

Conference Paper

Strategic Entrepreneurship: Integrating Entrepreneurial and Strategic Management Perspectives, a Case Study at Pesantren Tebuireng Jombang, East Java

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Abstract

This study examines *Pesantren* (Islamic boarding schools) as institutions of education and religion, especially during the global and digital era. A central question concerns how *Pesantren* position themselves as traditional religious schools or follow the process of modernization, for example by enhancing their curriculum and changing their governance. This depends on the management model and leadership applied by the *kyai* (religious leader) in *Pesantren* in response to the changing era. In general, the leadership of *Pesantren* still adopt a centralized and hierarchical pattern placing the *kyai* as their central figure. A *kyai* with charismatic attainment organizes the *Pesantren* using his skills and knowledge. Research on the role of entrepreneurial and strategic leadership of *kyais* in *Pesantren* has been fragmented. This paper therefore examines the significance of the entrepreneurial leadership role of Kyai Salahudin Wahid in cultivating the transformational and entrepreneurial leadership spirit of *Pesantren* Tebuireng Jombang. The conceptual framework is focused on the development of a strategic human resources management framework which is then extended into the context of *Pesantren*, entrepreneurial leadership, and a strategic management perspective.

Keywords: Strategic Entrepreneurship, Entrepreneurial Leadership, *Pesantren*, *Kyai*

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Published: 14 July 2021

Publishing services provided by
Knowledge E

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Selection and Peer-review under the responsibility of the IRCEB Conference Committee.

1. Introduction

Strategic Entrepreneurship (SE) is a parallel activity in the quest for opportunities (opportunity-seeking) and, at the same time, in the quest for advantages (advantage-seeking) of superior company performance[1]. Strategic Entrepreneurship has created a new area of study, but a better understanding of this research needs to be established in order to take advantage of the new research opportunities presented [2]. Understanding

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strategic entrepreneurship at an early stage concerns whether SE is a basic structure, model, principle, paradigm, definition or interface point. [2]. Even Though models related to SE have emerged (including[1]; [3]; [4], New models need to be developed and the scope of the proposed model needs to be evaluated in more depth. Studies conducted by those previous researchers have tried to enhance the knowledge of Strategic Entrepreneurship. The focus is emphasized on Building models by looking at the integral scope of concepts and having an in-depth understanding of the scope and relationships of concepts. A number of rational scopes have been selected in the final model: the amount of scope must be large enough to catch the nature of the design, but the amount should not be so large that it makes the model so complex.

The study of Strategic Entrepreneurship conducted by [5] has traced the integration of Strategic Entrepreneurship in a number of organizational spheres These include external networks and partnerships, internal capital and learning, creativity and internationalization. Their studies tested both conventional (such as contingency theory and strategic fitness) and modern hypotheses (such as cultural entrepreneurship and business model drivers). Their study also incorporates, extends and tests entrepreneurship and strategic management ideas and analysis in new ways, such as creative destruction discontinuities, resource-based perspectives, operational learning, network philosophy, transaction costs, and structural theory.

[1] State that relatively small and entrepreneurial businesses are effective in finding opportunities but are less successful in creating the strategic advantages required to better evaluate such opportunities. Conversely, large and well-established companies are often relatively more effective in establishing competitive advantages but are less able to identify new opportunities. [1] argued that SE is a distinct and different variable, through which companies can pursue prosperity. Entrepreneurship, entrepreneurship culture and entrepreneurial leadership, strategic management tools and the application of imagination to the advancement of invention are essential facets of SE.

A research conducted by [2], using An approach to configuration as a theoretical basis. Configuration is a design model that is represented in a series of interrelated variables. Variables can be amplified separately or they can cover the effect of each and the various subgroups of variables. The development of design techniques applies to modern design analysis methods. The power of this approach facilitates the creation of comprehensive design models composed of a wide number of variables with dynamic and interrelated relationships. A systematic research in scholarly literature, which is still recent and growing in the area of strategic entrepreneurship (SE) is the basis for the creation of the configuration of the present study [2].

Based on the results of a study conducted by [1]; [3];[3];[2], this paper aims at investigating Strategic Entrepreneurship: Integrating Entrepreneurial and Strategic Management Framework.

2. Theoretical Framework

2.1. Strategic Entrepreneurship

The Strategic Entrepreneurship Study[1] based on the SE component on how action finds opportunities and excellence in order to be incorporated in order to build a compromise between the two behaviors in order to reach a balance between the two behaviors in order to achieve a sustainable competitive edge as assessed[3] has not been able to understand the time and space involved with the balance. Therefore, [3] enhance and develop a practical model of Strategic Entrepreneurship. The Strategic Entrepreneurship Model designed by [1] and later developed by [3] is as follows:

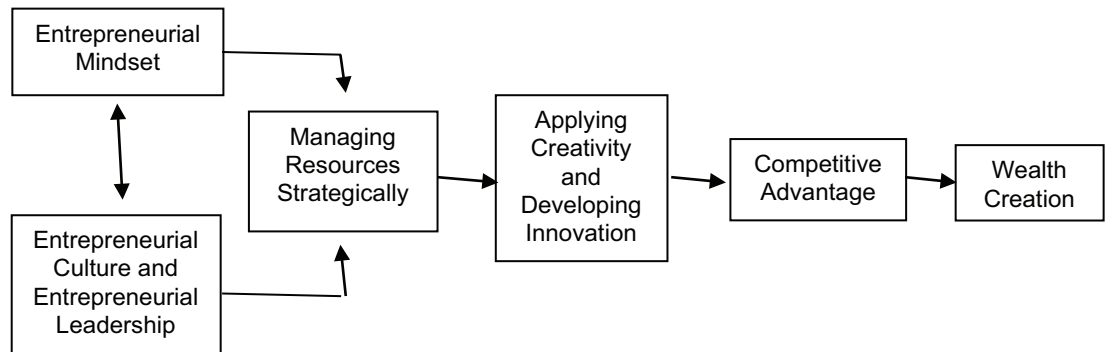
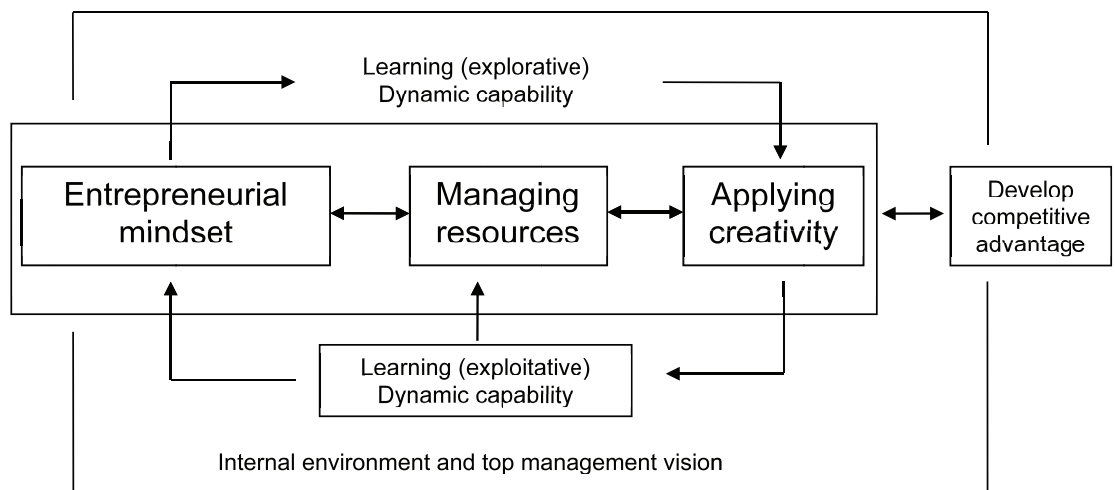


Figure 1: Strategic Entrepreneurship Model (Ireland et al, 2003)



2.2. Entrepreneurial Leadership

This concept has shifted from the mentality of leaders who only govern it to leaders who are more concerned with results. Entrepreneurial leadership style is very important to be applied in organizations like boarding schools. In order to build an entrepreneurial leadership spirit, there should be an act of change that leads to increased creativity, innovation, institutions, and the ability to lead, motivation, and the courage to take risks in organizations. A leader must be able to affect the actions of employees, to be able to work together and to work productively to achieve organizational objectives.

By making use of the theories proposed by the previous researchers, [6] also stated that an entrepreneurial leader needs to do two things in facing interconnected challenges. First, it deals with the effort in imagining and creating a scenario to deal with all the possibilities that occur in the future that might affect the situation that has been planned at this time. This is called the scenario enactment. Second, the entrepreneurial leader still wants the enactment to encourage the trust of his subordinates and all partners that the whole phase of change and transactions that has been planned would be feasible through gathering all the tools that they have. Cast enactment intended in this section is to form a character who is equipped with sufficient ability to do work in order to achieve predetermined goals.

2.3. Strategic Management

There are two main elements that are at the heart of strategic management [7]. First, strategic management requires 3 ongoing processes, namely: Analysis, Decision, and Action taken by the organization to create and maintain competitive advantage. Second, the essence of strategic strategy is to research whether businesses are capable of doing well than other companies or organizations. This means focusing on competitive advantage in the market. Second, it concerns on the effort on how to maintain a sustainable, and not just a temporary competitive advantage. In other words, it reflects on how businesses can create strategic advantages in a market that is not only unique and valuable, but also challenging for rivals to follow. The studies conducted by [5],[1], [3], [4],[2]. Therefore, this paper aims to discuss Strategic Entrepreneurship by Integrating Entrepreneurial and Strategic Management Perspective.

Strategic management is a process for determining the direction and goals of an organization in the long run and methods for achieving it through the development of strategy formulations and systematically planned implementation. There are several

reasons why strategic management has an important role. First, strategic management helps us deal with uncertainty through a systematic approach. Second, strategic management fixes the role of each member of the organization. Third, strategic management fixes the role of each member of the organization. Fourth, strategic management trains the application of leadership culture. And fifth, strategic management becomes a long-term communication tool and a reference for leaders. Strategic management consists of two elements, namely strategy formulation and objectives. Whereas in the implementation of the strategy set structure, HR, and organizational systems, all must be supported by appropriate leadership and culture.

2.4. Pesantren

Kyai plays a primary role in the life of the Pesantren; hence, the skill of *Kyai* is required to be able to satisfy the interest in the activities available to the Pesantren, in particular those required by his *Santri* (students) to carry out their activities in the *Pesantren*. With regard to the idea of strategic leadership, a range of scholars have given a variety of meanings. According to one of the experts, strategic leadership aims at establishing the purpose and objective of the organization along with its vision and mission, which it is supposed to be able to determine the future of the organization. Meanwhile, Hosner and Phipps in Burbach (2010:138) stated that the term Strategic Leadership from the Hosner's theory on contingency leadership explains that it refers to an attention to one responsibility as a leader. Whereas, Wright[8] argues that strategic leadership Requires strategic execution and leadership of an individual is deemed to be strategic if it fulfills 3 (three) criteria as follows: 1). Its leadership is driven by the strategy 2). He's got the strength 3). It has the potential to build a desirable corporate atmosphere. [9] Defines that strategic leadership requires 2(two) skills, namely: 1). The willingness to carry out management tasks (Management Willingness) and (2). Individual ability (personal characteristics). Such skills became an essential requirement for strategic leadership. Leaders must be able to develop leadership that can contribute to the development of long-term purpose, aim, unity and sustainability of the organisation. In addition, the purpose and mission of the organisation can also be clarified and directed in accordance with the stated aim. The power of strategic leadership will inspire its followers and provide unique job fulfillment to ensure the longevity of the company in the future.

Considering that Pesantren is a location for an in-depth study of faith, it is important to provide a spiritual leadership capable of providing a special viewpoint to his *Santri*

(Students) on the beliefs and actions of internal or external motives. [10] State that spiritual is the structure of organizational values in the form of a culture that explains the experience of employees through their work process, that encourages feeling by giving others a sense of love and a sense of joy. Whereas spiritual leadership [11] means leadership that gives preference to the importance of the ideals and actions of the leader capable of inspiring his followers. If spiritual leadership is carried out adequately and accurately, it will have an effect on the job happiness and success of the disciples (his *santri*) with an entrepreneurial perspective.

3. Discussion

3.1. Strategic Concept and Strategic Management

Strategic management has developed into a research field since the 1960s, primarily by Chandler (1962), Ansoff (1965) and Harvard textbooks by Learned et al. (1965). One research aim in the field of strategic management is to investigate how organizations can meet their goals in terms of competitive advantage, gain and profitability[2]. Strategic governance is based on the premise that strategy leads to alignment between internal assets and weaknesses, on the one hand, and external opportunities and threats, on the other (Andrew, 1987 in Kraus et al., 2011). Strategic Management deals with how businesses build a durable competitive advantage (SCA) that contributes to value creation[1]. The competitive edge comes from the disparity in pricing between the company's products and those of its rivals. Ownership of valuable, rare, inimitable, and irreplaceable resources [12] as well as favorable market positions [13] are considered to be SCA's main sources [14];[15]

3.2. Entrepreneurship Concept

Entrepreneurship is a scientific field that has theoretical origins in the 18th century, when the Irish banker Richard Cantillon (1755) used this concept to differentiate self-employed entrepreneurs from employed workers[2]. It is the first to link creativity and risk taking on the basis of conditions of uncertainty. In comparison, elements of creativity (Schumpeter, 1993[1934])[2] and constructive actions complete this definition[16]. Entrepreneurship is commonly perceived to be a catalyst for today. [17]. This has been considered to be an instrument for overcoming new competitive arenas and tremendous speed of change (Hitt & Reed, 2000 in [2])

Entrepreneurship describes the method of generating value by discovering and leveraging resources such as designing innovative technologies or seeking new markets, or both[18]. Entrepreneurship focuses on creativity by finding business openings for which rivals have not been found or used and by providing a specific collection of tools to maximize those openings. Entrepreneurship prospects emerge from uncertainties. An sufficient collection of tools is therefore required to take advantage of entrepreneurial opportunities[1]. One of the biggest challenges for entrepreneurs is resolving the shift in approach expected with the development of their business.

3.3. Strategic Entrepreneurship (SE)

A modern research area named SE (Strategic Entrepreneurship) is the meeting point of Entrepreneurship Research-Opportunity Quest and Strategic Management-Advantage Quest. This refers to the actions of corporations or organisations to maximize opportunities. SE comprises entrepreneurial enterprise with a corporate management orientation [5]; [1]. Both views need to build meaning, and they do not stand alone. In this situation, entrepreneurship is understood as finding and generating new opportunities, while strategic management is understood as translating these opportunities into a sustainable competitive advantage. The quest for entrepreneurial prospects can also be seen as a strategic behavior with the goal of generating value[1].

3.4. Domain Strategy

Strategic management is connected to the general strategy and mission of the organization executed by management by a mix of capital with a view to creating capability in a given area. In the SE context, the material and the method are the same on all sides of strategic management. [13] proposes three generic strategies: cost leadership, differentiation and niche consumer orientation.

3.5. Domain Organizational Structure

Organizational framework is perceived to be the foundation for executing successful policies, allowing or hindering the utilization and discovery of opportunities. Organizational systems are structured to aid businesses in the distribution of jobs, services and institutional processes. (which increase capabilities) Necessary for the execution and control of corporate strategies[2]. In the sense of strategic entrepreneurship, organizational frameworks can continue to establish and promote the ongoing quest for entrepreneurial prospects that can be utilized with a sustainable competitive advantage[2]. The organization of the business relies on and constitutes the key resources, such as economy, human and social capital.

4. Conclusion

This paper explores the role of strategic entrepreneurship in the sense of corporate integration and strategic management perspectives. In realistic terms, the Strategic Entrepreneurship Model will allow businesses or organisations to strategically position themselves in the face of current environmental trends and to build a reasonably sustainable competitive edge. From the findings of many experiments on the development of a strategic model of entrepreneurship, it can be inferred that this is a strategic model. By having an in-depth understanding of the scope of Strategic Entrepreneurship, it is intended to expand awareness of the concept of Strategic Entrepreneurship and to discover ideas for more study.

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