



# Determinants of Successful Economic Independence in Pesantren: SEM Analysis

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This study analyzes the factors that influence the economic independence of pesantren with a focus on the role of leaders, business units, and santri empowerment programs. Using the Structural Equation Modeling-Partial Least Squares (SEM-PLS) method, data were obtained from 104 respondents who are boarding school administrators. The findings show that pesantren leaders have a significant positive effect, which is reflected in involvement in ulama organizations and community participation. Business units, through the management of kopontren, as well as the empowerment of santri with the integration of entrepreneurship in the curriculum, also contribute to the success of economic independence. Recommendations for the development of pesantren economic independence include utilizing internal potential, developing an entrepreneurial spirit among santri, and utilizing alumni networks. Future research is recommended to expand the scope of respondents and consider additional variables for a more comprehensive analysis.

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## INTRODUCTION

Pesantren is an Islamic religious education institution as well as a community where santri study Islamic sciences. From the 13th century to the 18th century, pesantren have been present in the archipelago, with one of the most famous being the pesantren in Java founded by Sheikh Maulana Malik Ibrahim in 1399 AD to spread the teachings of Islam (Sayono, 2005). The role of pesantren has evolved as a place to form independent and pious students. In addition to religious education, pesantren now also provide entrepreneurship education, which makes them a place for economic development for students and the surrounding community (Royhan, 2016). Not only as educational institutions, pesantren have been recognized as significant economic institutions with various contributions (Azizah & Fitriyani, 2018).

In the traditional system, pesantren use teaching methods such as bandongan, sorogan, and wetonan, and teach classical books; this model is called salafiyah pesantren (Anhari, 2007). In addition, there are also khalafiyah or modern pesantren that apply a more contemporary approach (Hielmy, 1999). However, the orientation of pesantren, which generally focuses on the afterlife, often leads to weaknesses in adaptation to modern economic development (Mursid, 2011). Facing increasing social challenges, pesantren are now starting to integrate religious education with business education as part of their transformation (Bustomi, 2017).

The development of pesantren towards collective leadership through foundations creates significant changes, from a single kiai leadership to a collective that prioritizes deliberation (Anwar, 2010). Based on data from DG Pendis in 2019, there are 28,194 pesantren in Indonesia that have various economic potentials, such as agribusiness, cooperatives, plantations, and animal husbandry. This economic potential is supported by Law No. 20/2003, which stipulates pesantren as a form of religious education (MoRA).

Although pesantren have an important role in strengthening ulama cadres, character education, and entrepreneurship, the modern management needed to optimize this role is still limited. This traditional system often creates resistance to accountability (Yahya, 2015). Law No. 18/2019 emphasizes that pesantren must apply the principle of accountability in their financial management according to applicable accounting standards (Dewi, Mukhlis, & Pramono, 2020).

Santri play an important role in society, as shown in the research of Geertz (1956) and Horikoshi (1987). In Garut, West Java, for example, many entrepreneurs come from santri backgrounds who are known to be persistent and have a high entrepreneurial spirit. Dhofier (2009) argues that currently pesantren are experiencing a paradigm shift to produce human resources who are knowledgeable, innovative, and able to combine religious and general knowledge. Pesantren are expected to produce a generation that plays a strategic role in da'wah, including in community economic empowerment (Intania, 2020; Baharun & Ardillah, 2019).

In the economic context, pesantren play an active role in the production and distribution of goods and services to meet the needs of the community. Economics is understood as a science that examines human activities in calculating costs and expecting profits (A. Firdaus, 2013). In the book of *Al-Ammal*, Abu Ubaid emphasizes the principle of justice as the basis of economic law, because it is considered to realize social welfare and harmony (Febriani & Jalaludin, 2017).

Independence, in this context, is defined as an individual's ability to think, feel and act independently. Independence reflects confidence in solving problems without relying on others (Anas, 2019). Watson added that independence includes the freedom to take initiatives, overcome obstacles, and act persistently and independently. Self-reliance contains the urge to move forward and take responsibility for one's own actions (Gufronul, 2020).

This study aims to better understand the factors that influence the success of pesantren economic independence, focusing on three main aspects: (1) evaluating the correlation between the role of pesantren leaders and the success of pesantren economic independence, (2) analyzing the influence of pesantren business units on the achievement of economic independence, and (3) exploring the impact of santri empowerment programs in supporting the success of pesantren economic independence. Through this research, it is expected to obtain a comprehensive picture of the strategic role of the three factors in the economic development of pesantren.

This study focuses on the success factors of pesantren economic independence by examining in depth the variables of pesantren leaders, pesantren business units, and santri empowerment. Respondents consisted of representatives of boarding school administrators or management aged 17 to 65 in 10 regions with the largest population of pesantren

according to data from the Ministry of Religious Affairs in 2021. This study focused on pesantren that have more than 300 students and have been operating for at least 5 years, thus providing a more representative scope for analyzing success factors in an established and relevant context.

The results of this study are expected to make a significant contribution to the economic development of pesantren, both from an internal pesantren perspective and on a broader scale. First, this study provides a framework of understanding that can be utilized by other pesantren to assess and improve their economic independence. Second, for pesantren managers, the findings of this study can provide guidance for efforts to develop economic independence in a sustainable manner and optimize the role of business units as one of the sources of the pesantren economy. Third, this research can be a strategic reference for HR managers in pesantren business units to develop effective development steps based on the experience of successful pesantren.

## THEORETICAL FOUNDATION

### Pesantren Leader

Gufronul (2020) stated that *kyai* leadership in pesantren has a great influence and receives wide attention due to the depth of knowledge and the strong role of *kyai* as role models. Pesantren are considered economically valuable with *kyai* inspiring significant public trust, where many *kyai* had economic independence before establishing pesantren (Halim, 2005).

Ali Machan from PW NU East Java said that the main responsibility of *kyai* is to improve social welfare through education, economy, and fostering civil society. *Kyai* plays a role in mobilizing the potential of the community through coaching and productive work to build common welfare (Halim, 2004). However, many pesantren have not implemented modern management, so their operations are still traditional and strongly influenced by the *kyai*, which leads to a lack of accountability (Pramono, 2015).

Islamic leadership is based on the principles of tawhid, welfare, unity, and justice for all (Amin, 2019: 121-127). *Kyai*'s charismatic leadership, according to EK Munawir (2003: 154) and Wahjosumidjo, comes from the depth of knowledge and exemplary leadership that results in recognized moral authority. Pesantren participate in local potential-based economic development, including services, trade, agribusiness, livestock, and fisheries (Imam Syafi'i, 2017). Antonio

(2009) mentions Covey's concept that leadership requires the functions of pioneer, accelerator, enabler, and role model.

Ismanto and Nasrullah's research (2019) shows that the business unit of Pesantren Walindo helps the economic, educational, and social independence of pesantren, influenced by *kyai* leadership, santri involvement, and community support. Marlina (2021) stated that pesantren have great potential in the Islamic economy in Indonesia, acting as agents of social change, business laboratories, and centers for Islamic economic studies. According to Dhofier (2015: 59), weak leadership after the death of the *kyai* without a competent successor can cause the pesantren to die. Therefore, the type of pesantren business must be adjusted to the potential of the surrounding community. This synergistic collaboration strengthens the institutional foundation of pesantren as independent economic institutions (Wisri, 2017).

### Pesantren Business Unit

Pesantren have great potential as agents of social change, especially in Islamic economic development. Marlina (2014) identified three main factors related to the economic potential of pesantren:

1. Islamic Economic Change Agent: Islamic boarding schools play a significant role as agents of economic change in society. The economic potential of pesantren is believed to provide benefits to the national economy (Annisa, 2019).
2. Sharia Business Testbed: Islamic boarding schools in Indonesia have grown beyond their initial function as centers of religious education. Today, pesantren also help improve the economic welfare of the community through various sharia economic and business activities, supported by sufficient resources (Fathoni & Rohim, 2019).
3. Center for Islamic Economic Studies: Pesantren have the potential to produce religiously and entrepreneurially strong human resources. If this potential is directed towards strategic economic sectors, such as retail, plantations, and finance, then pesantren can create new economic flows that contribute to national welfare (Annisa, 2019).

Many pesantren have established cooperatives as an effort to empower the community's economy. Amin (2022) noted that pesantren have a strategic impact in advancing the local economy in the surrounding area. Lugina (2017) added that since the 1970s, pesantren have played a role in the social, political, and economic development in Indonesia.

Pesantren are able to become the driving force of the sharia-based economy because:

1. Quality of pesantren human resources: Santri have strong loyalty and commitment to religious values, which can be integrated in economic activities.
2. Development of Young Entrepreneurs: The education system in pesantren emphasizes religious learning combined with entrepreneurship education, which aims to produce young entrepreneurs with sharia economic insight (Muttaqin, 2011).

Several pesantren in Indonesia have successfully developed sharia-based business units that have become pilots, such as the Sidogiri Pasuruan Islamic Boarding School in the Baitul Mal Wattamwil sector and the Sharia Rural Credit Bank (BPRS), and the Al-Ittifaq Rancabali Bandung Islamic Boarding School in the agribusiness sector (Pekapontren Team, 2007 in Fauroni 2014).

One of the potential businesses that can be managed by pesantren is agribusiness. Zakiyudin (2012) emphasized that pesantren agribusiness can provide direct economic benefits for the welfare of pesantren and the surrounding community. In addition, this business also educates students in understanding the world of agribusiness in a sustainable manner, from management to sustainable utilization of natural resources.

Fauzi et al. (2018) explained the important role of pesantren cooperatives in meeting the needs of students and daily operations. Apart from being a means of meeting needs, this cooperative is also a forum for entrepreneurial learning for students. Pesantren have a significant social influence in shaping sharia-based economic relations that support the people's economy (Fauzi, 2012; Annisa, 2019).

## Empowerment of Santri as Economic Human Resources

Muttaqin (2011) stated that pesantrens have the potential to lead the people's economy through empowering santri, which focuses on the integration between religious education and entrepreneurship development. Santris are considered as potential human resources to be developed through empowerment programs that include motivation, training, and entrepreneurial skills development. Kopontren, or pesantren cooperatives, is one of the economic empowerment platforms that allow santri to participate in economic activities while still maintaining their religious studies (Agus, 2011).

Wahjoetomo (1997) highlights that pesantren now act as alternative education centers that not only instill religious values, but also equip students with entrepreneurial skills that are useful for the future. According to Chotimah (2014), entrepreneurship education in pesantren teaches students to run businesses, build an attitude of independence, and instill a sustainable entrepreneurial spirit.

## Economic Independence of Pesantren

Today's pesantren have been able to face the challenges of globalization by maintaining religious values as the main principle of economic independence. Hafidh (2018) showed a significant relationship between economic activities and pesantren that contribute to achieving pesantren economic independence. This independence is defined as the ability to meet basic needs independently and sustainably (Gufronul, 2020). Internal factors of pesantren, such as cooperation between students and support from the surrounding community, play an important role in developing a sustainable independent economy (Anas, 2019).

According to Tehrani in Basit & Widiastuti (2019), economic independence is a condition in which individuals or groups are able to meet their basic needs without depending on other parties. Andriyani et al. (2021) added that economic independence includes the ability to overcome problems related to basic needs in order to achieve life welfare.

## Previous Research

Previous research on economic empowerment in pesantren shows the important role of pesantren institutions in teaching economic independence and entrepreneurial skills to santri. Syafrudin (2013) emphasizes that pesantren are autonomous Islamic educational institutions and play an important role in instilling the value of independence to students. The main objective is to prepare students to be able to live independently in the community. The descriptive qualitative approach used in this study helps to understand the importance of the value of independence in the character building of santri in pesantren.

Susanti (2014) also discussed the economic empowerment efforts of Pesantren Al-Mumtaz through three main initiatives, namely increasing entrepreneurial awareness, developing potential, and increasing santri involvement in various economic activities. This initiative shows that the pesantren is active in equipping santri with relevant entrepreneurial skills so that they can contribute to the pesantren economy. The method used,

which is a qualitative descriptive literature study, provides insight into concrete strategies that can be carried out by pesantren in supporting the economic independence of santri.

Inayah (2015) highlights the economic empowerment of santri at El-Bayan Islamic Boarding School through the application of prophetic culture. The results of this study show that the prophetic culture approach succeeds in forming competent and responsible students, which is key in the economic empowerment of santri. Pesantren not only acts as an educational institution, but also as an agent that forms competent human resources in economic activities.

Previous studies have generally discussed the role of pesantren in instilling students' economic independence and the economic empowerment efforts

undertaken by pesantren. However, these studies have not explored in depth the relationship between pesantren leadership, economic empowerment initiatives, and their impact on economic independence in a measurable way. This research gap is the focus of the current study, which aims to quantitatively analyze the influence of various factors, such as the role of pesantren leaders and pesantren efforts in increasing the economic independence of santri through Structural Equation Modeling - Partial Least Square (SEM-PLS).

### Research Hypothesis

This study seeks to test the following hypotheses:

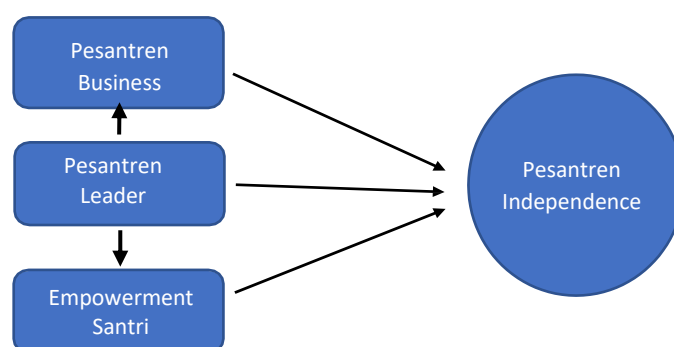


Figure 1. Research Model

1. H1: The pesantren business affects the economic independence of the pesantren.
2. H2: There is an influence between pesantren leaders and pesantren economic independence.
3. H3: There is an influence between the empowerment of santri carried out by pesantren and the economic independence of pesantren.
4. H4: There is a correlation between pesantren leaders on pesantren businesses and santri empowerment in pesantren economic independence.

With the SEM-PLS approach, this study offers a more comprehensive approach in analyzing the economic independence of pesantren and the factors that influence it.

## RESEARCH METHODS

To examine the influence of pesantren leadership, pesantren business, and santri empowerment on the achievement of pesantren economic

independence in Islamic boarding schools, the Structural Equation Model (SEM)-based Partial Least Square (PLS) technique was used. SEM-PLS was chosen as the analytical approach in this study for several reasons, including (1) the variables used are latent variables, which must be quantified indirectly through indicators given in the questionnaire. (Ghozali, 2008). (2) The ability to test multiple variables and advanced research simultaneously, SEM can simultaneously perform factor, regression, and path analysis, while other issues are treated with regression equations. (3) Knowing how to overcome regression constraints in the presence of data problems such as limited samples, missing values, atypical distributions, and multicollinearity. (Field, 2000).

### Data

This study examined a population consisting of pesantren administrators, totaling up to 100 people, in accordance with established criteria (Hair et al., 2006; Sugiyono, 2003). The sample size was determined using a non-probability purposive sampling technique, in



which a group of subjects is selected based on relevant traits (Margono, 2004). This study used respondents with the age criteria of 17-65 years old, boarding school administrators or have been boarding at a pesantren for at least 3 years, and residence areas in West Java, Banten, East Java, and Central Java.

The data sources used were primary data, obtained from questionnaires filled out by 104 respondents, and secondary data, which included information from books or articles related to the topic under study. Primary data are facts directly from respondents, while secondary data provide additional context for research (Suharsimi Arikunto, 1998).

Partial Least Square (PLS) technique based on Structural Equation Model (SEM) was used to evaluate the hypotheses in this study. PLS is a structural equation model (SEM) built on components or variants. A type of statistical research known as structural equation modeling (SEM) allows the simultaneous testing of a number of correlations that are generally challenging to assess. Because it is not based on many assumptions, PLS is an effective analysis technique (Wold, 1985). The sample size and multivariate distribution of data need not be normally distributed (indicators with theoretical, ordinal, interval, and ratio scales are used in the same model). In addition to supporting theory, PLS helps clarify if there is a relationship between latent variables. Model misspecification has less impact on parameter estimation as it emphasizes more on the data and uses simple estimation techniques.

PLS is a different strategy that moves from a covariance-based SEM strategy to a variance-based strategy. While PLS is more of a predictive model, covariance-based SEM typically evaluates causation or theory. The use of structural equation models to test hypotheses or build hypotheses for predictive purposes is where covariance-based and PLS-based SEM differ from each other. For data analysis in this study, a computer running the WarpPLS version 5.0 program was used.

The analysis of this research was carried out using the PLS approach which was carried out in three steps, namely:

1. An external model check was conducted to ensure the measurements were valid and reliable. There are four indicators used:
  - a) Convergent validity. The convergent validity value is the loading factor value on the variable with the measuring items. The expected value is  $> 0.5$ .

- b) Composite reliability. Data that has composite reliability  $> 0.7$  can be said to have high reliability.
- c) Cronbach Alpha. The reliability test was reinforced with Cronbach Alpha. The expected value is  $> 0.6$  for all variables.
- d) Multicollinearity. Multicollinearity test is conducted to determine the relationship between measuring items. To find out whether these items experience multicollinearity by knowing the VIF value. The VIF value between 5-10 can be said that the measuring item occurs multicollinearity.

2. Inner model analysis describes the relationship between variables based on substantive theory (inner relation, structural model, and substantive theory). The coefficient of determination ( $R^2$ ) will be used to evaluate the research model. The R-square for each variable is the first thing to consider when evaluating a model with PLS. The meaning is the same as how the regression is explained. To determine whether a particular independent factor has a significant impact on the dependent variable, changes in the R-square value can be used. Its value is between 0 and 1. It cannot explain the variation in the dependent variable if it is zero, and vice versa if it is one. To determine the feasibility of the research model, a research model test was also conducted. The calculation results generated by WarpPLS 5.0 show the standards used to determine the review model.
3. Testing the hypothesis. In this investigation, a confidence level of 5% was chosen. If the p value is less than 0.05, the hypothesis will be accepted. The direction of the correlation coefficient relationship is determined using the route coefficient value. The constructs are positively correlated, as indicated by a positive correlation coefficient.

## RESULTS & DISCUSSION

### Respondents Characteristics

The following is a description of the respondents based on the criteria of age, gender, experience, number of santri, pesantren domicile, position and type of business managed by the Pesantren.

Table 1. Characteristics Respondents

Characteristics	Description	Number (Person)	Percentage (%)
Age of Respondent	17 - 25 yrs	9	9,1 %
	26 - 35 yrs	57	58,1 %
	36 - 45 yrs	31	31,6 %
	46 - 55 yrs	4	4,0%
	56 - 65 yrs	1	1,0%
Gender	Male	85 people	81,7%
	Female	19 people	18,3 i%
Has been a border min. 3 years	Yes	100 people	96,2 i%
	No	4 people	3,8 i%
Number of students	300 - 1000	72 boarding schools	69,2%
	1000>	30 boarding schools	29,8%
	Datas 1000	2 boarding schools	1,9 %
Pesantren Domicile	West Java	60 boarding schools	57,7%
	Banten	5 boarding schools	4,8%
	East Java	5 boarding schools	4,8%
	Central Java	3 boarding schools	2,9 %
	DIY Yogyakarta	1 boarding school	1%
	Outside Java Island	30 boarding schools	57,7 %
Position in Pesantren	Manager	48 people	46,6 %
	Management	37 people	35,9 %
	Non-management and management	18 people	17,5 %
Types of businesses managed in the pesantren	Kopontren	51 iorang	54,8 %
	Plantation	10 people	10,8 %
	Livestock	10 people	10,8 %
	Other	45 people	48,4%

Source: Author's Own

From the descriptive statistics, it can be seen that most respondents are in the age range of 26-35 years (58.1%), followed by respondents aged 36-45 years (31.6%). The proportion of respondents under 25 years old and over 45 years old is relatively small, amounting to 9.1% and 5% respectively. The majority of respondents were male, 81.7%, while female respondents were only 18.3%. Most respondents had been boarding for at least 3 years (96.2%), which indicates a fairly high level of boarding experience among respondents. Based on the number of students, most pesantren have 300-1000 students (69.2%), followed by pesantren with more than 1000 students (29.8%), while only 1.9% of pesantren have more than 1000 students.

In terms of pesantren domicile, most are located in West Java (57.7%), with a smaller proportion outside Java (57.7%) and other regions such as Banten, East Java, Central Java, and Yogyakarta. Regarding the mandate in pesantren, the majority of respondents

served as administrators (46.6%), followed by respondents involved in management (35.9%), while the rest (17.5%) were not involved in management. The types of businesses managed by the pesantren varied, with most managing kopontren (54.8%), followed by plantation and livestock businesses at 10.8% each, and other types of businesses at 48.4%. This analysis shows that respondents come from pesantren with quite diverse characteristics of students, locations, and types of businesses, and the majority have a long boarding experience.

### Outer Model Testing

Based on the questionnaires that have been distributed, the data obtained are processed using the Structural Equation Model Partial Least Square (SEM-PLS) method with the help of Smart-PLS software. In general, an SEM model will be divided into two main parts, namely: Outer Model and Inner Model.

The evaluation is carried out to check the measurement validity of each indicator whose outer model is used in the model (Hair et al., 2011).

#### 4.2.1 Convergent Validity Test (Loading Factor)

Loading Factor is the strength of the relationship between variables and their indicators. The ideal loading factor value is  $\geq 0.7$ , in empirical research experience. However, in some exploratory research, a loading factor value of 0.4 is still acceptable, namely the Loading Factor (Hair et al., 2021, p. 78). Thus, to get the

maximum value result of this study, the researcher included the loading factor value  $> 0.6$  and the value  $< 0.6$  was excluded from the model (Chin 1998).

The results of the Convergent Validity Test can be seen in Figure 4.9 and Table 4.3, all indicators are declared valid after going through several adjustments and elimination of indicators. The loading factor value for all indicators is at least 0.6. This means that all indicators used are valid and are the right measuring tool to measure the variable.

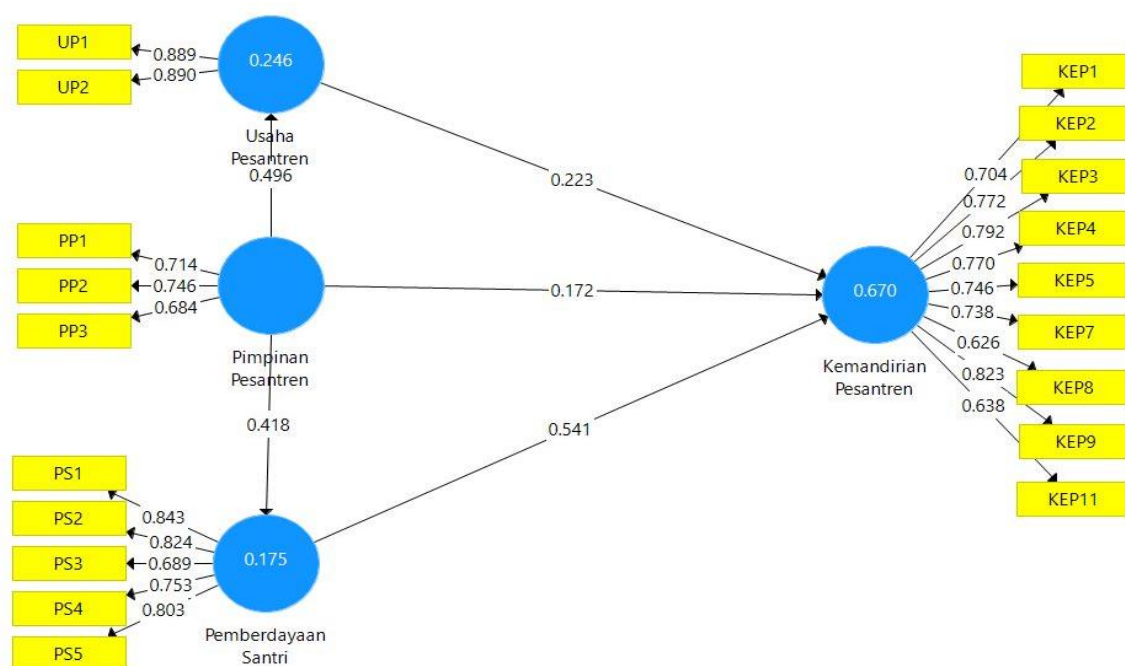


Figure 2. Outer Loading

#### 4.2.2 Convergent Validity Test (Convergent Validity - AVE Value)

Apart from the loading factor value, the convergent validity test also looks at the Average Variance Extracted (AVE) value. The AVE value is

acceptable when  $AVE > 0.5$ . An AVE value of 0.50 and higher means that the latent variable explains more than half of the indicator's diversity. All AVE variables are 0.5, so they are declared valid.

Table 2. the Average Variance Extracted (AVE) Value

Variables	Average Variance Extracted (AVE)	Description
Santri Empowerment	0.615	Valid
Pesantren Leader	0.511	Valid
Pesantren Business	0.791	Valid
Pesantren Independence	0.543	Valid

Source: Author's Own

#### 4.3.2 Construct Reliability and Validity

Meanwhile, the value of construct reliability and validity shows that the composite reliability value of each

variable ranges from 0.758 to 0.914, or meets the requirement of a value greater than 0.7. Thus it can be



concluded that all construct indicators are reliable and valid.

Table 3. *Construct Reliability*

	<b>Cronbach's Alpha</b>	<b>Composite Reliability</b>	<b>Description</b>
Santri Empowerment	0.842	0.888	Reliable & Valid
Pesantren Leader	0.521	0.758	Reliable & Valid
Pesantren Business	0.735	0.883	Reliable & Valid
Pesantren Independence	0.893	0.914	Reliable & Valid

Source: Author's Own

Table 4. Forner Lacrker-Criterion

<b>Variables</b>	<b>The independence of pesantren</b>	<b>Student empowerment</b>	<b>Boarding school leader</b>	<b>Boarding school business</b>
<b>Pesantren Independence</b>	0.737			
<b>Santri Empowerment</b>	0.711	0.784		
<b>Pesantren Leader</b>	0.509	0.418	0.715	
<b>Pesantren Business</b>	0.714	0.749	0.496	0.889

Source: Author's Own

### Iner Model Testing

Inner Model evaluation is carried out to assess structural model estimates (Hair et al., 2011). Assessment of the Inner Model evaluation is carried out on the relationship between variables. The tests carried out at the Inner Model stage are:

#### 4.3.1 Multicollinearity test

The multicollinearity test is carried out by observing the inner VIF value. If there is an inner VIF value greater than 5, then this indicates that there is multicollinearity in the indicator (Hair et al, 2019). From the multicollinearity test, it shows that all variables have an inner VIF value below 5. These results indicate that the model avoids multicollinearity problems.

Table 5. Multicollinearity test

<b>Variable</b>	<b>VIF</b>
Empowerment of santri (PS) > Economic Independence of Pesantren (KEP)	2.290
Pesantren leader (PP) > Pesantren Economic Independence (KEP)	1.336
Pesantren business (UP) > Pesantren Economic Independence (KEP)	2.508

Source: Author's Own

From the table above, it can be seen that the VIF value is below 5. So this shows that the model avoids multicollinearity problems.

#### 4.3.2 Coefficient of Determination (R Square)

If collinearity is not a problem, then the next step is to check the value of the endogenous construct. The following table 4.10 shows that the R<sup>2</sup> value for pesantren economic independence is 0.670. This shows

that the strength of the model for pesantren economic independence is strong.

Table 6. Coefficient of Determination (R<sup>2</sup>)

Endogenous Variable (Y)	R Square	R Square adjusted	Description
Economic independence of pesantren	0.670	0,660	Strong

Source: Author's Own

This means that the economic independence of pesantren is influenced by 67% by the Pesantren Leader, Pesantren Business, and Santri Empowerment. While the remaining 33% is influenced by other variables outside this study.

#### 4.3.3 Estimate Path Coefficients

To estimate path coefficients, the results are as:

Table 7. Path Coefficient

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (  /STDEV)	P Values	Interpretation
Santri Empowerment → Pesantren Independence	0.541	0.544	0.098	5.525	0.000	Positive Significant
Pesantren Leader → Pesantren Independence	0.172	0.177	0.082	2.102	0.036	Positive Significant
Pesantren Leader → Santri Empowerment	0.418	0.443	0.077	5.453	0.000	Positive Significant
Pesantren Leader → Pesantren Business	0.496	0.521	0.077	6.454	0.000	Positive Significant
Pesantren Business → Pesantren Independence	0.223	0.217	0.107	2.086	0.038	Positive Significant

Source: Author's Own

Based on the table above, it can be seen that the significance is on the path indicated by P-Values less than 0.05 and a t-statistic value greater than 1.96. So that from this table it can be seen that all variables have a significant influence on the Economic Independence of the Pesantren.

The test results that can be revealed in this study are that pesantren business is positive and significant on the economic independence of pesantren. The test results show a t-statistic value of 2.086 (greater than 1.96), then the effect is significant with a p-value of 0.038 (smaller than 0.05). Referring to the positive original

sample (O) value of 0.223 which indicates that the direction of the relationship between pesantren business and pesantren economic independence is positive.

Thus, the hypothesis H1 proposed in this study, namely that pesantren business has a significant and positive effect on the economic independence of pesantren, is accepted. This shows that pesantren that manage the operational needs of students provided in Kopontren and run it well and maximally will further increase the economic independence of pesantren. This is in line with Annisai's research (2019). The study results

show that the existence of pesantren cooperatives as an economic driver of pesantren.

The test results that can be revealed in this study are that pesantren leaders have a positive and significant effect on the economic independence of pesantren. The test results show a t-statistic value of 2.102 (greater than 1.96), then the effect is not significant with a p-value of 0.036 (smaller than 0.05). Referring to the positive original sample (O) value of 0.172 which indicates that the direction of the relationship between pesantren leaders and pesantren economic independence is positive.

Thus, the H2 hypothesis proposed in this study, namely that leaders have a significant and positive effect on the economic independence of pesantren, is accepted. This shows that the higher the level of involvement of pesantren leaders in organizing among pesantren leaders and actively involving the surrounding community to participate in economic activities made by pesantren, the significant effect on the economic independence of pesantren. This is like the findings in research (Imam Syafi'i 2017). That a number of pesantren participated in the kyai's efforts to empower the people's economy related to economic development. The working field of community economic development is often pursued by various pesantren-based initiatives that base their approach on the local potential possessed by the fundamentals of the community. Four fields of economic development, services, trade, agribusiness, livestock, and fisheries are at least some of the economic development sectors that have been created so far.

The test results that can be revealed in this study are that Santri Empowerment has a positive and significant effect on the Economic Independence of the Pesantren. The test results show a t-statistic value of 5.525 (greater than 1.96), so the effect is significant with a p-value of 0.000 (less than 0.05). Referring to the positive original sample (O) value of 0.541 which indicates that the direction of the relationship between digital financial literacy and pesantren economic independence is positive.

Thus, the hypothesis H3 proposed in this study, namely that santri empowerment has a significant and positive effect on the economic independence of pesantren, is accepted. This shows that the more active and maximum the boarding school involves students in pesantren economic activities such as managing kopontren, of course, by holding trainings before being directly involved in pesantren economic practices. This has a significant effect on the economic independence

of pesantren. As the research findings from Nadzir (2015: 47) claim that in an effort to foster mental independence, boarding schools encourage students who have knowledge or talent in the business world, such as cooperatives.

The effect of pesantren leadership on pesantren economic independence through pesantren business and empowerment of santri as intermediary variables. The test results that can be revealed in this study are that pesantren leaders have a positive and significant effect on pesantren businesses. The test results of pesantren leaders on pesantren businesses show a t-statistic value of 6.454 (greater than 1.96), so the effect is significant with a p-value of 0.000 (less than 0.05). Referring to the positive original sample (O) value of 0.496 which indicates that the direction of the relationship between pesantren leaders and pesantren businesses is positive. Like the research findings of Ismanto and Nasrullah (2019) on the effects of the Pesantren Walindo business unit. The research findings showed that the business unit of Pesantren Walindo was established and developed with significant assistance from the pesantren leaders.

Thus the H4 hypothesis proposed in this study, namely that pesantren leaders have a significant and positive effect on empowering students, is accepted. This shows that the higher the level of management or empowerment of students can be in the form of providing training, motivating students so that the diverse potential of students can be maximized properly and significantly affect the economic independence of pesantren. This is like the findings of research written by Syafi'i Antonio (2009), Stephen Covey emphasizes the concept of leadership that a person must have four leadership functions, namely as a pathfinding, aligning, empowering, and modeling.

## CONCLUSION

This study aims to identify factors that influence the success of pesantren economic independence by using the SEM-PLS method and descriptive statistical analysis. From the analysis, 21 indicators were identified which were grouped into several main factors. First, the pesantren leadership factor showed a positive and significant influence with three indicators: pesantren leaders who are known by the community, leadership involvement in ulama association organizations, and participation of the surrounding community in pesantren operational activities. This finding is in line with Hafidh's (2018) research, which emphasizes the need for renewal in pesantren management to achieve sustainable independence.

Second, the pesantren business factor, which consists of two indicators, namely the existence and management of kopontren, also shows a positive and significant influence. Research by Fauzi et al. (2018) emphasized the importance of adequate economic resources to meet the operational needs of pesantren. Third, the santri empowerment factor consists of three indicators, which include integrating entrepreneurship material in the curriculum, providing entrepreneurship to santri, and involving santri in the management of kopontren. This is in line with Muhammad Fahri's research (2017), which proposes the development of an entrepreneurial spirit among santri as a strategic step in achieving pesantren independence.

Finally, there are eleven indicators in the dependent variable that show a positive influence on the success of pesantren economic independence, including the sale of santri equipment, cooperation with economic partners, and the application of accounting standards. This is supported by Hafidh's research (2018) which emphasizes the need for the development of economic knowledge and skills to face the challenges of modernization. Overall, this study concludes that the role of leaders, business unit development, and santri empowerment have a positive and significant influence on the success of pesantren economic independence.

Based on the results of this study, there are several recommendations that can be conveyed. First, pesantren are advised to develop independence in dealing with various problems without relying on external parties. Second, pesantren leaders and management need to utilize internal potential and empower business units such as kopontren, and foster an entrepreneurial spirit among santri. Third, it is important to utilize the alumni network to achieve pesantren economic independence through mutually beneficial cooperation.

For future research, it is recommended that researchers expand the scope of respondents by considering more diverse regions, including regions with different social, economic, and cultural characteristics. This is important to identify factors that may contribute to the success of pesantren economic independence in different contexts. In addition, the addition of other relevant variables, such as aspects of digitalization in pesantren business management or external environmental factors that affect pesantren operations, can enrich the analysis and provide more comprehensive insights. Increasing the number of respondents per region is also highly recommended to increase data representativeness, so that the research results can be

more valid and reflect the actual conditions in the field. With these steps, it is expected that further research can make a more significant contribution in understanding the dynamics of pesantren economic independence in Indonesia.

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