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Islamic-Based Business Resilience in Pesantren Enterprises: An Empirical Analysis of Adaptive Capacity, Financial Stability, and Ethical Leadership in Palu

Mufliha. M.N[1], Nuriatullah[2], Muthmainnah MD[3*]
[1,2]UIN Datokarama Palu, Indonesia, [3]Universitas Muhammadiyah Palu
*Corresponding Author: innahsakinah@gmail.com

Abstract: This study investigates the resilience of pesantren enterprises in Palu, Indonesia, focusing on how Islamic moral values shape their adaptive capacity, financial stability, and ethical leadership. Using a qualitative–empirical approach with a descriptive analytical design, the research collected data through semi-structured interviews, field observations, and documentation at Pondok Pesantren Hidayatullah, which operates several micro-business units. The data were analyzed using the Miles, Huberman, and Saldaña (2014) model through three stages: data reduction, data display, and conclusion drawing. The findings reveal that the integration of Islamic ethical principles drives the resilience of pesantren enterprises—*amanah* (trust), *'adl* (justice), and *maslahah* (social benefit)—into managerial practices. Adaptive leadership and trust-based financial management strengthen business continuity and community empowerment. The study concludes that Islamic-based ethical leadership fosters a resilient organizational culture that emphasizes accountability, moderation, and collective responsibility. The research contributes to the theory of small business resilience by integrating faith-driven values into the empirical model of enterprise sustainability. Policy implications highlight the need for financial literacy, digital capability, and Shariah-compliant financing to strengthen pesantren-based entrepreneurship in Indonesia

Keywords: Business Resilience, Islamic Ethics, Pesantren Enterprise, Ethical Leadership, Adaptive Capacity

Abstrak: *Penelitian ini mengkaji resiliensi unit usaha pesantren di Kota Palu, Indonesia, dengan menyoroti peran nilai-nilai moral Islam dalam membentuk kapasitas adaptif, stabilitas finansial, dan kepemimpinan etis. Menggunakan pendekatan kualitatif-empiris dengan desain deskriptif analitis, data dikumpulkan melalui wawancara semi-terstruktur, observasi lapangan, dan studi dokumentasi pada Pondok Pesantren Hidayatullah yang memiliki beberapa unit usaha mikro. Analisis data menggunakan model Miles, Huberman, dan Saldaña (2014) melalui tiga tahapan: reduksi data, penyajian data, dan penarikan kesimpulan. Hasil penelitian menunjukkan bahwa resiliensi usaha pesantren dibangun melalui integrasi nilai-nilai etika Islam—amanah (kepercayaan), 'adl (keadilan), dan maslahah (kemaslahatan)—ke dalam praktik manajerial. Kepemimpinan adaptif dan pengelolaan keuangan berbasis kepercayaan memperkuat keberlanjutan usaha serta pemberdayaan komunitas. Penelitian ini menyimpulkan bahwa kepemimpinan etis berbasis nilai Islam menumbuhkan budaya organisasi yang tangguh, akuntabel, dan berorientasi pada tanggung jawab kolektif. Secara teoritis, studi ini memperkaya konsep resiliensi usaha kecil dengan memasukkan nilai-nilai spiritual ke dalam model keberlanjutan bisnis. Secara praktis, diperlukan peningkatan literasi keuangan, kemampuan digital, dan akses pembiayaan syariah untuk memperkuat kewirausahaan berbasis pesantren di Indonesia.*

Kata Kunci*: Ketahanan Bisnis, Etika Islam, Pesantren Enterprise, Etika Kepemimpinan, Kapasitas Adaptif*

Introduction

Micro, small, and medium enterprises (MSMEs) play a vital role in Indonesia's economy, contributing more than 60% of the national GDP and accounting for over 97% of the workforce. (Rokhlinasari et al., 2025). Within this sector, *pesantren*—Islamic boarding schools—have begun developing productive business units that embody both economic and spiritual missions. These enterprises serve not only as centers of economic empowerment but also as models of ethical and sustainable entrepreneurship rooted in Islamic values such as *amanah*, *'adl*, and *maslahah* (Daou et al., 2019; Rokhlinasari et al., 2025). However, their sustainability and resilience remain underexplored, especially when compared to conventional MSMEs.

Globally, business resilience has been discussed extensively in the context of crises such as the COVID-19 pandemic, economic recessions, and supply chain disruptions. (Apostolopoulos et al., 2024; Lee et al., 2025). Studies reveal that resilience is not only about survival but also about adaptive learning, financial stability, and innovation. (Aisya & Syamsu, 2024; Gianiodis et al., 2022; Heller et al., 2025; Sofyan et al., 2023; Syamsu et al., 2025). For example Lee et al., (2025) demonstrated that small businesses leveraging social media advertising were more likely to survive lockdowns, while Prívara et al., (2025) emphasized the importance of digital transformation in sustaining MSMEs during post-pandemic recovery. Similarly, Heller et al., (2025) found that small firms tend to build financial buffers to mitigate shocks, suggesting that firm size alone is not a determinant of vulnerability but that *adaptive capacity* and financial management are.

In Indonesia, several scholars have examined MSME performance and resilience through entrepreneurial orientation and digitalization (Adam et al., 2024; Munawar, 2025). These studies highlight that entrepreneurial orientation, opportunity recognition, and social media adoption improve MSME performance, yet they also note limitations in managerial capacity and access to financing (Rokhlinasari et al., 2025). Extended this discussion to *Shariah-compliant* businesses, showing that financial literacy and Islamic governance strengthen MSME sustainability. However, these studies primarily focused on urban or commercial enterprises, leaving a research gap regarding faith-based institutions such as *pesantren enterprises* that integrate profit and piety.

From a theoretical perspective, organizational resilience in small firms has been linked to planning and adaptive capacity (Beglaryan & Sargsyan, 2023), social capital (Torres et al., 2019), and leadership ethics (Hadjielias et al., 2022). However, few studies have examined how *Islamic ethical leadership*—a leadership style grounded in trust, justice, and moral responsibility—contributes to the resilience of business entities operating under religious missions. In the context of *pesantren* enterprises, ethical leadership may serve as a spiritual resource that enhances both adaptive capacity and financial stability during crises.

Empirical studies in crisis-affected regions have shown that social capital and internal learning foster organizational survival (Asgary et al., 2022; Gray & Jones, 2016). However, the institutional uniqueness of *pesantren*—which combines religious education, social welfare, and business functions—creates a distinct model of resilience that warrants closer investigation. Particularly in Palu, a region frequently affected by natural disasters and economic shocks, understanding how *pesantren* enterprises maintain business continuity through Islamic values is both theoretically significant and practically urgent.

Therefore, this study aims to analyze the factors that shape Islamic-based business resilience in pesantren enterprises in Palu, focusing on adaptive capacity, financial stability, and ethical leadership as interrelated constructs. The study also seeks to identify how these dimensions interact to sustain the dual mission of *pesantren* enterprises—economic independence and social welfare—under the framework of Islamic ethical principles

Methods

This study employed a qualitative–empirical approach with a descriptive analytical design to explore the nature of Islamic-based business resilience among pesantren enterprises in Palu. The qualitative approach was chosen to provide a deeper understanding of how adaptive capacity, financial stability, and ethical leadership interact to sustain the continuity of pesantren business activities under dynamic socio-economic conditions. The research was conducted at Pondok Pesantren Hidayatullah in Central Sulawesi, which manages several micro-business units, including cooperative trade, food processing, and tailoring. This pesantren was purposely selected because it integrates education, da'wah, and entrepreneurship into its daily operations and has demonstrated adaptability to various economic challenges.

Data were collected through semi-structured interviews, non-participant observation, and document analysis. The interviews were conducted with five key informants, including the pesantren leader, business unit manager, administrative staff, and *santri* involved in production and marketing activities. The participants were selected purposely based on their direct involvement in decision-making and operational processes. Interviews were carried out in Bahasa Indonesia, recorded with consent, and transcribed verbatim, each lasting approximately forty-five to sixty minutes. Observations were conducted during business operations to capture the real managerial practices and behavioral patterns that reflect resilience and ethical leadership values. Documentary sources such as financial records, operational guidelines, and institutional reports were also reviewed to triangulate information from interviews and observations.

The data were analyzed following the Miles, Huberman, and Saldaña (2014) interactive model, which involves three concurrent processes: data reduction, data display, and conclusion drawing. Through this process, emerging themes such as adaptive strategy, ethical leadership practice, and financial prudence were identified and categorized. The analysis was supported by NVivo 14 to enhance coding accuracy and ensure transparency in thematic interpretation. To ensure the trustworthiness of the findings, the research applied Lincoln and Guba's (1985) criteria, including credibility, transferability, dependability, and confirmability. Credibility was strengthened through prolonged engagement with the field and member checking, while triangulation across sources and methods ensured data validity. Dependability and confirmability were maintained through careful documentation of analytical procedures and reflective field notes.

Ethical considerations were strictly followed throughout the research process. All participants were informed about the study's purpose, and their participation was voluntary. Confidentiality and anonymity were guaranteed by using pseudonyms in data presentation. The research protocol was reviewed and approved by the institutional ethics committee of Universitas Islam Negeri Datokarama Palu. Overall, this methodological approach enabled a comprehensive exploration of how Islamic principles of trust (*amanah*), justice (*'adl*), and collective responsibility underpin the resilience and sustainability of pesantren-based business enterprises in Palu

Result and Discussion

The findings of this study reveal that the resilience of pesantren enterprises in Palu is deeply rooted in the integration of Islamic ethical values with adaptive business practices. The results highlight three key dimensions—adaptive capacity, financial stability, and ethical leadership—that collectively sustain the sustainability of pesantren business units. These three components form an interrelated cycle in which faith-based principles serve both as moral guidance and as a practical strategy in addressing operational challenges.

First, adaptive capacity emerged as the core strength of pesantren enterprises. The study found that the pesantren's management actively engaged in collective problem-solving, adjusting production strategies, and diversifying product lines in response to fluctuating market demands and external shocks. For instance, during the decline in market sales, the cooperative unit shifted toward producing essential household goods and leveraging community networks for direct marketing. This aligns with the concept of *dynamic resilience* discussed by Asgary et al., (2022), who found that small enterprises in post-disaster contexts recover faster when adaptive learning and social collaboration are emphasized. Similarly, (Apostolopoulos et al., 2024) showed that rural micro-businesses strengthen their crisis response through innovation and informal networks, a finding that resonates with the collaborative model of pesantren enterprises in Palu.

Second, financial stability serves as a foundational factor sustaining the pesantren's business resilience. Despite limited access to formal financing, the pesantren applied a self-sufficiency model through internal capital rotation (*tawazun al-maliyah*). Financial management relied heavily on trust-based transactions and cooperative savings mechanisms. The pesantren's financial practices emphasize transparency and collective accountability, in line with the Islamic principle of *amanah*. This supports the findings of (Rokhlinasari et al., 2025), who noted that financial literacy and Shariah governance are key determinants of MSME sustainability in Indonesia. Furthermore, Heller et al., (2025) emphasized that small firms respond to crises by building cash buffers rather than relying on external debt—a strategy mirrored in the pesantren's preference for self-financing and cost minimization.

Third, ethical leadership was identified as the most influential social determinant of business continuity. The *kyais* and senior management acted not only as business leaders but also as moral role models, promoting integrity, simplicity, and sincerity in business conduct. This ethical leadership style cultivated emotional commitment among workers, who viewed their contribution as part of worship (*ibadah*), rather than purely economic activity. Such leadership reflects the Islamic notion of *qiyadah bil akhlaq* (leading through moral excellence) and aligns with Hadjielias et al., (2022), who emphasized that psychological and moral resilience at the leadership level promotes organizational adaptability during crises. The same perspective is supported by Gianiodis et al., (2022), who viewed small business resilience as a multi-level phenomenon—linking individual moral strength with collective organizational endurance.

Moreover, the data analysis revealed that social capital and community engagement play an implicit yet crucial role in strengthening business resilience. The pesantren enterprise maintained extensive partnerships with alums, local vendors, and surrounding communities, which provided informal access to resources and markets. This finding corroborates Torres et al. (2019), who demonstrated that bridging and linking social capital enhance the long-term resilience of small businesses after disasters. In the context of pesantren, this social capital is not merely economic but also spiritual, bound by shared religious values and a collective vision of societal benefit (*maslahah*).

Another notable finding concerns digital adaptation and the gradual integration of technology in business operations. While limited, the pesantren's youth group (*santripreneurs*) utilized social media platforms such as Instagram and WhatsApp to promote products and communicate with consumers. Although this adaptation remains informal, it represents a shift toward the digital transformation trend highlighted by Prívara et al., (2025), who found that digital capacity and government support significantly enhance MSME resilience post-pandemic. Alim et al., (2025) confirmed that social media adoption increases market reach and strengthens entrepreneurial orientation. However, in the pesantren context, digital adoption is constrained by low technological literacy and inadequate infrastructure, underscoring the need for external training and policy support.

In terms of human capital, the pesantren enterprise exhibits a strong *orientation to learning* among its members. The study found that business practices were often integrated into educational curricula, allowing students (*santri*) to acquire entrepreneurial experience alongside religious learning. This dual-function model supports Gray & Jones, (2016) the argument is that organizational learning fosters business confidence and clarity of action in micro-businesses. Furthermore, it aligns with Daou et al., (2019), who established that intellectual capital—comprising human, organizational, and social capital—enhances resilience in conflict-prone societies by building internal capacity and adaptive competencies.

Compared with other enterprises, the pesantren enterprise demonstrates a unique hybrid model of resilience—blending spiritual motivation with managerial pragmatism. Unlike conventional MSMEs that prioritize profit maximization, pesantren enterprises emphasize balance (*tawazun*) between economic benefit and religious purpose. This philosophical orientation ensures that decisions prioritize long-term welfare over short-term gain. Similar patterns are observed in the ethical finance framework proposed by Rokhlinasari et al., (2025), where financial literacy mediates the relationship between Shariah fintech and business sustainability. The pesantren's ethical ecosystem, therefore, functions as both a moral compass and a governance system, preventing opportunistic behavior and promoting sustainability.

Below summarizes the empirical dimensions of pesantren business resilience as identified from field analysis.

Table 1: Summarizes the empirical dimensions of pesantren business resilience

No	Dimension	Indicators of Practice	Comparative Reference
1	Adaptive Capacity	Product diversification, collective problem-solving, and the use of community networks	Asgary et al. (2022). Apostolopoulos et al. (2024)

2	Financial Stability	Internal capital rotation, transparency, and cost minimization	Heller et al. (2025); Rokhlinasari et al. (2025)
3	Ethical Leadership	Moral guidance, justice, shared responsibility, and *ibadah*-based motivation	Hadjielias et al. (2022); Gianiodis et al. (2022)
4	Social Capital	Alums and community partnerships, trust-based networks	Torres et al. (2019)
5	Digital Adaptation	Informal use of social media for product promotion	Prívara et al. (2025); Munawar (2025)

Source: Analyzed from the primary source (2025).

Overall, the discussion indicates that Islamic ethical values are not merely symbolic but function as operational mechanisms that sustain adaptive capacity, enhance financial prudence, and nurture moral commitment. This combination creates a distinct form of resilience—Islamic-based organizational resilience—that integrates spirituality with strategic behavior. The pesantren enterprise in Palu thus exemplifies how faith-driven institutions can maintain economic sustainability while fulfilling their religious mission.

These findings expand the theoretical framework of small business resilience by incorporating *tawhid* ethics into the understanding of organizational adaptability. They suggest that resilience, in the Islamic context, is not only the ability to recover from disruption but also the capacity to transform adversity into an opportunity for service and spiritual growth. Therefore, this study contributes to the growing literature on ethical entrepreneurship and offers practical insights for policymakers seeking to strengthen MSME resilience through values-based education, financial literacy, and digital empowerment.

Conclusion

This study concludes that the resilience of pesantren enterprises in Palu is driven by the synergy between adaptive capacity, financial stability, and ethical leadership—each rooted in Islamic moral values and collective responsibility. The integration of faith-based ethics with practical management enables pesantren businesses to endure market shocks, recover from disruptions, and transform challenges into opportunities.

Islamic principles such as *amanah* (trust), *'adl* (justice), and *maslahah* (social benefit) function simultaneously as ethical foundations and operational strategies, fostering moderation, accountability, and cooperation. Ethical leadership plays a pivotal role in nurturing a spiritually grounded organizational culture that prioritizes long-term welfare over short-term profit.

Theoretically, this study extends the understanding of small business resilience by positioning Islamic ethical leadership as a key determinant of adaptive performance. In practice, it recommends that policymakers and Islamic financial institutions enhance financial literacy, digital capabilities, and Shariah-compliant financing for pesantren enterprises.

Ultimately, the pesantren experience in Palu illustrates that when spirituality and entrepreneurship unite under ethical leadership, business resilience evolves from a survival mechanism into a form of collective moral responsibility and sustainable economic empowerment.

Author Contributions

Mufliha M.N—*Conceptualization, Methodology, Data Collection, and Writing - Original Draft.* Mufliha designed the research framework, developed the methodological approach, conducted field interviews, and prepared the initial draft of the manuscript.

Nuriatullah—*Data Analysis, Validation, and Writing - Review & Editing.*
Nuriatullah contributed to the analysis and interpretation of qualitative data, ensured the validity of research findings, and participated in revising the manuscript for academic clarity.

Muthmainnah M.D—*Supervision, Theoretical Framework, and Final Approval of the Manuscript.* Muthmainnah provided academic supervision, refined the theoretical and conceptual discussions, and approved the final version of the paper for submission.

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