

## CONSTRAINTS AND OPPORTUNITIES OF DEVELOPING ENTREPRENEURSHIP UNIVERSITY

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### *Abstract*

Islamic universities are increasingly paying attention to the academic development of entrepreneurship. The purpose of this study was to investigate the best barriers and opportunities in the transformation of the state Islamic university Sjech M. Djamil Djambek Bukittinggi into an entrepreneurial university. Islam itself strongly directs humans to live their lives through the Qur'an which functions as a guide for humans (hudan linnas) and guidance for people who are pious (hudan lil muttaqin).

This study was conducted through a survey among experts in the field to identify the best barriers and facilitators in the transformation of the State Islamic University of Scjeh M. Djamil Djambek Bukittinggi into an entrepreneurial university.

The results of the research survey show that there are internal and external barriers and facilitators of entrepreneurial transformation at UIN Sjech M. Djamil Djambek in Bukittinggi. This research study is expected to increase awareness of the internal challenges to make UIN Sjech M Djamil Djambek more entrepreneurial as well as the factors that can facilitate the transformation process and the need to strengthen the entrepreneurial ecosystem at the University. Policy holders should pay attention to external barriers to transformation and in particular to the need for collaboration with stakeholders and exploring funding sources.

This study tries to explore what factors are the obstacles and opportunities for realizing UIN which is towards an entrepreneurial university.

Through this research, it is possible to increase awareness of the internal challenges to make Islamic universities of UIN Sjech M. Djamil Djambek Bukittinggi more entrepreneurial through factors that can facilitate the transformation process and the need to strengthen the entrepreneurial ecosystem at Islamic universities

of UIN Sjech M. Djamil Djambek Bukittinggi. Institutional leaders should also focus on external barriers to transformation, especially on building partnership networks. This study tries to focus on internal and external interests as an appropriate context. This can be found in the Qur'an surah al-Jumu'ah verse 10, surah ash-shaf verse 10-11 and surah al-Qashash verse 77. In addition, it is also supported by a hadith narrated by Imam al-Bukhari sourced from Miqdam Ibn Ma'dikarib ra and narrated by Ibn Asakir from Anas ra.

Keywords: Constraints, Opportunities, Entrepreneurial University, Sharia Business Ethics

## 1. Introduction

Islam through the Qur'an directs its people to live life by making the Qur'an a guide for the people (hudan linnas) and guidance for those who are pious (hudan lil muttaqin). In addition to the Qur'an, Muslims have the Sunnah of the Prophet Muhammad SAW which should be used as an example for their people to live a life according to religious demands. In the Qur'an, surah al-Jumu'ah verse 9 describes the recommendation to worship and seek the grace of Allah SWT. The verse also implies that humans must try to seek the grace of Allah SWT. Islam strictly forbids its people to beg from humans and to be lazy and ask only Allah. Likewise, the hadith of the Prophet Muhammad SAW in a hadith said, kaadul faqru ayyakunal kufro, which means that poverty almost causes kufr. The Prophet was worried that his people would avoid disbelief due to economic problems, so many people were not grateful for the blessings that Allah SWT had bestowed upon him.

At the present time Islamic Universities are facing rapid changes in the context of expanding tasks, leading to the development of entrepreneurial Islamic universities, creating an entrepreneurial culture, to ensure sustainable Islamic higher education. The university underwent two academic revolutions, which brought significant changes in its mission and academic tasks (H Etzkowitz, 2003). The first revolution in the form of adoption of research as a function of the University in addition to the traditional academic task of learning. The second academic revolution added new academic tasks related to development with economic and social development and led to the emergence of entrepreneurial universities (Etzkowitz H., Webster A., Gebhardt C., Brance R., 2000). Universities based on approach and structure are described by one of three characteristics: the first generation is education based, the second generation is research oriented and the third generation is value creation and innovator universities.

The systematic transformation of academic institutions from the first generation to the higher generations will be realized through knowledge

production as the main pillar of higher education (Besong, F. & Holland, 2015). Knowledge-based entrepreneurship as a driving force (Audretsch, D., & Keilbach, 2008), Entrepreneurship University is a knowledge producer and dissemination organization to society (Maribel Guerrero et al., 2014). Through university entrepreneurship is a response to the growing importance of knowledge in national and local innovation systems (Etzkowitz H., Webster A., Gebhardt C., Brance R., 2000).

Many Islamic educational institutions have not implemented corporate entrepreneurship. Opinions of several experts (Clark, 2004); (D. Kirby, 2006); (Zhou, 2008)), there are several reasons universities are considered not yet entrepreneurial oriented because: 1) hierarchical structures, 2) impersonal relationships, 3) limited entrepreneurial talents, 4) strict supervision to always comply with procedures and regulations set by the government, 5) inadequate compensation methods. So that public universities always face traditional problems that are different from private sector institutions. Most academics assess their role as teaching staff and researchers not as an entrepreneur and the leadership is always concerned about the negative impact on the performance of research institutions if they involve themselves in entrepreneurial activities because it can lead to commercialization.

Arguments (Zhou, 2008), Some of the obstacles that are often faced by universities to become entrepreneurial universities are: 1) universities do not have enough resources and research results that can provide useful knowledge to society, 2) university and industry collaborations are still very limited in solving problems. problems related to the technology needs of the company, 3) most of the research results are difficult to transfer and apply to industry, especially for small and medium levels.

In the context of Islamic universities, they should feel challenged to be able to implement entrepreneurship in order to provide more benefits to the business world and society. Until now, Islamic higher education institutions by some people are considered not optimal in providing benefits for business development and the surrounding community.

Previous empirical evidence shows that the State Islamic University of Sjech M. Djamil Djambek Bukittinggi has experienced difficulties in the process of transforming into an entrepreneurial university. This higher education institution shows a narrow understanding of the concept of an innovative university (Era Sonita, 2020). Promotion of entrepreneurship has not yet become a strategic goal for higher education institutions of UIN Sjech M. Djamil Djambek Bukittinggi and they also rarely have a relationship with the entrepreneurial ecosystem in their area (Harfandi, 2020).

Although a large number of students at Islamic tertiary institutions UIN Sjech M. Djamil Djambek Bukittinggi show entrepreneurial tendencies, their intentions are hindered by inadequate entrepreneurial preparation (Era Sonita, 2020). UIN Bukittinggi academics are less involved in entrepreneurial tasks compared to other academic activities. Meanwhile Santiago et.al, 2008 showed that the idea of research as an issue of entrepreneurship has not been fully institutionalized in universities in general. Related research on the barriers to entrepreneurial Islamic university transformation is still limited and there is a need for continuous research on this topic in different cultures and contexts.

This paper aims to explore experiences and identify problems related to the transformation of traditional universities into entrepreneurial Islamic universities for sustainable higher education at the State Islamic University (UIN) Sjech M. Djamil Djambek Bukittinggi, thereby demonstrating the commitment of higher education institutions to become entrepreneurs.

The research question is to investigate the barriers, constraints and facilitation factors in the transformation of the State Islamic University of Sjech M. Djamil Djambek Bukittinggi to an entrepreneurial Islamic university.

## **2. Theoretical Framework**

Anderson (1988) stated that “(...) Smith was not interested in theological issues or even in the nature of religious belief. Instead, he is concerned with two basic issues: (1) the economic incentives involved in an individual's decision to practice a religion and (2) the economic effects of different religious belief systems as reflected in individual behavior. He did not seek to develop an economic theory of the emergence of religious belief ... Smith attempted the more limited task of defining the logical economic consequences of certain types of religious belief.

Entrepreneurship is considered as a channel through which religion influences economic activity and decisions to become entrepreneurs (Audretsch, David B., Max Keilbach, 2006). It is seen as a fundamental part of the economic system since Schumpeter's work on the theory of economic development. Schumpeter (1934) was the first to state that entrepreneurship causes economic growth. This is an entirely different process from rational economic behavior. Entrepreneurship is more than just a rational behavior or economic phenomenon. This is often referred to as community dynamics. It is also considered a social process that is based on a group of contextually articulated discourses, including religious discourse (Audretsch, D. B, Bonte, W, & Tamvada, 2013).

The relationship between entrepreneurship and religion has been analyzed by many scholars. (Gümüşay, 2015) found that the individual

elements that make up the entrepreneurial belief matrix affect the entrepreneurial process. Religious groups can also provide resources for the generation of entrepreneurial social capital. Other studies have outlined the impact of Christianity on entrepreneurship and organizational performance.

Reviewing the literature from the past century and defining religion as a store of value, Dana (2009) advocates religion as an explanatory variable for entrepreneurship and innovation.

The term entrepreneurial university was first introduced by (Clark, 1998b) and (H Etzkowitz, 1983). Although several researchers have tried to provide a definition of entrepreneurial university, there is no agreement between researchers on the definition of this concept (Yusof, M. & Jain, 2010a).

In various literatures there are several definitions of entrepreneurial universities that explain the meaning of this activity, but there is no concept that shows a consistent definition. (Clark, 1998a), defines an entrepreneurial university, seeking to innovate in the conduct of business; Undertake substantial changes in the character of the organization so as to arrive at a more promising posture for the future for important actors in their own terms. An entrepreneurial university can mean three things: the university itself, as an organization being entrepreneurial; university members turn themselves into entrepreneurs; and the university's interaction with the environment (Roepke, 1998). Meanwhile (Subotzky, 1999), entrepreneurial universities are characterized by close university-industry partnerships, with managerial ethos in institutional governance, leadership and planning. Entrepreneurial universities are natural incubators, providing a support structure for faculty and students for new venture initiatives: intellectual, commercial and conjoint (Henry Etzkowitz, 2003). Entrepreneurship is a reflection of institutional adaptation to a changing environment and the capacity of universities to generate innovation through research and new ideas (Shattock, 2000).

An entrepreneurial university is a place that utilizes entrepreneurial management tools and a systems approach to match educational activities to the needs of the world (Yusof, M. & Jain, 2010b). Clark called for the university's active efforts to create innovation, especially in business. Entrepreneurial universities are innovative and take risks, and generate entrepreneurial behavior (M, 2016). Likewise, Ropke summarizes the general themes and concepts of entrepreneurial universities in three parts: 1) universities as entrepreneurial organizations; 2) the academic community including lecturers, students, and other education staff equipped with entrepreneurial characteristics; and 3) the interaction between the university and its external environment which is based on an entrepreneurial attitude (Hamze, 2015)

In essence, entrepreneurship provides an avenue for university development where university autonomy is determined, so that universities can ensure that it is possible to provide financial resources in other ways and reduce their dependence on the state. As a consequence, being able to develop new activities according to the needs of the community and make fundamental changes in the structure to ensure the university's capacity to face change (Peterka, 2011). Therefore, the importance of knowledge in the field of industry and economy, and responsible for transferring creativity, innovation, and new technologies to society (Leila, 2015).

The concept of the University of Entrepreneurship includes several aspects: Spin-outs and start-ups of new businesses (David A. Kirby, 2006); (Zhou, C., and Peng, 2008); Commercialization activities (courses, consulting services, counseling) (Jacob, M. Lundqvist, M. and Hellsmark, 2003); Fundraising (patents, licenses) (Henry Etzkowitz, 2003), (Jacob, M. Lundqvist, M. and Hellsmark, 2003). Entrepreneurship universities show several distinctive characteristics in the form of entrepreneurial attitudes (Rinne, R. & Koivula, 2005), entrepreneurial universities are universities themselves (Clark, 1998a); (Roepke, 1998). Entrepreneurship activities are carried out by the academic community of students, lecturers and education staff (Jacob, M. Lundqvist, M. and Hellsmark, 2003). University capabilities (Zhou, C., and Peng, 2008), culture (David A. Kirby, 2006), business partnerships and the responsibility to seek external funding sources (Subotzky, 1999). Ability to change and adapt to the external environment (Barnett, 2005); (Maribel Guerrero et al., 2006). The ability to innovate and create opportunities, the ability to take risks (Maribel Guerrero et al., 2006). Activities in entrepreneurial universities are supported through entrepreneurship education (Guenther, J., Wagner, 2008), supported by various infrastructure in the form of incubators and science parks (Rothaermel, FT., Agung, S.D., Jiang, 2007).

(Yusof, M. & Jain, 2010b) identify six conceptual models of entrepreneurial university (Clark, 1998a); (Etzkowitz, H., Webster, A., Gebhardt, C., and Cantisano, 2000); (Sporn, 2001); (H Etzkowitz, 2004); (M Guerrero et al., 2006); (Rothaermel, FT., Agung, S.D., Jiang, 2007). They argue that the available theoretical model of university-level entrepreneurship consists of various elements that “should provide a basis for the identification of factors or antecedents that may determine or influence university-level entrepreneurial activity” (Yusof, M. & Jain, 2010b).

The existing conceptual model of the entrepreneurial university, (Clark, 1998a) outlines five organizational elements that must be developed in order for a university to transform itself into an entrepreneur: a strengthened driving core, expanded developmental periphery, a diversified funding base, a stimulated academic and an entrepreneurial

culture. integrated. Various processes related to changes in the production, exchange and use of knowledge, (Etzkowitz, H., Webster, A., Gebhardt, C., Terra, 2000). (Sporn, 2001) argues that entrepreneurial transformation and university adaptive behavior can be hampered by bureaucratic and collegial university structures.

(Sporn, 2001) identified the following critical factors: adaptation and transformation of university entrepreneurship: a clear mission and purpose statement; entrepreneurial culture; differentiated structure; professionalization of university management; co-government; and committed leadership.

(H Etzkowitz, 2004) formulated five entrepreneurial university norms derived from entrepreneurial university development in various contexts: knowledge capitalization; interdependence with industry and government; independence from other institutional fields; creation of hybrid organizational forms; and reflexivity which involves continuous renovation of the university's internal structure.

(Kirby, D.A., Guerrero, M., Urbano, 2011b) proposes the institutional concept through the facilitation of formal and informal factors. Formal factors can be in the form of entrepreneurial courses, technology transfer support, industrial relations, incubators and science parks, flexible organizational structures and governance. While the informal factors are good attitudes from students, education staff, cultural values, learning methods and reward systems.

(Guerrero, M., Urbano, D., Cunningham, J., Organ, 2014) proposes a model that university entrepreneurial outcomes (in the form of education, research and entrepreneurial activities) are a function of formal and informal factors, internal resources and capabilities impact on economic and social outcomes.

Empirical studies on entrepreneurial universities have investigated the barriers to the development of entrepreneurial universities related to internal and external factors (Rothaermel, FT., Agung, S.D., Jiang, 2007); (Markuerkiaga, L., Errasti, N., Igartua, 2014), expectations of society, industry, government and markets (Salamzadeh, A., Salamzadeh, Y., Daraei, 2011), local context support mechanisms (Fini, R., Grimaldi, R., Santoni, S., Sobrero, 2011), entrepreneurial mission, entrepreneurial organization and governance structure, entrepreneurship education program (Guerrero, M., Cunningham, J.A., Urbano, 2015); (Salamzadeh, A., Salamzadeh, Y., Daraei, 2011); , funding (O'Shea, R.P., Allen, T.J., Morse, K.P., O'Gorman, C., Roche, 2007); (Powers, J.B. & McDougall, 2005); (Hu, 2009); (Lehrer, M., Nell, P., Gärber, 2009), changes in infrastructure and culture (Jacob, M., Lundqvist, M., Hellsmark, 2003), infrastructure support measures (science parks, incubators, transfer offices technology) (Clarysse, B., Tartari, V., Salter, 2011); (Pottelsberghe, B., Sapsalis, E., Debackere, 2011); (H Etzkowitz, 2016);

(Guerrero, M., Cunningham, J., & Urbano, 2015); (Kirby, D.A., Guerrero, M., Urbano, 2011b), non-economic support measures such as training (Gras, J.M.G., Lapera, D.R.G., Solves, I.M., Jover, A.J.V., Azuar, 2008), social environment (Clarysse, , B., Tartari, V., Salter, 2011), human capital and organizational resources (Powers, J.B. & McDougall, 2005).

(Davami, 2012) examined the effectiveness of entrepreneurship education programs in promoting entrepreneurial skills among state university students. The results show that the entrepreneurship program at the university is very effective in increasing the level of student entrepreneurship skills. (Graham, 2019) conducted research on the leading entrepreneurial universities in 19 countries, and showed that the key factors in creating an entrepreneurial university are: the interaction of entrepreneurs and innovators across the globe. academic and regional communities, research capabilities supported by financially by industry, licensing of technology-based universities, corporate innovation and entrepreneurial agendas reflected in policies, missions, budget allocations, incentives, and curriculum development. (Peterka, 2011) also concludes that environmental indicators, teaching, knowledge transfer, staffing, financial resources, government, and management are vital indicators of an entrepreneurial university.

(Kirby, D.A., Guerrero, M., Urbano, 2011b) identify some of the main barriers to the development of entrepreneurial universities: organizational structure and university governance, inadequate relations with industry, lack of experience, inadequate cultural values, traditional teaching methods, inappropriate reward system, conflicting teaching objectives, lack of funding, lack of physical resources, and funding/dependence on the state. (Philpott, K., Dooley, L., O'Reilly, C., & Lupton, 2011) provide evidence of key institutional barriers including the process of academic advancement, lack of entrepreneurial role models, and the absence of an integrated entrepreneurial culture.

### 3. Research Method

Referring to Kirby et.al. In 2011, this research relied on a survey of experts in the field to identify the best challenges/obstacles, and opportunities in transforming the Islamic college of UIN Sjech M. Djamil Djambek Bukittinggi into an entrepreneurial university. From 15 experts/academics were invited to participate in the research activities. Some of these experts are entrepreneurship teaching staff, teaching staff who focus on entrepreneurship research, practitioners who contribute to the development of entrepreneurial activities in universities.

**Table 1. Types of Experts Included in the Survey**

No	Expert	Amount
1	Head of University/Faculty/Prodi Unit	5



2	Practitioner	5
3	Researcher	5

The questionnaire used in the study included questions, which contained various information related to the characteristics of the respondents, current position, views on the most significant supporting opportunities and obstacles to transforming UIN Sjech M. Djamil Djambek Bukittinggi into an entrepreneurial university.

UIN Sjech M. Djamil Djambek Bukittinggi is one of the Islamic universities in Indonesia that has a high demand. This college offers a variety of study programs from strata 1 to strata 3 levels which cover various fields of study including the Faculty of education, the Faculty of sharia, the Faculty of adab and da'wah and the Faculty of Islamic Economics and Business. This Islamic college has advantages in the form of integration between general science and religious science. According to UIN's motto, culture, religion and internationalization.

#### **4. Empirical Findings**

It is undeniable that the state (government) still plays an important role in directing Islamic universities, but now universities have gradually reduced their dependence on the government. Reducing dependence means that universities are required to become autonomous, but the move from direct government intervention to institutional autonomy must be accompanied by other mechanisms such as competitiveness (students, employees, funds and reputation, diversification of resources, increased social responsibility). In the context of traditional Islamic universities, it is not easy to change to a new, more open situation. At least there are several obstacles that will be faced in carrying out the transformation to an entrepreneurial university.

First, the government still maintains a mechanism to maintain university dependence. In the case of Islamic universities, it is related to regulatory and financial mechanisms. The most important limitation on institutional autonomy is the control of the central government with regard to academic programs including the curriculum. Although universities are actually given the freedom to carry out self-regulated programs, the diplomas they issue are not recognized as part of the national program, which means they do not have legal status as an official program. This makes it difficult for universities to create programs tailored to local needs or new programs that seek to cover new opportunities in the labor market. So that the end result is more oriented to the fulfillment of individual academic interests rather than the interests of meeting the needs of students and society.

The university's strong dependence on public funding with mechanisms that provide funding is a barrier to the transformation of Islamic

universities to become entrepreneurial. The amount of resources received annually by the state Islamic university (UIN) Sjech M. Djamil Djambek Bukittinggi is the result of annual negotiations between the university and the government. With this mechanism universities seem to have no motivation to get out of this system and on the other hand the government seems to prefer this arrangement as it allows them to maintain financial control and intervene in university matters directly.

Another obstacle that limits changes in the university system is the status of employees at universities with civil servant status. With the status as a state civil servant with salaries and responsibilities determined by the center, it causes the institution's capacity to be weak to make decisions related to personnel matters. In addition to permanent employees, universities can also recruit employees through contracts from the non-academic world who seek collaboration in teaching activities that require practical knowledge.

The internal strength structure of Islamic universities is another obstacle to making changes and innovations at the State Islamic University of Sjech M. Djamil Djambek Bukittinggi. Based on the observations made, the university adopts a collegial structure in Clark's sense. Where management responsibility lies with academics who exercise their power largely through collegial bodies. In practice, direct responsibility for the results of operational decisions is not well defined and the process does not meet the needs of the social and economic environment.

From the observation, there is a desire about the need for changes in management processes and structures to be more effective and professional, which is limited to the most innovative universities, even the results are less than satisfactory. The strong dependence of management staff on academia often implies conflict between managerial and academic cultures.

Another structural obstacle to change is inherent in the higher education system at the State Islamic University of Sjech M. Djamil Djambek Bukittinggi, the existence of two different levels of authority that directs the university system.

Based on the results of a survey conducted and has been sorted by frequency in the answers given by the experts. Entrepreneurship education is the most important facilitator. Other facilitators funding, strategic leadership and vision and employee training, investment in equipment and technology, improving university-stakeholder relations, appropriate rewards for employees and administration, favorable conditions for entrepreneurial development within universities, increasing the number of academic programs with a practical orientation and student involvement in the transformation process. As shown in table 2 below:

**Table 2. Facilitators of the transformation of the State Islamic University Sjech M. Djamil Djambek Bukittinggi into an entrepreneurial university**

No	Facilitator	Rank
1	Entrepreneurship education	1
2	Funding	2
3	Leadership and strategic vision	3
4	Staff training and administration	4
5	Investment in equipment and technology	5
6	Improving relationships between universities and stakeholders	6
7	Appropriate rewards for employees and administration	7
8	favorable conditions for the development of entrepreneurship within universities,	8
9	increase the number of academic programs with a practical orientation	9
10	Student involvement in the transformation process.	10

As for the inhibiting factors for the transformation of UIN Sjech M. Djamil Bukittinggi, based on the identification that has been done by experts, the lack of organizational structure and governance is the main factor as an obstacle. Other barriers that are most often mentioned by experts are lack of strategic vision, lack of resources, lack of funding sources, lack of entrepreneurial culture in universities, lack of experience, lack of adequate infrastructure to support entrepreneurship, lack of relationships with the business world, inadequate teaching methods and academic disciplines. . Table 3 below describes the results of the expert's assessment of the obstacles in the development of entrepreneurial universities at UIN Scjeh M. Djamil Djambek Bukittiinggi.

**Table 3. Barriers to the Transformation of the State Islamic University of Sjech M. Djamil Djambek Bukittinggi into an entrepreneurial university.**

No	Obstacle	Rank
1	Lack of organizational structure and governance	1
2	Lack of strategic vision	2
3	Lack of resources	3
4	Lack of funding sources	4
5	Lack of entrepreneurial culture at university	5
6	lack of experience,	6
7	Lack of adequate infrastructure to support entrepreneurship	7
8	Lack of connection with the business world	8
9	Inadequate teaching methods and academic discipline	9
10	Lack of interest from students	10
11	Lack of entrepreneurial skills of academic staff	10
12	Narrow specialization	10

13	low internationalization of higher education institutions	10
14	Lack of appropriate rewards	10
15	Mentality / mindset	10

The introduction of a professional profile in governance is a major obstacle in the development of an entrepreneurial university at UIN Sjech M. Djamil Djambek Bukittinggi. Without changing the whole system of government, this will be difficult to achieve. In this case, it is necessary to redefine the role of the academic community who are responsible for institutional management. How to change jobs efficiently, use new management techniques and get rewarded for their work. The introduction of new management methods implies a new set of priorities and a new culture for managing financial and other resources. Wider autonomy in managing activities, a market-oriented culture, accountability and new internal procedures are some of the basic conditions for improving management decisions in higher education institutions (Braun and Merrien, 1999).

Develop a system of internal incentives, including in terms of remuneration and bonuses beyond salary for the purposes of: excellence in teaching, research and service activities, external benefits from contracts and innovative solutions implemented into institutions. To develop the structure of the academic staff, changes need to be made to increase flexibility and efficiency.

In general, there are three mechanisms that can accelerate the change of Islamic universities towards entrepreneurial Islamic universities in order to increase their responsiveness and contribution to social demands:

- a. Changes in government regulations, which form a new framework for the new relationship between universities and the government
- b. Socio-economic changes in the Islamic higher education environment that affect public and private demand for services and the potential to obtain financial resources.
- c. Changes in people's views about the functions, goals and responsibilities of higher education.

Such changes will put pressure on the institutional structure which will lead to changes in internal procedures, organizational structures and management practices. But the possibility of translating such changes largely depends on the characteristics and structure of the college and the ability to break the existing balance established by strong traditional agreements.

Demands for Islamic universities to produce better productivity and quality, while the government limits financial contributions to universities. In this case there are two possible responses that universities will make, in the form of conservative universities will try to

maintain their position as before, adapt or reduce the structure to deal with new situations and may reduce overall quality. Another form of response is that universities will adopt new management methods, seek new sources of funding and try to capture the largest share of new markets.

## 5. Discussion

The empirical findings of the study reveal that internal and external factors are assessed by experts as the main facilitators of the transformation of the State Islamic University of Sjech M. Djamil Djambek Bukittinggi into an entrepreneurial university. The findings of this study are in line with theory and research (Rothaermel, FT., Agung, S.D., Jiang, 2007); (Kirby, D.A., Guerrero, M., Urbano, 2011a). Where entrepreneurship education, funding and leadership are the main rankings in entrepreneurial universities. This result is slightly different from the research of Kirby et.al, 2011 which identified good staff attitudes, and relations with industry as the most important facilitator.

This study provides evidence that barriers are very significantly related to transformation not only with internal factors but also in the context of external factors where this is in accordance with research (Kirby, D.A., Guerrero, M., Urbano, 2011a). Likewise, the organizational structure and governance are at the highest rank as a barrier to becoming an entrepreneurial university at UIN Bukittinggi.

These results have practical implications for universities and policy makers, starting with the Chancellor, Dean, Head of Department, must be aware of the internal challenges to realizing entrepreneurial universities and the factors that can facilitate the transformation process. The main focus for the university of UIN Sjech M. Djamil Djambek Bukittinggi is the need to strengthen the entrepreneurial ecosystem and the development of proper infrastructure to support entrepreneurship. Policy makers should pay special attention to external barriers to transformation, especially the aspect of funding and establishing relationships with industry in a sustainable manner. Following several European commission initiatives that support the relationship between higher education and business governance (Tache, I., Bratucu, G., Chitu, I.B., Dovleac, 2017) can increase the entrepreneurial orientation of universities. This is because the provision of public education is very important at the local and regional level (Coelho, M.P., Oliveira, 2011), policy makers, local authorities, university administrators must be able to implement specific policies to stimulate the entrepreneurial transformation of regional universities.

To be able to explain and justify the results of this study, it can be noted that the organization will have a shared vision and future strategy that focuses on the vision of the organization regarding individual

participation and on the other hand how to achieve awareness and commitment. In order to strengthen the entrepreneurial structure between university staff and managers, the university can create a greater commitment to its perspective to managers and employees.

With the development of today's modern economy, knowledge is becoming the most important element and the future of society that wants a dynamic economy for growth and innovation. So to answer this question, universities are the most influential institutions in a knowledge-based society. Therefore, universities and higher education institutions need to integrate with local, regional and international economic development processes which will shift their traditional role which has only produced knowledge towards a university that not only produces knowledge and creates ideas but becomes a university. who can put knowledge into practice.

However, currently, UIN Sjech M. Djamil Djambek Bukittinggi is still research-based and has little business in terms of commercializing research findings, training entrepreneurs and turning it into an entrepreneurial university. in addition, interaction with elites and academics and the application of the university's scientific capacity, especially in terms of dealing with industry and companies are still neglected.

The main task of each university in dealing with entrepreneurship and entrepreneurship education so that graduates have the skills and abilities needed to open new businesses is also still neglected. At present, state universities are only universities that only meet the needs of graduates to get a diploma/certificate rather than to meet the social needs of graduates (Abou Zeid, 2002). It must be admitted that although there are currently different plans and programs to support entrepreneurship development activities at state Islamic universities and also the commercialization of research results at the regional level, recent studies have shown that the state of entrepreneurial activity in universities is still not working.

## **6. Conclusion**

Ulama must identify and analyze Islam as a source of business ethics, innovation and entrepreneurship. Unfortunately, Muslims have long been portrayed as fanatical, primitive, and dangerous. Prophet Muhammad (pbuh) was not only a religious teacher but a business leader who offered a model of the importance of business in Islamic history. Since childhood, at the age of 12, Prophet Muhammad was introduced to business and entrepreneurship by his uncle (apprentice). He managed to get a good reputation among businessmen in Mecca including his competitors thanks to his business experience and ethical business practices. As he started to reveal his business skills and excellence in trading, Muhammad (pbuh) grew from a business manager

(managing his own business) to an investment manager (managing capital investors). His expertise and honesty in doing business (He is known as “Al-Amin”, The honest person in Arabic) attracts so many investors who trust him with their capital. Khadija who later became the first wife of the Prophet Muhammad was one of them.

As a result, Islam encourages business and promotes entrepreneurial values. The Islamic approach to Entrepreneurship focuses on several values such as honesty, experience, investment to grow capital, partnership and collaboration with people. These individual values are highly correlated with success in business and entrepreneurship.

In realizing the development of an entrepreneurial university at the State Islamic University (UIN) Sjech M. Djamil Djambek Bukittinggi, the need for institutional reform is a major consideration for all the University's academic community to promote an entrepreneurial organizational culture. In addition, all stakeholders, policy makers, managers and members of the entire Faculty of this University should be able to try to strengthen and support the culture and place a high priority on implementing this approach in the University. The State Islamic University of Sjech M. Djamil Djambek Bukittinggi must take appropriate steps to stabilize entrepreneurial characteristics and also need to improve the university's cooperative relationship with other universities in the form of research and educational activities both at the national and international levels.

Entrepreneurial universities are flexible universities, especially in terms of responding to the demands of an ever-changing environment. This flexibility is unlikely to materialize unless the dimensions of the university change. A flexible structure requires modification of the institutional set of rules and standards. In terms of decision making, universities need to adopt a decentralized structure. Universities must provide adequate conditions for the rapid and transparent transmission of information and communication to organizations, so it is necessary to create mutually beneficial means of communication.

## **7. Suggestions**

Based on the results of the study, the authors try to provide recommendations in realizing an entrepreneurial Islamic university at UIN Sjech M. Djamil Djambek Bukittingg in minimizing existing obstacles. To foster an entrepreneurial culture, entrepreneurship education is the main thing in realizing an entrepreneurial university. Universities need to organize entrepreneurial institutions, allocate appropriate funding for entrepreneurial activities, invest as entrepreneurial universities, improve relations with other universities and research and education centers both at national and international levels. University leaders and managers need to gain a better understanding, expertise and high

performance related to the entrepreneurial university concept. business centers and knowledge-based knowledge centers need to be established to meet the growing needs and demands of the student environment and society. In addition, the university's ability to enter the domestic and foreign markets requires a flexible structure.

Transparency in terms of information and communication throughout the organization and even the need for two-way communication. Having proper financial independence and providing independent funds for all activities can also be successful. The need to provide the human resources training required by universities is very important.

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