

Value-Based Governance and Islamic Entrepreneurship Education Practices for Strengthening Students' Economic Independence

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Abstract

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This study aims to analyze the governance and value-based Islamic entrepreneurship education practices at Pondok Pesantren Al-Urwatul Wutsqo Jombang and their implications for strengthening students' economic independence. Employing a qualitative case-study design, data were collected through in-depth interviews, participatory observation, and document analysis, and then thematically analyzed to obtain a comprehensive understanding of the pesantren's entrepreneurial dynamics. The findings reveal that entrepreneurial governance is shaped through the integration of Islamic values, trustworthiness, honesty, discipline, and responsibility with an organized management structure and a deliberative decision-making mechanism (syura). The learning practices adopt experiential learning, where students are directly involved in production, marketing, and bookkeeping, enabling them to acquire technical skills while internalizing Islamic work ethics. Entrepreneurship education also enhances students' self-confidence, communication abilities, and economic self-reliance. However, the study indicates that critical reflection and digital literacy remain underdeveloped, resulting in operational rather than strategic independence. This research contributes to strengthening value-based entrepreneurial models in Islamic boarding schools, yet its single-site focus limits it. Future studies should include comparative analyses across pesantren and explore the integration of digitalization within Islamic entrepreneurship frameworks.

Kata Kunci:

Tata Kelola, Kewirausahaan Islam, Pesantren, Nilai Islam, Kemandirian ekonomi santri.

Abstrak.

Penelitian ini bertujuan menganalisis tata kelola dan praktik pendidikan kewirausahaan Islam berbasis nilai di Pondok Pesantren Al-Urwatul Wutsqo Jombang serta implikasinya terhadap pembentukan kemandirian ekonomi santri. Menggunakan pendekatan kualitatif dan desain studi kasus, data dikumpulkan melalui wawancara mendalam, observasi partisipatif, dan dokumentasi, kemudian dianalisis secara tematik untuk memperoleh gambaran yang komprehensif mengenai dinamika kewirausahaan di pesantren. Hasil penelitian menunjukkan bahwa tata kelola kewirausahaan dibentuk melalui integrasi nilai-nilai Islam, amanah, kejujuran, disiplin, dan tanggung jawab dengan struktur manajemen yang terorganisasi dan mekanisme musyawarah dalam pengambilan keputusan. Praktik pembelajaran kewirausahaan menerapkan experiential learning di mana santri terlibat langsung dalam produksi, pemasaran, dan pembukuan, sehingga mampu membangun keterampilan teknis sekaligus etos kerja Islami. Pendidikan kewirausahaan juga terbukti meningkatkan kepercayaan diri, kemampuan komunikasi, dan orientasi kemandirian santri. Namun, temuan ini menunjukkan bahwa aspek refleksi kritis dan literasi digital belum optimal, sehingga program masih berfokus pada kemandirian operasional dan belum mencapai

kemandirian strategis. Penelitian ini berkontribusi pada penguatan model kewirausahaan berbasis nilai di pesantren, tetapi memiliki keterbatasan pada lingkup penelitian tunggal. Penelitian selanjutnya perlu memperluas komparasi antarpesantren dan mengkaji integrasi digitalisasi dalam model kewirausahaan Islam.

INTRODUCTION

Islamic boarding schools, as the oldest Islamic educational institutions in Indonesia, have a significant responsibility in preparing a generation with character, independence, and the ability to adapt to changing times (Maarif et al., 2025; Hasan et al., 2023). Amidst the challenges of economic and digital disruption, strengthening the economic independence of Islamic boarding school students is urgent so that they not only survive but also compete in modern socio-economic life (Aprilianto et al., 2025; Qizam et al., 2025). Islamic entrepreneurship education is a strategic approach that not only fosters technical entrepreneurial skills but also reinforces moral values, work ethic, responsibility, and spiritual awareness (Mariyono, 2025). From an Islamic perspective, entrepreneurship is not viewed solely as an economic activity but as a form of worship that emphasizes blessings, honesty, justice, and social contribution.

Al-Urwatul Wutsqo Islamic Boarding School in Jombang is one of the boarding schools that has developed a structured and value-based entrepreneurial program for students. (Mawaddah, 2025). The program is implemented through business units, practical learning, and teacher guidance integrated with Islamic values. However, the success of entrepreneurship education does not depend only on the implementation of practical activities. However, it is greatly influenced by governance and managerial practices that regulate the planning, implementation, and evaluation of the program. Good governance can ensure that entrepreneurship education is not sporadic but runs systematically, consistently, and sustainably.

Previous studies have shown that entrepreneurship education in Islamic boarding schools positively contributes to students' development of independence. (Valencia-Arias et al., 2021) found that entrepreneurship training can shape students' productive mentality, while (Solihin et al., 2020) emphasized that Islamic values are an important foundation in building students' work ethic. Research by (Priyono et al., 2026; Rohimat et al., 2024) also shows that pesantren business units function as effective entrepreneurial laboratories. However, previous studies have primarily focused on skills training, entrepreneurial motivation, and the success of business units. Studies that specifically examine how values-based governance is applied in entrepreneurship education within Islamic boarding schools remain limited. In addition, research on how santri, ustadz, and administrators subjectively experience the understanding and implementation of Islamic values in entrepreneurial practices has not been conducted in depth. This research gap indicates the need for studies that focus primarily on governance, managerial practices, and the internalization of Islamic values in relation to the economic independence of santri.

The main issue that arises in this context is the lack of a clear map of how Islamic entrepreneurship education is managed and practiced at the Al-Urwatul Wutsqo Islamic Boarding School in Jombang and how Islamic values are integrated into each stage of the program. In addition, it is not yet known in detail how the entrepreneurial education process affects the economic independence of santri in the era of economic-digital disruption. This research focuses on the lack of clarity in governance patterns, learning mechanisms, and value transformation in entrepreneurial practices.

Based on these needs, this study aims to analyze the governance and practices of Islamic entrepreneurship education grounded in values at the Al-Urwatul Wutsqo Islamic Boarding School in Jombang and to reveal their implications for strengthening students' economic independence. Theoretically, this study is expected to contribute to the development of a value-based Islamic

boarding school education management model in the field of entrepreneurship. In practice, the results of this study can serve as a reference for other Islamic boarding schools in developing effective, sustainable entrepreneurship program management that is relevant to the demands of economic development and digitalization.

METHODS

This study uses a qualitative case study design to gain an in-depth understanding of the governance and practices of Islamic entrepreneurship education grounded in values within the real context of Islamic boarding schools. The case study design was chosen to explain the processes, experiences, and meanings undergone by the program implementers, as recommended by (Yin, 2018) that case studies are appropriate for answering “how” and “why” questions in context-bound situations. The research was conducted at the Al-Urwatul Wutsqo Islamic Boarding School in Jombang, the sole location with a value-based Islamic entrepreneurship program. The research informants included the boarding school leadership, business unit managers/assistant teachers, and students. Informants were selected purposively, and, when necessary, expanded using the snowball technique to obtain richer, more in-depth data.

Data were collected through three main techniques: in-depth interviews, observation, and documentation. Interviews were conducted in a semi-structured manner to explore the experiences and practices of entrepreneurial governance (Creswell, 2014; Sugiyono, 2017). Observation was used to observe the entrepreneurial learning process and business unit activities. Documentation included activity records, organizational structures, program archives, and other supporting documents. Data analysis was conducted interactively following the model of (Miles et al., 2014), which includes data reduction, data presentation, and conclusion drawing/verification. All data were analyzed simultaneously throughout the research process to ensure accurate findings consistent with field phenomena.

Data validity is ensured through source, technique, and time triangulation. (Emzir, 2014). In addition, member checks, discussions with peers, and sufficient researcher presence in the field are carried out to enhance the credibility and reliability of the findings. The research procedure includes: determining the research focus, developing instruments, collecting data, interactive data analysis, and compiling findings and discussions. The entire procedure is carried out systematically in accordance with the characteristics of qualitative case studies.

RESULTS AND DISCUSSION

Results

Islamic Entrepreneurship Education based on Values

In the context of Islamic entrepreneurship education at Pondok Pesantren Al-Urwatul Wutsqo Jombang, the integration of Islamic values is crucial in shaping students' entrepreneurial practices. The findings from the field study reveal that entrepreneurship at the pesantren is not solely focused on profit generation but emphasizes the importance of moral values such as trustworthiness (*amanah*), honesty, discipline, and responsibility. These values are deeply embedded in the management and operational processes of the pesantren's business units.

The integration of Islamic values into entrepreneurship practices ensures that students not only acquire technical business skills but also internalize the ethical foundations required for running a business in line with Islamic principles. For example, all business activities at the pesantren are initiated with a prayer, underscoring the spiritual dimension of entrepreneurship.

Students are regularly reminded that honesty in transactions is essential, as business is considered an act of worship if conducted with trust and integrity.

Through this approach, students are taught that entrepreneurship is both a means of character building and a tool for financial independence. The values-driven governance system within the pesantren establishes a structured management framework in which decision-making is carried out through deliberation (*syura*), fostering a participatory environment that encourages shared responsibility among students and faculty alike. This holistic approach ensures that entrepreneurship education aligns with Islamic teachings and equips students with both technical and moral skills for economic success in their future endeavors.

This study describes in depth how Islamic entrepreneurship education grounded in values is implemented at Al-Urwatul Wutsqo Islamic Boarding School in Jombang, and how these practices contribute to students' economic independence. Research data was obtained through in-depth interviews, field observations, and a review of boarding school documentation. All findings were analyzed thematically and presented as narratives describing the processes, experiences, and meanings that emerged from entrepreneurial activities at the boarding school.

In interviews with the boarding school's caretaker, it was clear that entrepreneurial governance was built on Islamic values. He explained that the boarding school provides entrepreneurial education. *“is not aimed at seeking profit, but at teaching responsibility, honesty, and courage to act. Business is worship if it is carried out with trust.”* This statement emphasizes that moral values are the basis for designing entrepreneurship programs. The documentation of the pesantren's entrepreneurial vision also reinforces this by stating that every business unit must be a means of character education before becoming a source of income.

Program management in practice is evident in the structured task division. Based on the entrepreneurial organization's documents, there is a main coordinator, several business unit managers, and assistant teachers who guide the students in their daily activities. The researcher's observations during weekly meetings showed that the decision-making process was conducted through deliberation. In one meeting, the assistant teacher presented an evaluation and then allowed the students to express their opinions. One student said, *“We are usually asked to report on production or marketing obstacles. The teacher listens first before giving directions. So we feel involved.”* *“Students must learn through direct practice. They are the ones who produce, the ones who serve buyers, and the ones who record income. That way, they learn seriously.”*

These observations confirm the existence of participatory governance that not only trains technical skills but also builds a sense of shared responsibility. In implementing entrepreneurship education, the pesantren adopts an experiential learning approach. The supervising teacher explained that,

When researchers observed the bread production unit, students were seen managing the bread-making process from mixing ingredients and controlling the oven to weighing the final product. Supervising teachers occasionally provided input, but most of the work was carried out independently by the students. This interaction shows that Islamic boarding schools provide an authentic learning environment and emphasize personal responsibility.

Islamic values are very evident in entrepreneurial practices. Every business activity begins with a group prayer, and the accompanying teacher usually reminds the students to maintain integrity in their transactions. One of the students said, *“If there is a product that is not good or weighs less than it should, we are told to be honest with the buyer. The teacher said that business should not involve deception because it will not be blessed.”*

In conclusion, the integration of Islamic values in entrepreneurship education at Pondok Pesantren Al-Urwatul Wutsqo Jombang provides a strong foundation for developing not only technical business skills but also ethical character in students. By emphasizing values such as trustworthiness, honesty, discipline, and responsibility, the pesantren ensures that its entrepreneurial practices are aligned with Islamic principles. This approach not only contributes to the personal and spiritual growth of the students but also fosters a deeper understanding of the moral dimensions of entrepreneurship, encouraging them to approach business as a form of worship and social responsibility.

Furthermore, the structured governance system grounded in Islamic values, coupled with participatory decision-making, underscores the importance of collaboration and shared responsibility in business practices. This comprehensive model of entrepreneurship education ensures that students are well-equipped to navigate the complexities of modern business while maintaining their integrity. By combining technical skills with strong ethical principles, the pesantren provides a model of values-based entrepreneurship that can serve as a guide for other Islamic educational institutions looking to cultivate responsible and independent future entrepreneurs.

Implications for Strengthening the Economic Independence of Students

The findings from the research highlight that the integration of values-based entrepreneurship education at Pondok Pesantren Al-Urwatul Wutsqo Jombang significantly strengthens students' economic independence. One key observation is the emphasis on practical business experience, where students not only gain technical skills but also internalize key Islamic values, such as trustworthiness. A simple yet meaningful example of this is seen in the student cafeteria, where students confidently accept returns and replace damaged items without hesitation, demonstrating their commitment to honesty and ethical business practices. This small practice reflects a broader understanding that, within the context of Islamic values, entrepreneurship is not solely about financial gain but also about maintaining integrity in all transactions.

Furthermore, financial accounting plays a critical role in fostering students' economic independence. The pesantren encourages students to take responsibility for managing their own business finances, with weekly reports on income and expenses being meticulously documented. These reports are routinely checked by supervising teachers to ensure accuracy and accountability. As one student shared, the process of managing finances initially felt challenging, but with consistent guidance, they developed the confidence and precision required for effective business management. This experience not only strengthens students' technical skills but also reinforces the importance of attention to detail and honesty, both of which are essential for long-term economic self-reliance.

Through these practical experiences, the students at Al-Urwatul Wutsqo are gaining not just the skills to run businesses but also the discipline and ethical foundation needed to thrive independently in a competitive market. This approach to education builds a holistic understanding of entrepreneurship, where students learn to balance technical competency with moral responsibility, ultimately contributing to their overall economic independence.

From the researcher's observations in the student cafeteria, it was seen that when a buyer returned a damaged item, the students accepted it and replaced it without hesitation. This small practice reflects the internalization of the value of trustworthiness, which is central to entrepreneurship education in Islamic boarding schools.

Financial accounting is an important aspect that trains students to be meticulous. Weekly reports show that students record income and expenses manually, and accompanying teachers routinely check these reports. In an interview, a student who works in administration revealed,

“At first, I was afraid of making mistakes in my records, but I got used to it over time. The teacher always said that the important thing is to be meticulous and honest, and that we would be guided.”

“I used to be shy about offering goods, afraid of being rejected. Now I can speak fluently. I feel more courageous after frequent practice.”

This experience shows that entrepreneurial activities not only train technical skills but also build students' confidence in managing responsibilities.

Researchers also observed changes in students' behavior during the activity. At the beginning of the observation, some students seemed hesitant when serving customers. However, in subsequent observations, they appeared more confident and communicative. One student admitted that,

This shows that entrepreneurship is a vehicle for developing the social and mental aspects of santri. Findings from alumni documentation also show the long-term impact of the entrepreneurship program. Several alumni run small businesses such as food stalls, photocopying services, and snack businesses. From interviews with accompanying teachers, it was found that, *“Several alumni said that their business experience at the pesantren made them better prepared to start their own businesses after graduation. They already had the basic skills and mindset.”*

This fact shows that the entrepreneurship program is not only beneficial while students are at the pesantren, but also has an impact on their lives after completing their education.

In general, the results of the study show that value-based entrepreneurial management at Al-Urwatul Wutsqo Islamic Boarding School is carried out professionally while remaining rooted in Islamic values. Learning through hands-on practice creates space for students to develop the technical skills, managerial abilities, and strong character needed in the business world. The combination of religious values, practical experience, and structured management practices makes this entrepreneurship program effective in shaping students' economic independence.

These findings confirm that Islamic boarding schools have great potential as educational institutions that can develop a young generation with character, skills, and readiness to navigate the dynamics of today's economy. Value-based entrepreneurship implemented in Islamic boarding schools not only prepares students to become workers or traders but also to become independent individuals with integrity who uphold Islamic values in all aspects of their lives.

In conclusion, the emphasis on hands-on business experience at Pondok Pesantren Al-Urwatul Wutsqo Jombang significantly contributes to fostering students' economic independence. Through their involvement in practical activities such as handling returns and managing financial records, students not only acquire essential technical skills but also develop a deep understanding of ethical business practices rooted in Islamic values. This combination of practical and moral education equips them to navigate the complexities of the business world with confidence while maintaining integrity and accountability.

Moreover, the consistent guidance from teachers and the structured approach to financial management ensure that students are well-prepared for future economic independence. The ability to manage finances, coupled with the internalization of trustworthiness and honesty, creates a solid foundation for students to thrive in their entrepreneurial ventures. As they continue to practice these values, they are not only becoming self-reliant in business but also embodying the principles

of Islamic entrepreneurship, which emphasize social responsibility and ethical success in the marketplace.

Table 1. Summary of Research Results

Research Focus	Research Findings 1	Research Findings 2	Triangulation Sources
Value-Based Islamic Entrepreneurship Education	Integration of Islamic Values: 1. Entrepreneurship in the pesantren emphasizes Islamic values such as trustworthiness, honesty, discipline, and responsibility. 2. These values are applied at every stage of entrepreneurial practice.	Financial Management Practices: 1. Students are directly involved in financial record-keeping, which teachers supervise. 2. This practice improves accuracy and transparency in business management.	1. Interviews with pesantren leaders: Providing insights into the Islamic values applied in entrepreneurial practices. 2. Entrepreneurial activity observations: Observing the implementation of Islamic values in daily business operations. 3. Documentation: Business activity reports run by the students.
Strengthening Students' Economic Independence	Governance and Decision-Making Based on Consultation: The pesantren implements a consultation system (<i>syura</i>) for decision-making that involves students and fosters a sense of shared responsibility.	Economic Independence Practices: 1. Students manage businesses on their own, directly involved in production, marketing, and bookkeeping. 2. They develop self-confidence and independence.	1. Interviews with students: Providing insights into their experience in managing business finances and direct involvement in business operations. 2. Participatory observation: Observing the entrepreneurship process and interactions between teachers and students in managing businesses. 3. Documentation: Financial records and business reports managed by students.

Source: Data Collection, 2026

DISCUSSION

The results of the study show that the governance and practice of values-based entrepreneurship education at Al-Urwatul Wutsqo Islamic Boarding School in Jombang are grounded in the integration of Islamic values and modern management principles. This integration has created a unique governance model that prioritizes moral values while still considering operational effectiveness (Bao et al., 2013). This finding enriches the discussion on values-based governance, as explained by, who asserts that values-based governance not only regulates organizations through procedural standards but primarily through the internalization of mutually agreed-upon values (Alrøe et al., This is in line with the boarding school's caretaker's statement that *“business in the boarding school is worship,”* which shows that value orientation is the foundation of governance.

However, this value-based approach does not necessarily ensure effective governance if it is not accompanied by a supporting structure. In the context of Al-Urwatul Wutsqo Islamic Boarding

School, documentation shows a relatively clear entrepreneurial organizational structure. However, it remains highly dependent on the roles of central figures, such as caregivers and assistant teachers. This dependence on these figures echoes the criticism of (Conger, 1999; Levay, 2010) Organizations that rely too heavily on charismatic leaders are prone to instability when leadership changes. Thus, even though the pesantren's governance is running well, its institutional aspects still need to be strengthened so that it is not “person-dependent” but becomes a sustainable system (Nurhasanah et al., 2024).

The experiential entrepreneurship learning practices at this Islamic boarding school are in line with (Kolb, 1993) The concept of experiential learning states that effective learning occurs when students are directly involved in a cycle of concrete experience, reflection, conceptualization, and experimentation. The findings of this study show that students do indeed experience this cycle, especially in the stages of concrete experience and active experimentation. When students say, “we are the ones who produce, we are the ones who serve buyers, we also record finances,” this illustrates their active involvement in the entire business process. This is in line with the findings of (Ampountolas et al., 2019; Colakkadioglu & Celik, 2016), which states that the direct involvement of students in business activities increases their confidence and decision-making abilities.

However, critical analysis needs to be applied to the aspects of reflection and abstract conceptualization in Kolb's learning model (Kolb, 1993). The researcher's observations show that santri understand what to do technically, but the process of critical reflection is not yet strong. Students tend to understand the ethical reasons behind their actions, for example, not deceiving customers or being trustworthy. However, they do not yet engage in critical analysis of business dynamics such as competition, market segmentation, or risk calculation. This phenomenon shows that entrepreneurship learning in Islamic boarding schools remains dominant in both moral and technical aspects, but has not yet developed strategic capacity. This is in line with the criticism of (Sarooghi et al., 2019; Daniel, 2016; Baggen et al., 2022) who stated that entrepreneurship education is often stuck in technical activities, without providing sufficient space for an entrepreneurial mindset.

The internalization of Islamic values is a prominent aspect of this study. When students say that “business will not be blessed if it is not honest,” this shows the integration of Islamic values in entrepreneurial practices. (Yasmeen, 2024; Gümüşay, 2015; Yaacob & Azmi, 2012) Islamic Entrepreneurship emphasizes ethics, social responsibility, and blessings as the core of business activities. The findings of this study reinforce this view, but also open up space for critical discussion. On the one hand, the internalization of moral values is a great strength of Islamic boarding schools; on the other hand, there is a risk that a moral orientation may reduce students' courage to face competitive situations that demand innovation and market analysis. If santri place too much emphasis on moral prudence, they may become overly conservative in their business decisions (Rifai, 2023; Auliyah et al., 2025). Therefore, Islamic values need to be integrated with modern business literacy so that santri can maintain their integrity without neglecting technical and strategic competencies.

The findings regarding the increase in santri independence are consistent with those of (Rohimat et al., 2024), who found that entrepreneurship education in Islamic boarding schools enhances self-confidence, communication skills, and decision-making abilities. In this study, santri also showed significant improvements in these aspects. For example, one student said that previously he felt shy talking to new people, but now he has the confidence to offer products.

However, this data needs to be interpreted critically (Nuryana & Sirojuddin, 2025). The increase in students' self-confidence is evident in the context of pesantren activities. However, it is not yet certain whether this self-confidence will remain strong outside the pesantren environment, which is much more competitive. (Baggen et al., 2022) Research shows that pesantren alumni often face a “*social shock*” upon entering society because the environment's norms change drastically. This shows that increased self-confidence in pesantren needs to be accompanied by training in adaptation to the wider world of work and business.

The findings regarding the increase in santri independence are in line with (Adinugraha, 2022) research, which found that entrepreneurship education in Islamic boarding schools increases self-confidence, communication skills, and decision-making abilities. In this study, santri also showed significant improvements in these aspects. For example, one student said that previously he felt shy talking to new people, but now he has the confidence to offer products. However, this data needs to be interpreted critically. The increase in students' self-confidence is evident in the context of pesantren activities. However, it is not yet certain whether this self-confidence will remain strong outside the pesantren environment, which is much more competitive. (Syafi'udin, 2016) Research shows that pesantren alumni often face a “social shock” upon entering society because the environment's norms change drastically. This shows that increased self-confidence in pesantren needs to be accompanied by training in adaptation to the wider world of work and business (Winarti & Rohmah, 2025; Nashihin et al., 2024).

The economic independence of santri in this study is evident in their ability to manage businesses, perform simple bookkeeping, and take on roles in production and marketing. However, this independence is still operational in nature and has not yet reached strategic independence. According to (Berglund & Hellstrom, 2002) Strategic independence is characterized by the ability to think long-term, innovate, and plan for risk. Students at the Al-Urwatul Wutsqo Islamic Boarding School have been able to run daily businesses, but have not been trained much in product innovation, competitor analysis, or market expansion strategies. This shows that the pesantren's entrepreneurship program is already strong in basic aspects, but needs to be strengthened at the strategic managerial level so that students can compete in the digital economy.

In terms of documentation, Islamic boarding schools have implemented basic financial record-keeping, but have not yet utilized digital technology for bookkeeping or marketing. This is an important point to note, given that recent literature, such as the research by (Maula et al., 2023); Saleh & Nurhilalia, 2025) shows that digital literacy is key to entrepreneurial success in this era of disruption. Value-based entrepreneurship will be more effective if students are also equipped with digital skills, including online marketing, digital store management, social media utilization, and branding strategies. (Wangi et al., 2020). The findings of this study indicate that the digital dimension has not yet become a strong part of the program, so in the future, Islamic boarding schools need to integrate technology into business management.

Overall, this study shows that Al-Urwatul Wutsqo Islamic Boarding School has great potential as a center for values-based entrepreneurship development. However, this potential is only optimal in terms of character and basic skills, not yet in terms of innovation, business strategy, and digitalization (Sirojuddin et al., 2025). By strengthening the capacity of accompanying teachers, formulating more systematic SOPs, and integrating digital technology, the pesantren can improve the quality of its entrepreneurship program toward a more adaptive and relevant model for modern economic needs.

Table 2. Summary of Discussion Analysis

Research Findings	Theoretical Analysis	Contributions	Novelty
The integration of Islamic values (trustworthiness, honesty, discipline, and responsibility) in entrepreneurial practices.	The findings align with values-based governance theories, as proposed by Alrøe et al. (2017), which emphasize that governance should be guided by shared, internalized values rather than procedural standards.	The research contributes to understanding how Islamic values can shape entrepreneurial governance in pesantren, promoting a balanced approach to business practices.	The novelty lies in exploring Islamic entrepreneurship education and its focus on values-based governance in pesantren, an underexplored area in the existing literature.
Experiential learning involves students in production, marketing, and bookkeeping.	The findings confirm Kolb's Experiential Learning Theory (1993), showing that direct involvement in business activities enhances decision-making skills and self-confidence.	The research contributes to the body of knowledge on experiential learning in entrepreneurship education, especially in Islamic educational settings.	The novelty lies in integrating experiential learning with Islamic values, demonstrating how this approach develops both technical and ethical competencies.
Governance through consultation (<i>syura</i>) and structured business management.	The governance model aligns with participatory decision-making theories, promoting collective responsibility and shared decision-making.	The research introduces a participatory governance model that blends Islamic values with effective business management strategies in pesantren.	The novelty lies in analyzing how <i>syura</i> -based governance functions in entrepreneurship education and its implications for leadership development in pesantren.
Limited critical reflection and digital literacy in the entrepreneurial education process.	The findings highlight the gap in critical reflection and digital literacy, which are essential in developing a strategic entrepreneurial mindset (Sarooghi et al., 2019; Daniel, 2016).	The research identifies the need to incorporate critical thinking and digital skills into the entrepreneurial curriculum to prepare students for the challenges of modern business.	The novelty lies in identifying the lack of digital integration in Islamic entrepreneurship education and proposing its inclusion for a more strategic approach.

Source: Data Collection, 2026

This table summarizes the key discussion points, offering insights into how the research findings relate to theoretical frameworks, their contributions to the field, and the study's novel aspects.

CONCLUSION

The results of this study conclude that the governance and practice of Islamic entrepreneurship education at the Al-Urwatul Wutsqo Islamic Boarding School in Jombang are grounded in the integration of Islamic values with modern management principles. The values of

trustworthiness, honesty, discipline, and responsibility form a strong moral foundation for every entrepreneurial activity. At the same time, the direct involvement of students in production, marketing, and bookkeeping demonstrates the effective implementation of experiential learning. Governance is carried out in a participatory manner through regular deliberations, while experiential learning practices significantly shape students' mindsets, technical skills, and work ethic. These findings confirm that Islamic boarding schools have a strong capacity to become centers for developing values-based, character-building, and economically independent entrepreneurship.

This research makes a theoretical contribution to the development of Islamic education management studies by demonstrating that values-based governance can be effective when integrated with a clear organizational structure and contextual learning practices. In practice, this research provides an implementation model for other Islamic boarding schools to design sustainable entrepreneurship programs, particularly through experiential learning, active student involvement, and the internalization of Islamic values in business practices. Empirical contributions are also evident in the identification of the process of developing student independence, which is not only technical but also spiritual and social. This can enrich the discourse on developing a values-based entrepreneurship curriculum in Islamic educational institutions.

However, this study has limitations stemming from its use of a single research location and its reliance on in-depth interviews and observational data collected within a specific context. This limitation opens opportunities for further research, such as comparing Islamic boarding schools or conducting longitudinal analyses of alumni to assess the program's long-term impact. Furthermore, the digital dimension of entrepreneurship has not been explored in depth, so future research needs to expand its focus to integrate technology and modern business strategies to make Islamic boarding school entrepreneurship models more adaptable to contemporary economic dynamics.

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