs. Through the results gained, certain parties may get known to the

root of problems and then, solve it. It will eventually help the educational institutions to get a better way in order to attain the optimal results in income generating.

The recommendations are given as to enhance in getting the results. There are four parts of recommendation will be discussed, which are the recommendations for Policymakers both Ministry of Education and Ministry of Religious Affairs, Pondok Pesantren X to maximize the results gained in income generating activities, recommendations for teachers who involved directly with income generating, and also recommendations for the future research.

*a. Recommendation for Policymaker (Ministry of Education and Ministry of Religious Affairs)*

From the result gained, the policymaker is recommended to grant the full autonomy to every Pondok Pesantren in order to enhance the way of Islamic Education Institution in obtaining additional funding. This is because those institutions with full autonomy are discovered to be more active and diversified in their funding resources compared to those schools which are not as mentioned by de Dominicis et al.(2011). Adequate monitoring from the Ministry side is enough so that the higher education institutions are free from collaborating or obtain financial assistances from local or overseas organizations.

*b. Recommendation for Pondok Pesantren*

As mentioned in the Agency Theory Model, Pondok Pesantren is playing an important role and possesses high responsibilities in providing satisfied conditions for the teachers to accomplish continuously in the income generating activities so that more revenue can be generated towards Pondok Pesantren to achieve sustainability. Even though both parties have their own interest, clear communication between the parties involved and an appropriate strategy implementation will make the differences in final results. Hence, a comprehensive policy should be altered by looking at different perspectives to bypass the adverse effects of the teachers.

*c. Recommendation for Teachers of Pondok Pesantren*

As for the teachers who have been involved in income-generating activities at Pondok Pesantren, they are recommended to provide the feedback and comments to the management of Pondok Pesantren based on the problems that they are facing now. Whereas for the teachers that have yet to involve in income generating activities, they are advisable to join those meaningful activities so that extra income can be contributed to Pondok Pesantren because the funding obtained will never be enough to cover the expenses and development of Pondok Pesantren in the future.

*d. Recommendation for Future Research*

The future research on income generating activities can be improved to get better research results as if the data collection can be expanding to other educational institution in Indonesia. Besides, the target respondents from different organizations can be categorized into good research to provide more responsive information and hence to attain the objectives and broaden the perspectives of income generating to the public schools. Besides, the mixed method including qualitative and quantitative research can possibly provide extensive and useful information to the themes of research established.

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