

Educational Management Through Productive Business Units: Experiential Learning and Institutional Logics in an Indonesian Islamic Boarding School

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Abstract

Although the discourse on entrepreneurship education has shifted from the transmission of knowledge in the classroom toward experience-based learning, the institutional mechanisms linking the formal curriculum with real-world business practices have not yet been extensively studied by researchers, particularly in traditional Islamic educational institutions. This study examines two interrelated issues: how the Al-Mashduqiah Islamic Boarding School in Probolinggo integrates entrepreneurship education through productive business units, and how religious logic interacts with economic logic in shaping the learning environment for students. This research employs an interpretive paradigm with a single instrumental case study design. Data were collected through semi-structured interviews with 14 informants from six categories, 32 hours of participant observation across five business units, and document analysis. Analysis employed *reflexive thematic analysis*, using *experiential learning* theory and *institutional logics* as *sensitizing concepts*. This study yielded three main findings. *First*, the integration of education and entrepreneurship operates through three institutional layers: leadership vision, administrative governance, and an integrated financial structure. *Second*, business units function as *living laboratories* that provide a structured framework for students' learning experiences. *Third*, religious and economic logic coexist through structural integration, in which economic logic functions instrumentally to support the religious-educational mission. Theoretically, this study links *experiential learning* theory to institutional logics. It proposes that experience-based learning serves as a micro-mechanism sustaining the coexistence of institutional logics within hybrid educational organizations.

Keywords: entrepreneurship education; experiential learning; institutional logics; hybrid organizations.

Introduction

Over the past two decades, entrepreneurship education has shifted from classroom-based theory to learning that emphasizes students' direct engagement in business practices.¹ Findings from Williams,¹ Ramsgaard² and Larsen,³ indicate that core entrepreneurial competencies such as decision-making under uncertainty, risk management, and effective network building are shaped through direct experience rather than conventional lectures. However, a fundamental question remains: in what institutional form can such learning occur sustainably, especially outside Western universities that dominate the literature? Pesantren provide a fitting example for this question. These Islamic educational institutions, which have endured for over a century, not only perform religious functions but also manage a variety of internal business units.⁴

Pesantren possess a dual character that distinguishes them from formal educational institutions. On the one hand, they are religious institutions focused on transmitting religious knowledge and cultivating moral character; on the other hand, they function as community empowerment centers, directly engaged in economic activities.⁵ Several pesantren in Indonesia now manage productive business units, ranging from bakeries and tofu-tempeh factories to pesantren cooperatives (kopontren), which generate operational income while also serving as learning spaces for students.⁶ Nisak et al. refer to this situation as the integration paradox: Islamic boarding schools maintain religious traditions while adopting institutional innovations that go beyond their historical roles.⁷

¹ D Williams, "The Impact of SimVenture on the Development of Entrepreneurial Skills in Management Students," *Industry and Higher Education* 29, no. 5 (2015): 379–95, <https://doi.org/10.5367/ihe.2015.0270>.

² M B Ramsgaard and M E Christensen, "Interplay of Entrepreneurial Learning Forms: A Case Study of Experiential Learning Settings," *Innovations in Education and Teaching International* 55, no. 1 (2018): 55–64, <https://doi.org/10.1080/14703297.2016.1228468>.

³ E S H Larsen, D H Haneberg, and S Laksa, "Revealing Three Anomalies: Extending Kolb Educator Roles Profile in Experiential Entrepreneurship Education," *International Journal of Management Education* 22, no. 3 (2024): 101048, <https://doi.org/10.1016/j.ijme.2024.101048>.

⁴ Moh Roqib, "Increasing Social Class through Islamic Boarding Schools in Indonesia," *Journal of Social Studies Education Research* 12, no. 2 (2021): 305–29.

⁵ S Anam et al., "The Moral Education and Internalization of Humanitarian Values in Pesantren," *Journal for the Education of Gifted Young Scientists* 7, no. 4 (2019): 815–34, <https://doi.org/10.17478/jegys.629726>.

⁶ R A S Siregar et al., "Islamic Boarding School Cooperatives as an Instrument for Empowering the Community's Economy: Analysis of Islamic Economic Law," *Nurani* 25, no. 1 (2025): 323–43, <https://doi.org/10.19109/nurani.v25i1.27698>.

⁷ Zahrotun Hasna Nisak et al., "Navigating the Paradox: Integrating Tradition and Educational Innovation in Indonesian Pesantren," *Journal of Indonesian Islam* 19, no. 2 (2025): 448–75, <https://doi.org/10.15642/JIIS.2025.19.2.448-475>.

Research on entrepreneurship in Islamic boarding schools has developed in several directions. Wibowo et al. found that Islamic values mediate the relationship between entrepreneurship education and entrepreneurial intent among 381 students.⁸ Sulistyowati et al., using a sample of 516 students across six regions, confirmed that the entrepreneurial ecosystem, including business incubators and role models, is shaped by the internalization of Islamic values.⁹ Yunita et al. identified three weaknesses in practice: the absence of practical guidelines, limited exposure to role models, and the absence of value-based evaluation.¹⁰ Fadhlurrahman et al. situated pesantren entrepreneurship education within a sustainable development framework, while Mof et al. evaluated the effectiveness of the Santripreneur Program using the CIPP model.¹¹ The study most closely related to this one is that of Abubakar et al., who found that the authority of the kiai and traditional institutional structures mediates the integration of entrepreneurial values in traditional Acehese pesantren.¹²

Reviewing the studies above, unanswered questions include: *First*, most studies focus on psychological *outcomes*, such as entrepreneurial intent, self-efficacy, and readiness to start a business, rather than on the institutional processes that produce these outcomes. The mechanisms of how pesantren design entrepreneurial learning spaces have not yet been examined in depth. *Second*, existing qualitative studies tend to be evaluations of specific programs or normative studies grounded in values and laws.¹³ While prior studies have explored entrepreneurship education within pesantren, none have systematically examined how its institutional architecture functions as an integrated

⁸ A Wibowo et al., “The Role of Entrepreneurial Education and Islamic Values Matters,” *International Journal of Evaluation and Research in Education* 11, no. 3 (2022): 1607–16, <https://doi.org/10.11591/ijere.v11i3.22264>.

⁹ R Sulistyowati et al., “Ecosystems and Entrepreneurial Intention among Students: The Mediating Role of Islamic Values,” *Perspektiv Nauti i Obrazovania* 69, no. 3 (2024): 113–29, <https://doi.org/10.32744/pse.2024.3.7>.

¹⁰ W Yunita, Y Rozimela, and Y Zainil, “Transforming Entrepreneurship Education through Islamic Values: A Needs Assessment at an Islamic Higher Education Institution in Indonesia,” *Nazhruna: Jurnal Pendidikan Islam* 8, no. 2 (2025): 480–95, <https://doi.org/10.31538/NZH.V8I2.224>.

¹¹ Fadhlurrahman et al., “Empowering Santri through Entrepreneurial Education: A Path to Sustainable Development in Islamic Boarding Schools,” *Multidisciplinary Science Journal* 8, no. 6 (2025): e2026366, <https://doi.org/10.31893/multiscience.2026366>.

¹² A Abubakar et al., “Integrating Entrepreneurial Values into Faith-Based Education: A Study Of Traditional Pesantren in Aceh,” *Jurnal Ilmiah Peuradeun* 13, no. 2 (2025): 1421–46, <https://doi.org/10.26811/peuradeun.v13i2.1934>.

¹³ Siregar et al., “Islamic Boarding School Cooperatives as an Instrument for Empowering the Community’s Economy: Analysis of Islamic Economic Law.”

learning system in which business units operate as living laboratories.¹⁴ *Third*, studies that bridge experiential learning theory and institutional logic theory in the pesantren context remain scarce, despite both frameworks being among the most apposite lenses for analyzing hybrid organizations that simultaneously pursue religious missions and economic sustainability.¹⁵

This study employs two conceptual frameworks. *First*, Kolb's *experiential learning* theory views learning as a recursive cycle of concrete experience, reflective observation, abstract conceptualization, and active experimentation.¹⁶ Sukardi examines the application of this model in entrepreneurship education at universities in Indonesia and demonstrates its relevance. However, this model has not yet been systematically tested in Islamic boarding schools, which have distinct authority structures, daily rhythms, and learning cultures compared to universities. *Second*, Thornton's *institutional logics* perspective allows analysis of how religious and economic logics mutually shape one another within an organization.¹⁷ This perspective has been successfully applied to analyze religious organizations,¹⁸ but has never been used to examine Islamic boarding schools. The synthesis of both views regards students' learning experiences as the product of the interaction between two institutional logics operating simultaneously, thereby constituting a conceptual contribution to this study.

From this framework, this study analyzes the institutional mechanisms and learning processes that enable the integration of education and entrepreneurship at the Al-Mashduqiah Islamic Boarding School in Probolinggo. Three questions guide this exploration: (1) How does Al-Mashduqiah institutionally design this integration through its business units? (2) What forms of experiential learning emerge through students' involvement in these business units? (3) How do religious and economic logics interact in shaping the learning environment within the boarding school's business units? The

¹⁴ A Habibi et al., "Investigating EFL Classroom Management in Pesantren: A Case Study," *Qualitative Report* 23, no. 9 (2018): 2105–22.

¹⁵ G Espedal, "Wide Awake Housekeepers on Duty: The Institutional Logic of Compassion in a Faith-Based Organization," *Nordic Journal of Religion and Society* 32, no. 1 (2019): 22–39, <https://doi.org/10.18261/issn.1890-7008-2019-01-02>.

¹⁶ D A Kolb, *Experiential Learning: Experience as the Source of Learning and Development* (Prentice Hall, 1984).

¹⁷ P H Thornton, W Ocasio, and M Lounsbury, *The Institutional Logics Perspective: A New Approach to Culture, Structure, and Process* (Oxford University Press, 2012).

¹⁸ Espedal, "Wide Awake Housekeepers on Duty: The Institutional Logic of Compassion in a Faith-Based Organization."

study is expected to contribute: *first*, at the empirical level, by describing integration practices in Islamic boarding schools with multiple business units; *second*, at the theoretical level, by linking the theories of *experiential learning* and *institutional logics* in Islamic education.

Research Method

This study employs an interpretive paradigm with a qualitative approach. The design is a single-case instrumental study.¹⁹ and Yin's methodology²⁰ The phenomenon under study, the integration of education and entrepreneurship in Islamic boarding schools, is a social construct interpreted differently by each actor. Understanding these meanings requires exploration from the participants' perspectives, as articulated by Creswell.²¹ An instrumental case study was chosen because, following Stake,²² The case is used to explain a broader phenomenon, namely, how institutional governance, managerial practices, and the organizational culture of Islamic boarding schools shape sustainable education-entrepreneurship integration.

The research was conducted at the Al-Mashduqiah Islamic Boarding School in Kraksaan, Probolinggo Regency, East Java, from December 2025 to February 2026. Cases were selected based on four typological criteria.²³ *First*, the boarding school manages more than one productive business unit that operates regularly. Al-Mashduqiah has at least six units: Izzy Bakery, a tofu-tempeh factory, a garment workshop, Al-Mashduqiah Farm, a wholesale business, and the boarding school cooperative (Kopontren). *Second*, these business units are integrated with the students' educational activities. *Third*, the pesantren has a formal institutional structure that enables analysis of its governance. *Fourth*, the caregivers and managers are willing to grant access for research. These *four* criteria make Al-Mashduqiah *a case rich in information*.

¹⁹ R E Stake, *The Art of Case Study Research* (Sage, 1995).

²⁰ Robert K Yin, *Case Study Research and Applications: Design and Methods*, 6th ed. (Los Angeles: SAGE, 2018).

²¹ John W Creswell and Cheryl N Poth, *Qualitative Inquiry and Research Design: Choosing Among Five Approaches*, 4th ed. (Thousand Oaks, CA: SAGE Publications, 2018).

²² Stake, *The Art of Case Study Research*.

²³ Michael Quinn Patton, *Qualitative Research & Evaluation Methods*, 4th ed. (SAGE Publications, 2015), <https://doi.org/10.1177/1609406915624573>.

Berger argues that reflexivity requires the researcher to disclose their position. “²⁴ The first researcher is affiliated with Nurul Jadid University, located within the boarding school environment in the same district, thus holding an insider-outsider position: having access to the general boarding school culture while maintaining a distance from the specific case under study. To reduce familiarity bias, the second researcher, who has no pesantren background, served as a critical reader during the analysis phase.

Participants were selected through a combination of *purposive sampling* and *maximum variation sampling* with two inclusion criteria: (a) direct involvement in education–entrepreneurship integration for at least the past twelve months, and (b) willingness to provide *informed consent*.²⁵ Fourteen participants were grouped into six categories (Table 1).

Table 1.
Research Categories and Participant Composition

No.	Category	Role	N	Perspective Represented
1	Caretaker/Leader	Kiai or foundation administrator	1	Vision-mission, strategic direction of the pesantren
2	Institutional Administrators	Administrative Head, Treasurer, Community Service Staff	3	Policies, governance, finance
3	Operational Managers	Bakery staff, Kopontren administrators, and garment factory managers	3	Business unit management practices
4	External Labor	Non-student workers in business units	2	Work practices and daily operational dynamics
5	Participating Students	Students involved in non-remunerative activities in specific units	3	Learning experiences, internalization of entrepreneurial values
6	Relevant Alumni	Alumni who have worked in business units	2	Long-term impact, transfer of competencies

Data collection was halted when three consecutive interviews did not yield new codes or themes.²⁶

Data were collected using three methods in an iterative manner. *Semi-structured in-depth interviews* were conducted in 1-3 sessions per informant, each lasting an average

²⁴ R Berger, “Now I See It, Now I Don’t: Researcher’s Position and Reflexivity in Qualitative Research,” *Qualitative Research* 15, no. 2 (2015): 219–34, <https://doi.org/10.1177/1468794112468475>.
Berger, “Now I See It, Now I Don’t: Researcher’s Position and Reflexivity in Qualitative Research,” *Qualitative Research* 15, no. 2 (2015): 219–34, <https://doi.org/10.1177/1468794112468475>.

²⁵ Patton, *Qualitative Research & Evaluation Methods*.

²⁶ B Saunders et al., “Saturation in Qualitative Research: Exploring Its Conceptualization and Operationalization,” *Quality & Quantity* 52, no. 4 (2018): 1893–1907, <https://doi.org/10.1007/s11135-017-0574-7>.

of 60–90 minutes. All sessions were recorded with written consent and transcribed verbatim. The interview guide covered three domains: (a) perceptions of education-entrepreneurship integration; (b) daily practices in business units; and (c) the meaning inherent in that involvement. The guidelines were tested on an informant who was not on the list of primary participants.

Participant observation was conducted in five business units over 32 hours, spread across 16 weeks of field visits. The scope included the daily production cycle (including *the* early-morning shift at Izzy Bakery), interactions among student managers during informal training, weekly coordination meetings, and distribution and sales activities. Field notes were written in Geertz’s “*thick description*” format.²⁷ which separates situational descriptions, observed dialogue, methodological reflections, and preliminary interpretations, thereby maintaining *an audit trail*.

Document analysis includes pesantren profiles, the foundation’s articles of association, organizational structures, vision and mission documents, financial reports for business units over the past three years, business unit SOPs, entrepreneurship training curricula, and photo archives of activities. Documents were coded using the same rubric as interview transcripts and observation notes to enable cross-data triangulation.

The credibility of the findings is strengthened through data triangulation (Denzin). At the source level, each key claim is cross-checked with at least two categories of informants. At the methodological level, claims are verified through a combination of interviews, observations, and documents; inconsistencies between methods are treated as distinct analytical findings. At the researcher level, both researchers independently coded 40% of the initial transcripts, then discussed disagreements through intercoder dialogue until analytical agreement was reached.

Analysis employed Braun & Clarke’s reflexive thematic analysis through six recursive phases: data familiarization, line-by-line coding, development of candidate themes, review of themes against the entire dataset, naming and defining themes, and reporting findings with direct participant quotes as primary evidence.

Two conceptual frameworks served as sensitizing concepts (Blumer): Kolb’s experiential learning theory for the learning dimension and the institutional logics

²⁷ C Geertz, *The Interpretation of Cultures: Selected Essays* (Basic Books, 1973).

perspective for the governance dimension. Themes were constructed inductively from the data and then dialogued with the theories during the reporting stage.

Lincoln and Guba's four criteria for trustworthiness were applied: credibility through three months of field engagement, multiple-level triangulation, and member checking with nine key informants; transferability through contextually rich descriptions; dependability through an audit trail consisting of a codebook, a log of thematic changes, and reflective memos; and confirmability through reflective memos that distinguish empirical claims from the researcher's interpretations.

This study obtained ethical approval from the Nurul Jadid University Research Ethics Committee and formal permission from the caretaker of the Al-Mashduqiah Islamic Boarding School. All informants signed an *informed consent* form that explained the purpose of the research, the right to withdraw at any time without consequences, and the provisions for anonymization and data use. Students under the age of 18 were given pseudonyms, and the original transcripts were stored in encrypted storage accessible only to the two researchers.

Research Findings and Discussion

The research findings are presented in response to three research questions. Data were obtained through in-depth interviews with five informants representing various institutional levels at the Al-Mashduqiah Islamic Boarding School: Staff Member Hamim, Head of the Administrative Office, Boarding School Treasurer, Bakery Staff (Izzy Bakery), and Boarding School Cooperative (Kopontren) Manager.

Administrative Governance as a Support for the Operational Financial Architecture

The analysis yielded three interrelated subthemes: leadership vision as a strategic guide, administrative governance as an operational pillar, and financial architecture linking economic and educational functions. The integration of education and entrepreneurship at Al-Mashduqiah is a product of the leadership's strategic vision, not the result of organic development. Staff member Hamim explained:

"Here, from the very beginning, the boarding school leadership has had a vision that the pesantren should not only focus on religious education but also achieve economic self-sufficiency. Thus, business units such as the bakery, the cooperative, and other ventures are specifically directed to support education. All programs are typically discussed internally first before being implemented." (Staff Member Hamim)

This statement reveals a dual vision that places economic self-sufficiency on par with the mission of religious education, as well as an internal deliberation mechanism before program implementation. The phrase “from the very beginning” indicates that an entrepreneurial orientation has been embedded in the boarding school’s institutional identity.

This strategic vision is translated through an administrative management system that connects various institutional functions. The Head of the Administrative Bureau explained:

"Administration is important so that all business activities run smoothly. For example, inventory tracking, correspondence, and interdepartmental coordination. If administration isn't organized, business operations usually struggle to grow." (Head of the Administrative Bureau)

"Yes, there is. Because everything is still within the pesantren system. So when there is a program related to business or educational needs, we usually coordinate it together." (Head of the Administrative Bureau)

Both statements indicate that business units and educational programs operate within a single governance system with permeable organizational boundaries, thereby facilitating structural integration and information flow across disciplines.

The Pesantren Treasurer explained the financial allocation mechanism:

"The pesantren also manages the business finances. The proceeds from the business are usually used to support the pesantren’s operations, such as educational activities, facilities, and other needs." (Pesantren Treasurer)

"It clearly has an impact. With its own business, the pesantren becomes less dependent on external aid. So there is income that can be reinvested for the boarding school’s needs." (Pesantren Treasurer)

Revenue from business units is fully integrated into the boarding school’s financial system, creating a cycle of financial mutualism: economic success supports educational programs. At the same time, quality education maintains the boarding school’s reputation and sustainability. [Table 2](#) summarizes the findings on the first theme.

Table 2.

Summary of Findings: Institutional Design of Education-Entrepreneurship Integration

Sub-theme	Key Informants	Key Elements	Institutional Implications
Leadership vision as a strategic guide	Staff Member Hamim	Dual vision (religion + economy); internal deliberation	Integration embedded in institutional identity, not ad hoc
Administrative governance as an	Head of the Administrative Bureau	Cross-functional coordination; single system	Permeable organizational boundaries between

operational support			education and the economy
Financial architecture as a connector	Pesantren Treasurer	Business unit revenue funds education	Financial mutualism cycle; independence from external donors

Pesantren Cooperatives as Laboratories for Sustainable Management

Pesantren business units serve a dual function: as a source of income and as a learning space, although this educational function is rarely stated in official documents.

Staff member Hamim confirmed this function:

“Actually, that’s not quite right. In addition to generating income for the pesantren, the business units also serve as learning spaces. Students can directly observe how the business process is carried out. So, there is educational value and work experience there as well.” (Staff Member Hamim)

Hamim rejects the dichotomy between economic and educational functions: students have the opportunity to observe the production cycle firsthand, thereby acquiring concrete experience within an experiential learning framework.

Learning in the business units is facilitated by a clear work structure, so it does not occur merely incidentally. A staff member at the Bakery (Izzy Bakery) explains:

"Here, there is already a division of tasks. There are production, packaging, and distribution departments. So the work is organized to ensure production runs smoothly." (Bakery Staff)

"There are simple SOPs. From hygiene, the production process, to quality checks on the bread. So, we ensure the results remain good." (Bakery Staff)

Thus, the students are not merely involved on an ad hoc basis but are integrated into a structured system that instills work discipline and an awareness of quality standards.

Kopontren administrators describe the management system implemented:

"Kopontren is managed sustainably. We manage inventory, sales, and the needs of both the students and the boarding school. Everything is managed to ensure the business runs smoothly." (Kopontren Administrator)

"In addition to helping meet the boarding school’s needs, Kopontren is also a source of income for the pesantren. So the benefits are not only economic but also support the continuity of education." (Kopontren Administrator)

Through Kopontren's management, students are introduced to managerial complexities that extend beyond mastering technical skills. [Table 3](#) summarizes the findings on the second theme.

Table 3.

Summary of Findings: Experience-Based Learning Practices in Business Units

Business Unit	Informant	Learning Mechanism	Facilitated Competencies
Business units in general	Staff Member Hamim	Direct observation of real business processes	Understanding of business processes; hands-on work experience
Izzy Bakery (Bread Factory)	Bakery Staff	Functional differentiation (production, packaging, distribution); standardized SOPs	Work discipline, quality standards, systematic production flow
Kopontren (PA&PI Corps)	Kopontren Management	Sustainable management of inventory, sales, and internal needs of the	Long-term planning; operational management; sustainability orientation

The Coexistence of Religious and Economic Logics in Institutional Vision

The third research question examines the interaction between religious institutional logic and economic logic in shaping the learning environment in the pesantren's business units. This cross-informant analysis indicates that these two logics do not operate separately or in conflict, but rather in a mutually reinforcing relationship of coexistence.

Pesantren leaders design an institutional framework capable of accommodating both logics simultaneously. This is illustrated by a statement from staff member Hamim that the pesantren leadership wants the pesantren *"not only to focus on religious education, but also to be economically self-reliant"*, an expression that positions religious logic and economic logic as two mutually supportive poles. Economic self-reliance is viewed as part of the educational mission. A similar perspective was expressed by the Kopontren administrators, who emphasized that the institution's benefits *"are not merely economic, but also support the sustainability of education."* The alignment of narratives between these two informants, one at the policy level and the other at the operational level, demonstrates the internalization of this logic across all components.

The integration of religious and economic logic at Al-Mashduqiah does not stop at the level of discourse but is concretely manifested in the institutional governance system. The Head of the Administrative Bureau stated that *"everything is still within the single pesantren system"*; coordination is carried out for every program related to business or education. This statement implies that both fields operate within a single, integrated unit. This finding is reinforced by the Treasurer's statement affirming that *"business finances are also managed by the boarding school,"* meaning financial flows are not segregated between business and educational accounts. Such integration mechanisms ensure alignment between formal commitments and practice; in the institutional theory literature,

this condition is viewed as a strong indicator of institutional coupling, in which the adopted logic is reflected in how the organization operates on a daily basis.

The third dimension of the interaction between these two logics is reflected in work standards. The implementation of SOPs at Izzy Bakery in Kopontren reflects modern management practices operating alongside a traditional institutional framework. Izzy Bakery staff noted that work standards cover “*cleanliness, production processes, and quality checks on the bread.*” At the same time, Kopontren administrators emphasized the importance of management practices “*to ensure the business runs smoothly.*” These professional standards are a response to the demands of economic logic, yet they are implemented within a pesantren environment framed by the values of discipline, responsibility, and trust. Professionalization at Al-Mashduqiah serves as a meeting point between market expectations and traditional institutional values, producing a hybrid model in which these two logics work synergistically and reinforce one another. [Table 4](#) summarizes the patterns of interaction between religious logic and economic logic based on the findings.

Table 4.
Summary of Findings: Interaction Between Religious and Economic Institutional Logics

Dimensions of Interaction	Empirical Evidence	Religious Logic	Economic Logic
Coexistence in Vision	The dual vision of leadership: religion + economic independence	Religious education is the primary mission	Economic independence as an extension of the mission
Functional integration	Single governance system; integrated financial flow	Educational programs are the purpose of fund allocation	Business units as a source of independent funding
Hybrid professionalization	SOPs in the bakery; sustainable management at the Kopontren	Values of discipline, responsibility, and trust	Efficiency, quality standards, and business sustainability

Discussion

This section discusses the research findings in relation to two theoretical frameworks: Kolb’s theory of *experiential learning*.²⁸ and the *institutional logics*

²⁸ Kolb, *Experiential Learning: Experience as the Source of Learning and Development*.

perspective of Thornton et al.,²⁹ and situates their contributions within the broader literature. The discussion is organized into four subsections: *the first* three subsections interpret the findings theoretically in accordance with each research question, while the fourth subsection presents a conceptual synthesis.

Reinterpretation of *Experiential Learning in Pesantren*

The integration of education and entrepreneurship at Al-Mashduqiah cannot be understood as the result of a single program, but rather is shaped by an institutional framework that was systematically built through three interrelated components: a strategic leadership vision, cross-functional administrative governance, and a financial structure that directly links business unit revenue to educational funding.

Most previous studies used programs as their unit of analysis; for example, Mof, Ramadan, and Mizani evaluated the Santripreneur Program using the CIPP model.³⁰ Yunita, Rozimela, and Zainil conducted *a needs assessment* of entrepreneurship programs at Islamic universities.³¹ Program-based approaches tend to isolate interventions from their institutional context, so the institutional mechanisms that enable or hinder program success remain undiscovered. At Al-Mashduqiah, the success of integration cannot be attributed to a single program, but rather to an institutional configuration that allows business units to function simultaneously as economic entities and learning spaces.

This position aligns more closely with Abubakar et al.,³² , who found that the authority of the kiai and institutional structures mediates the integration of entrepreneurial values with Acehese pesantren education. However, this study goes further: leadership authority alone is insufficient for autonomous functioning. The Kiai's vision is realized only when supported by an administrative governance infrastructure that coordinates functions and financial flows, thereby linking business units with educational programs. Without these two components, the vision remains merely rhetorical.

²⁹ Thornton, Ocasio, and Lounsbury, *The Institutional Logics Perspective: A New Approach to Culture, Structure, and Process*.

³⁰ Y Mof, W Ramadan, and H Mizani, "Evaluating the Effectiveness of the Santripreneur Program in Islamic Boarding School: A CIPP-Based Qualitative Assessment of Screenprinting Training," *Munaddhomah* 7, no. 1 (2026): 141–56, <https://doi.org/10.31538/munaddhomah.v6i4.2435>.

³¹ Yunita, Rozimela, and Zainil, "Transforming Entrepreneurship Education through Islamic Values: A Needs Assessment at an Islamic Higher Education Institution in Indonesia."

³² Abubakar et al., "Integrating Entrepreneurial Values into Faith-Based Education: A Study Of Traditional Pesantren in Aceh."

Within the framework of *institutional logics*, Al-Mashduqiah operates multiple institutional logics simultaneously without allowing one to dominate the others, a pattern Kleimann refers to as a “*multiple hybrid organization*.”³³ Unlike hybrid models typically characterized by tensions between logics, as described by Dzhengiz and Hockerts, the alignment of systems at Al-Mashduqiah is achieved through an integrative institutional design in which the boundaries between the educational and economic domains are not rigid but mutually reinforcing.³⁴

The pesantren’s business units function as a “*living laboratory*”, a space where students directly experience the cycles of production, management, and distribution. This finding can be interpreted through Kolb’s *experiential learning* model,³⁵ Though it requires substantial contextual modification, Kolb’s model comprises four stages: concrete experience, reflective observation, abstract conceptualization, and active experimentation. Data on students’ involvement in business units align with the concrete experience and reflective observation stages, while task division and SOPs provide a structured framework that supports conceptualization. Students not only experience but also learn within a system with observable and internalizable standards.

The necessary modifications are not merely contextual. Sukardi et al. demonstrate the relevance of Kolb’s model to entrepreneurship education at universities in Indonesia, but do not apply it to Islamic boarding schools, which have different authority structures, daily rhythms, and learning cultures.³⁶ This study found that the learning cycle in pesantren does not operate in a value-free space. Students’ experiences in business units, such as producing bread at Izzy Bakery or managing inventory at Kopontren, not only teach technical skills but are also interpreted within the framework of pesantren values: discipline, trustworthiness, and collective responsibility.

³³ B Kleimann, “(German) Universities as Multiple Hybrid Organizations,” *Higher Education* 77, no. 6 (2019): 1085–1102, <https://doi.org/10.1007/s10734-018-0321-7>.

³⁴ T Dzhengiz and K Hockerts, “Dogmatic, Instrumental, and Paradoxical Frames: A Pragmatic Research Framework for Studying Organizational Sustainability,” *International Journal of Management Reviews* 24, no. 4 (2022): 501–34, <https://doi.org/10.1111/ijmr.12290>.

³⁵ Kolb, *Experiential Learning: Experience as the Source of Learning and Development*.

³⁶ Sukardi, Mahyuni, and L A Wardana, “Feasibility of Kolb’s Experiential Learning Model in Entrepreneurship Education at Universities in Indonesia,” *Eurasian Journal of Educational Research* 2025, no. 115 (2025): 128–48, <https://doi.org/10.14689/ejer.2025.115.08>.

This perspective enriches Ramsgaard and Christensen's study on the interaction between forms of entrepreneurship education.³⁷ At Al-Mashduqiah, interactions occur not only among formal, informal, and non-formal forms but also between logics, specifically, the entrepreneurial logic emphasizing efficiency and the pesantren logic emphasizing compliance, solidarity, and divine blessing. This dual interaction produces a learning model that has not yet been described in the *experiential learning* literature.

This study also differs from Rofiqi's, which employed an ethnographic approach to examine social reproduction in pesantren education.³⁸ This study demonstrates how business units, as economic entities, are transformed into pedagogical instruments, a transformation made possible only by the institutional architecture discussed. Without financial flows linking business revenue to education and without cross-functional administrative coordination, business units remain economic entities separate from the learning process.

Experiential Learning Model Based on Institutional Logics

Religious and economic logic at Al-Mashduqiah coexist in a mutually reinforcing relationship. Previous literature describes various patterns of inter-logic interaction within religious institution-based organizations: the coexistence of compassion and managerial logic (Espedal,³⁹ The hybridity of Christian social enterprises by Kimura,⁴⁰ The influence of religious logic at the forefront of public organizations by Magri et al.,⁴¹ and inter-logic negotiations in the transition toward sustainability by Koehrsen and Huber.⁴² This study adds the context of the pesantren, a traditional Islamic educational institution, which produces a pattern of hybridity distinct from that of the other cases.

³⁷ Ramsgaard and Christensen, "Interplay of Entrepreneurial Learning Forms: A Case Study of Experiential Learning Settings."

³⁸ Rofiqi et al., "Living under the Gaze: An Ethnographic Study of Authority, Embodied Learning, and Social Reproduction in Indonesian Pesantren Education," *Ethnography and Education*, 2026, <https://doi.org/10.1080/17457823.2026.2614516>.

³⁹ Espedal, "Wide Awake Housekeepers on Duty: The Institutional Logic of Compassion in a Faith-Based Organization."

⁴⁰ R Kimura, "What and How Hybrid Forms of Christian Social Enterprises Are Created and Sustained in Cambodia? A Critical Realist Institutional Logics Perspective," *Religions* 12, no. 8 (2021): 604, <https://doi.org/10.3390/rel12080604>.

⁴¹ G Magri et al., "The Influence of Religious Institutional Logic in Frontline Work," *Australian Journal of Public Administration* 84, no. 4 (2025): 605–27, <https://doi.org/10.1111/1467-8500.12691>.

⁴² J Koehrsen and F Huber, "A Field Perspective on Sustainability Transitions: The Case of Religious Organizations," *Environmental Innovation and Societal Transitions* 40 (2021): 408–20, <https://doi.org/10.1016/j.eist.2021.09.005>.

The main difference lies in the reconciliation mechanism; many previous studies explain that reconciliation occurs through situational negotiation. In contrast to the phenomenon at Al-Mashduqiah, reconciliation is facilitated by structural integration, and the two logics are not pitted against each other at the operational decision-making level. The institutional architecture designs a system in which both operate without requiring case-by-case arbitration.

This pattern expands Kurlberg's framework on institutional logics within faith-based aid organizations. The integration of logics can occur not only through discursive mechanisms (framing and narrative) but also through material mechanisms, such as financial flows, governance structures, and operational procedures.⁴³ This hierarchy of logics, in which economic autonomy serves the educational mission, allows the organization to avoid the "mission drift" that Kleimann often identifies as threatening hybrid organizations.⁴⁴

Examining the field phenomenon from the typological perspective of Dzhengiz and Hockerts⁴⁵ At Al-Mashduqiah, economic logic serves as an instrument supporting religious-educational logic, so that its integration pattern aligns with *the* instrumental *framework*. Business units are managed professionally, not to maximize profits, but to ensure the sustainability of the educational mission. This instrumental *framing* explains why the professionalization of business units does not create tension with the pesantren's religious identity; in fact, both are directed toward the same goal.

The main conceptual contribution of this study is the synthesis of *experiential learning* theory and the *institutional logics* perspective, two traditions that have historically developed separately. *Experiential learning* theory is agnostic regarding institutional contexts. This model assumes that the learning cycle occurs in individuals interacting with their environment, without explicitly addressing the institutional logics that frame that environment. Meanwhile, the *institutional logics* perspective focuses on how coexisting logics shape organizational behavior, but does not address how these logics shape individual learning processes.

⁴³ N G Kurlberg, *Institutional Logics within Faith-Based Aid: A New Approach to Organising in Development, Humanitarianism and Advocacy* (Routledge, 2024), <https://doi.org/10.4324/9781003480839>.

⁴⁴ Kleimann, "(German) Universities as Multiple Hybrid Organizations."

⁴⁵ Dzhengiz and Hockerts, "Dogmatic, Instrumental, and Paradoxical Frames: A Pragmatic Research Framework for Studying Organizational Sustainability."

Experiential learning in business units cannot be understood without considering the institutional logics that frame it: the students' experiences at Izzy Bakery are not merely about producing bread, but experiences interpreted within the framework of discipline, collective responsibility, and an orientation toward divine blessing. Conversely, the coexistence of religious and economic logics at Al-Mashduqiah is not the product of policy declarations. Still, it is produced and reproduced through the students' daily experiences in the business unit.

This study proposes an initial conceptual proposition: within pesantren educational organizations, *experiential learning* functions as a micro-mechanism that reproduces the coexistence of institutional logics. Students internalize religious and economic logics not through formal instruction, but through direct experience in business units designed to accommodate both logics simultaneously. This proposition requires further testing but offers a starting point for dialogue between two theoretical traditions that have long been separate.

These findings have three implications for pesantren administrators and stakeholders in entrepreneurship education. *First*, the successful integration of entrepreneurship education cannot be achieved merely by adding entrepreneurship programs to the curriculum. What is more critical is the institutional design of governance, cross-functional coordination, and financial allocation mechanisms linking business units to educational programs. Pesantren seeking to replicate this model need to review these three components, not just the program content.

Second, implementing professional SOPs in business units does not conflict with the character of traditional Islamic boarding schools. SOPs provide a structure that students can observe and internalize, making the learning process more focused. This is relevant to boarding schools hesitant to adopt modern management practices for fear that doing so will erode their traditional identity. *Third*, economic self-reliance and educational quality are not two conflicting goals. When institutional frameworks are designed appropriately, the two are interrelated: well-managed business units generate revenue that funds education, while quality education maintains the pesantren's reputation and sustainability.

As a single-case study, this research has four limitations. *First*, all informants were managers and staff. Their perspectives are sufficient to answer RQ1 and RQ3. Still, the

answer to RQ2 remains a second-order perspective, that is, from managers' perceptions of students' learning experiences, not the students' own. Follow-up studies involving student-workers and alumni would strengthen the validity of the findings in this dimension.

Second, these findings are not intended to be statistically generalized to the entire population of Islamic boarding schools. In accordance with the principle of transferability (Lincoln & Guba, 1985), a rich contextual description allows readers to assess its relevance. Comparative studies involving multiple pesantren with different business unit typologies would strengthen the findings. *Third*, this study has not yet explored the temporal dimension regarding how this integration model evolves over time and whether there are critical junctures that trigger institutional transformation. A longitudinal or historical-narrative approach would be a productive direction to pursue.

Fourth, the conceptual dialogue between *experiential learning* and *institutional logics* proposed here is still in its early stages. Follow-up studies that empirically test this proposition, for example, through designs that track the process of internalization at the individual student level, will strengthen its theoretical contribution.

The pesantren is not merely an interesting research site. Substantively, Islamic boarding schools challenge and enrich theories developed in Western entrepreneurship education. The integration model at Al-Mashduqiah, where religious and economic logics coexist productively to shape the learning environment, offers a perspective underrepresented in the literature and has the potential to open new avenues of research at the intersection of entrepreneurship education, organizational studies, and Islamic studies.

Conclusion

This study analyzes the integration of entrepreneurship education at the Al-Mashduqiah Islamic Boarding School in Probolinggo through the management of six productive business units, using *experiential learning* theory and *institutional logics* as the analytical framework. Three main findings emerged. *First*, this integration is supported by three mutually reinforcing institutional layers: a leadership vision that places economic self-reliance on par with the mission of religious education; cross-functional governance that breaks down barriers between units; and an integrated

financial structure that channels business revenue back into educational programs. Without this configuration, the entrepreneurial vision would remain mere rhetoric.

Second, business units function as *living laboratories* that facilitate structured experiential learning, not merely incidental learning. The implementation of SOPs at Izzy Bakery and the management of Kopontren provide a framework for observation, conceptualization, and internalization for the students, yet not within a value-neutral space: the students' experiences are fully interpreted within the framework of discipline, trust, and collective responsibility. Third, religious logic and economic logic are in functional balance through a structural integration distinct from the situational negotiations reported in previous studies of hybridity. The instrumental placement of economic logic under the religious-educational mission can prevent *a drift in the mission*.

This study links *experiential learning* theory and *institutional logics*. It proposes that *experiential learning* serves as a micro-mechanism that maintains the balance of institutional logics at the individual level, internalized by students through daily engagement rather than formal instruction. Practically, the success of entrepreneurship education in pesantren requires an institutional design that systematically links governance, cross-functional coordination, and financial allocation.

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