

## The Role of Islamic Values-Based Entrepreneurship Education and Government Support in Improving Students' Business Success in Islamic Boarding School

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### ABSTRACT

**Objective:** This study analyzes the influence of entrepreneurship education on the success of businesses in Islamic boarding schools, with Islamic values as a mediating variable and government support as a moderating variable. **Method:** Employing a quantitative approach, the research utilizes a sample of 275 students engaged in business within their Islamic boarding schools. Data analysis uses the Structural Equation Modeling (SEM)-PLS method. **Results:** The findings indicate that entrepreneurship education significantly positively affects the success of student-led businesses, directly and indirectly, through Islamic values. Furthermore, government support enhances the relationship between entrepreneurship education and business success. **Novelty:** This research is novel in its integrative approach, combining entrepreneurship education, Islamic values, and government support to understand the factors contributing to business success in Islamic boarding schools. The study emphasizes the importance of collaboration among educational institutions, government, and the Islamic boarding school community in fostering an entrepreneurial ecosystem rooted in religious values, essential for advancing the Sustainable Development Goals (SDGs), particularly in quality education, decent work, and economic growth.

### INTRODUCTION

Entrepreneurship based in Indonesia's Islamic boarding schools (*pesantren*) has become an increasingly important topic in local economic development and community empowerment. With over 28,000 *pesantren* spread across Indonesia, the role of *santri* (students of *pesantren*) as young entrepreneurs holds significant potential to contribute to the national economy. However, despite the significant growth in the number of businesses run by *santri*, the existing literature remains limited in explaining the factors that influence their business success. This study aims to fill this gap by exploring the impact of entrepreneurship education on the business success of *santri*, with Islamic values serving as a mediating variable and government support as a moderating variable. The primary contribution of this article is to provide a deeper understanding of how entrepreneurship education based on Islamic values can enhance the business performance of *santri*. Additionally, this research will compare its findings with previous studies to demonstrate the relevance and significance of the results obtained. In this context, it is essential to understand the challenges faced by *santri* in running their businesses, including limited access to resources, training, and government support. This study will discuss how entrepreneurship education can serve as a

The solution to these challenges and how government support can strengthen the relationship between entrepreneurship education and business success.

Faith-based communities, including businesses led by *santri* and young Muslim communities, significantly improve economic development globally (Ariatin et al., 2022; Kurniawan et al., 2022; Yusuf & Mujahidin, 2022). Faith-based businesses have spread in several Muslim-majority countries, such as Indonesia, Malaysia, and Pakistan, and are becoming recognized in the Middle East and North Africa. The global Islamic economy was valued at USD 2.88 trillion, with faith-based micro, small, and medium enterprises (MSMEs) contributing significantly to economic growth. Businesses rooted in religious institutions provide economic value and strengthen social networks and communities anchored in moral values.

The importance of Santri-based businesses is also reflected in their role in supporting the Sustainable Development Goals (SDGs). These businesses contribute to goals such as poverty alleviation (SDG 1), quality education (SDG 4), decent work and economic growth (SDG 8), and reduced inequalities (SDG 10). As a part of the Islamic economic ecosystem, santri-based businesses have significant potential for creating employment, promoting innovation, and fostering economic inclusion (Sulistiyowati, 2022; Sulistiyowati et al., 2024). A study by the Islamic Development Bank (IDB) (2022) found that empowering pesantren-based businesses could increase household income by up to 30.00% and positively impact poverty alleviation in marginalized areas. Therefore, santri businesses are vital for economic growth and play a strategic role in achieving global SDGs.

In Indonesia, the entrepreneur movement has shown significant momentum as part of the economic empowerment of the pesantren. Islamic boarding schools (pondok pesantren) are the center of religious education and catalysts for economic development within the community (Sulistiyowati et al., 2024). There are over 28,000 pesantren across Indonesia, thousands of which have initiated santri-based entrepreneurial programs. Initiatives such as developing pesantren-based business units, ranging from agribusiness to creative industries, have created new job opportunities and improved the welfare of santri. This phenomenon is similar to the research findings by Wibowo et al. (2022), which stated that pesantren-based entrepreneurship could improve communities.

In East Java, the growth of *santripreneurship* has become prominent through the One Pesantren One Product (OPOP) program initiated by the East Java Provincial Government. This initiative encourages each *pesantren* to develop a flagship product to compete in local and global markets. Over 500 *pesantren* in the region have participated in the OPOP program, significantly contributing to the growth of pesantren-based MSMEs. Additionally, government support in training, financing, and marketing facilitation has further empowered *pesantren* to expand their *santri*-led businesses. A study by Ariatin et al. (2022) emphasizes that implementing OPOP improves Pesantren's business capabilities and grows an inclusive and sustainable entrepreneurial ecosystem.

Referring to this condition, *santri* are ideal for improving their business success, contributing significantly to the economic empowerment of the broader community. Successful *santri*-led businesses benefit entrepreneurs and strengthen the *pesantren*-based entrepreneurial ecosystem (Maula et al., 2019, 2023; Setyawati et al., 2024). This success includes stable profitability, market expansion, and increasing pesantren

products competitiveness. Successful *pesantren*-based business can increase *santri* household incomes by up to 40.00% while reinforcing Islamic economy-based community networks (Rofiaty, 2019; Sudiapermana & Muslikhah, 2020; Wibowo et al., 2022).

Improving the success of *Santri*-led businesses is urgent because *pesantren* have great potential as centers of economic development based on religious values. Besides educating students to be more knowledgeable generations, *pesantren* equip *santri* to participate in economic activities (Anggadwita et al., 2021; Ihsan et al., 2021; Yusuf & Mujahidin, 2022). Successful *santri*-led businesses allow *pesantren* to finance their operations independently, offer scholarships to underprivileged students, and support various social initiatives. Research by Wardi et al. (2019) indicates that empowering *pesantren* through *santri*-led enterprises can reduce reliance on external donations by up to 50.00%.

The success of *Santri*-led businesses is closely linked to achieving Sustainable Development Goals (SDGs). Through competitive and sustainable enterprises, *pesantren* can contribute to poverty reduction (SDG 1), quality education (SDG 4), and decent work creation (SDG 8). Entrepreneurship programs within *pesantren* equip *santri* with practical skills, enabling them to become drivers of local economies and agents of change supporting global development agendas (Adinugraha, 2022; Naimah et al., 2020). Successful *pesantren* businesses significantly reduce economic and social inequalities.

Furthermore, improving the success of *Santri*-led businesses also supports government initiatives such as the OPOP program. By producing high-quality flagship products, *pesantren* can compete in broader markets nationally and internationally. For instance, the East Java Provincial Government reported that OPOP products from *pesantren* have increased revenues by up to 30.00% over the past three years. This success shows that integrating government programs with *pesantren*'s entrepreneurial potential can generate significant economic impacts. Thus, the success of *Santri*-led businesses is critical for growing sustainable *pesantren*-based economic empowerment. Collaboration among *pesantren*, the government, and the private sector can contribute to growth in the entrepreneurial ecosystem and deliver broader benefits (Winarno & Nadia, 2021; Zaki et al., 2020).

The *santripreneur* movement in Indonesia, particularly in East Java, has shown promising progress, but various challenges still exist, especially on the limited understanding of entrepreneurship among *santri* (Bazkiaei et al., 2020; Lynch et al., 2021). Many lack practical knowledge of business strategies, such as financial management, marketing, and product innovation. According to Purwanto, (2019) only about 35% of *santri* in East Java understand basic entrepreneurial concepts, while the rest manage businesses conventionally without precise strategic planning. This results in low competitiveness in product value and market expansion potential.

Government support for *pesantren* in East Java remains uneven, leaving many in remote areas without adequate access to training, funding, and marketing resources, despite initiatives like OPOP. Research by Ariatin et al. (2022) shows that only 42.00% of *pesantren* in East Java benefit directly from OPOP, while the rest rely on limited internal resources. Furthermore, Islamic values, central to *pesantren* identity, are not fully integrated into business management (Jabbar et al., 2018; Ramadani et al., 2016; Yaacob

& Azmi, 2012). This limits the unique appeal of *santri* businesses and forces them to compete in undifferentiated market segments.

Solving these challenges requires a comprehensive strategy involving collaboration between the government, academics, and *pesantren*. Strengthening entrepreneurship education for *santri* is important (Gianiodis & Meek, 2020; Li & Wu, 2019). Such education provides *santri* with practical insights and skills for managing businesses effectively. Research by Shepherd et al. (2020) and Wardana et al. (2020) shows that entrepreneurship education fosters innovative mindsets and enhances strategic decision-making capabilities. Studies by Mukhtar et al., (2021); Wibowo et al. (2022) ) also show that quality entrepreneurship education can increase business success by up to 45.00%. With better knowledge, *santri* can navigate market dynamics and seize opportunities more effectively.

Moreover, entrepreneurship education offers technical benefits and strengthens the integration of Islamic values into business (Wibowo et al., 2022). Principles like honesty, fairness, and social responsibility can create sustainable and competitive business models. According to Wibowo et al. (2022), *santri* who receive entrepreneurship education grounded in Islamic values perform better in developing innovations aligned with *Sharia* principles. Therefore, prioritizing entrepreneurship education integrating Islamic values is essential for advancing *Santri-led* businesses.

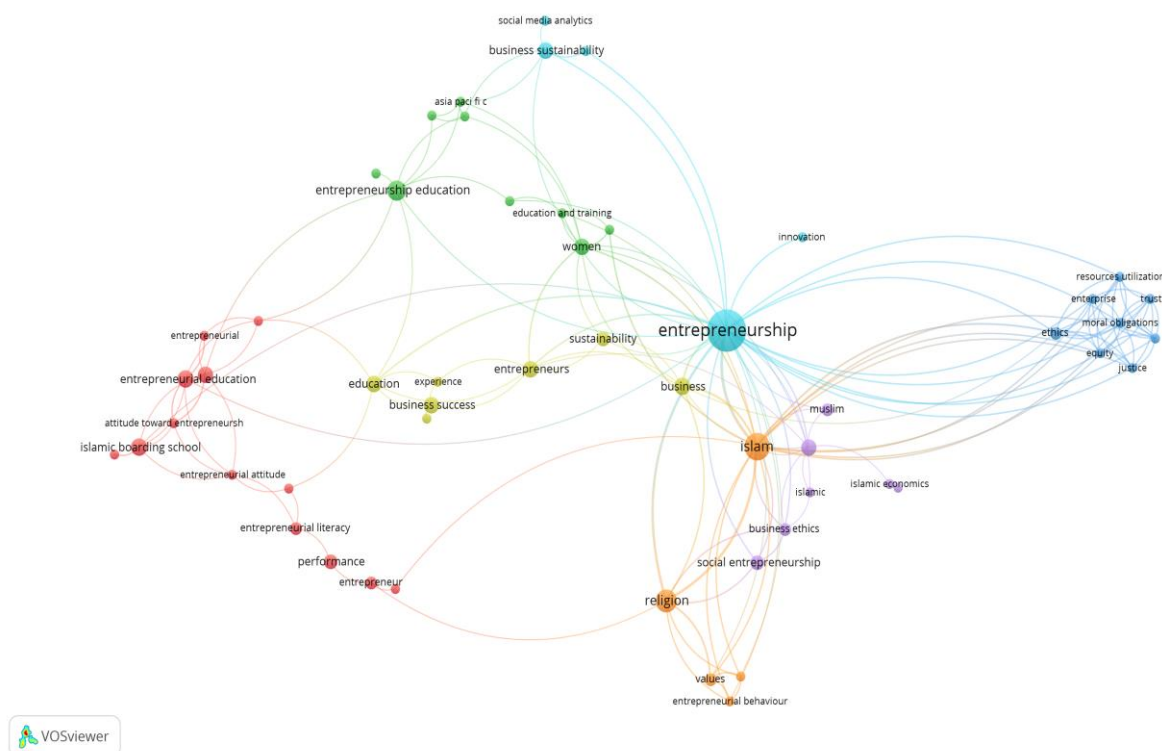
The following strategy is to improve the integration of Islamic values into business practices through a value-based approach. Islamic values can act as mediating variables, strengthening the relationship between entrepreneurship education and the success of *santri-led* businesses. Implementing Islamic values can increase customer loyalty by up to 30% and build a stronger brand image (Ariatin et al., 2022; Jabbar et al., 2018; Yaacob & Azmi, 2012). This approach encourages *Santri* to focus on financial profit and financial profit and the moral and social responsibilities that characterize Islamic businesses.

Government support as a moderating variable is equally important in promoting the success of *santri-led* businesses. Such support enhances the link between entrepreneurship education and business success through training, funding, and market access facilitation. The OPOP program has increased *pesantren* revenues by up to 35.00%. This includes technology-based entrepreneurship training, access to digital markets, and incentives for developing *pesantren*-run entrepreneurs (Fan et al., 2021; Nur et al., 2020).

Government support is vital in aligning Islamic values with business success. The government helps *pesantren* establish businesses that adhere to Islamic principles by providing guidelines and regulations encouraging *Sharia*-compliant practices. Research (Gunawan & Sulaeman, 2020; Khare, 2023; Saura, 2021) shows that businesses supported by government programs tend to perform better in applying Islamic values. This underscores the importance of government involvement in creating an inclusive and competitive Islamic business ecosystem.

Collaboration among the government, academics, and *pesantren* is important to design programs that enhance *santri-led* business success. Academics can contribute by providing training, mentoring, and evaluating program effectiveness, while the government facilitates with supportive policies and resources. This synergy aims to establish a *pesantren*-based entrepreneurial ecosystem that contributes to local economies and supports the achievement of the SDGs.

Despite existing research on entrepreneurship among *santri* and its contribution to business success, most studies focus on isolated aspects, such as the role of entrepreneurship education or the application of Islamic values (Anggadwita et al., 2021; Ihsan et al., 2021; Yusuf & Mujahidin, 2022). There is limited research integrating Islamic values as mediating variables and government support as moderating variables in the context of *santri* businesses in *pesantren*. Moreover, studies connecting these aspects to the SDGs, particularly in supporting the OPOP program, are still rare. This study aims to fill the gap by offering a holistic approach that combines entrepreneurship education, Islamic values, and government support to sustainably enhance *santri*-led business success.



**Figure 1.** Bibliographic analysis results using VOSViewer.

To expand the research gap in this study, a bibliographic analysis was conducted using VOSViewer with relevant keywords. The results show that entrepreneurship is strongly connected to entrepreneurship education, business sustainability, and Islamic values on entrepreneurial ethics and behavior. This relationship emphasizes the importance of entrepreneurship education in equipping *santri* with the skills and knowledge needed to support business success in alignment with the SDGs. However, prior studies have been limited in integrating Islamic values as a mediating variable to support the success of businesses within *pesantren*.

In addition, the analysis shows a lack of research regarding the role of government support as a mediating variable in strengthening the relationship between entrepreneurship education and *Santri* business success. Government programs like OPOP have significant potential to influence entrepreneurship education and improve the competitiveness of *santri*-led businesses. This study fills these gaps by focusing on the influence of entrepreneurship education on *santri* business success, using Islamic

values as a mediating variable and government support as a moderating variable in *pesantren* in East Java, aiming to support SDG implementation comprehensively.

The novelty of this research lies in its focus on the impact of entrepreneurship education on *santri* business success, incorporating Islamic values as a mediating variable and government support as a moderating variable. The entrepreneurship education received significantly influences the success of *santri*-led businesses in East Java's *pesantren*. However, integrating Islamic values—such as work ethics, honesty, and social responsibility—into daily *pesantren* life reinforces this success. These values form the foundation for running businesses that prioritize profit, blessings, and contributions to societal well-being.

This study fills existing research gaps by integrating entrepreneurship education, Islamic values, and government support into a more holistic model, particularly within the unique context of *pesantren*. The findings are expected to contribute to a deeper understanding of how these factors collectively drive the sustainable success of *santri*-led businesses. This study urges the important role of *pesantren* in promoting entrepreneurship based on Islamic values, which supports business sustainability and the economic empowerment of *santri*. In the face of globalization and the growing need for sustainable development (SDGs), entrepreneurship education in *pesantren* is a key way to equip *Santri* with the skills they need for the business world. By including Islamic values in entrepreneurship, this study explores how such education improves the success of *Santri-led* businesses and emphasizes the importance of government support in helping these businesses grow and compete effectively.

The findings of this study are expected to form the basis for developing entrepreneurship education curricula in the *pesantren* context. These curricula would not only emphasize the technical aspects of entrepreneurship but also focus on strengthening Islamic ethics and character development. Furthermore, the result of this study can be a reference for policymakers in designing strategies to support center entrepreneurship, such as providing incentives, facilitating market access, and offering financial assistance. Therefore, these measures aim to improve the competitiveness and contributions of *pesantren* to achieving the SDGs, particularly in poverty alleviation and job creation.

## RESEARCH METHOD

This study used a quantitative approach with descriptive and explanatory methods to examine relationships among the variables. This study examines the influence of Entrepreneurship Education (X1) on *Santri* Business Success (Y), with Islamic Values (Z) as a mediating variable and Government Support (Z) as a moderating variable within *pesantren* in East Java. The research design is presented as in Figure 2.

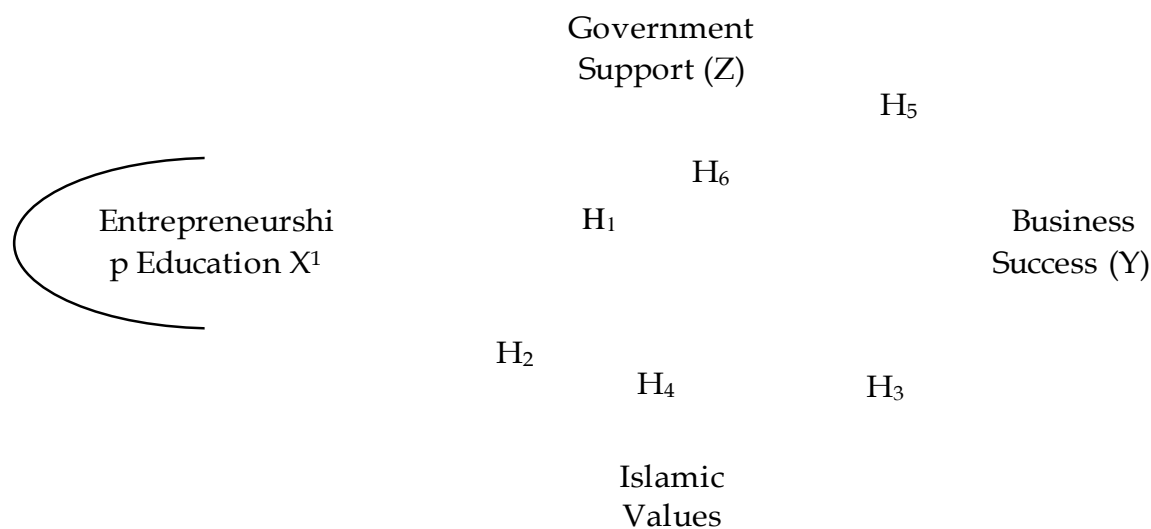


Figure 2. Research design.

This study was conducted in pesantren located in East Java, such as Madura, Mojokerto, Pasuruan, Surabaya, and Banyuwangi. The sample criteria included: (1) santri who have lived in the pesantren for at least three years, and (2) santri who own a business within the pesantren. Based on these criteria, a total of 275 samples were selected for the study. Data were collected through a questionnaire designed to measure the following variables:

- **Entrepreneurship Education (X1):** Measures the level of entrepreneurship education received by santri (students of Islamic boarding schools).
- **Islamic Values (Z):** This measure assesses the extent to which Islamic values are integrated into Santri's business practices.
- **Business Success (Y):** Evaluates the performance of Santri-led businesses based on indicators such as revenue, business growth, and customer satisfaction.
- **Government Support (M):** Measures the level of support received from the government in the form of policies, training, and access to resources.

Data analysis was conducted using Structural Equation Modeling (SEM) with PLS-SEM software to test the validity and reliability of the instruments and identify the direct and indirect effects of entrepreneurship education on business success through Islamic values. This research is expected to provide deeper insights into how entrepreneurship education based on Islamic values can enhance the business performance of Santri and how government support can strengthen that relationship.

## Research Question

Table 1. Results of the outer model (validity and reliability testing).

| Variable                       | Research Question   |
|--------------------------------|---|
| Entrepreneurship Education (X) | The entrepreneurship education program in my place provides an in-depth understanding of how to start and manage a business |
|                                | The entrepreneurship curriculum in my place integrates practical skills, such as business planning and management           |

| Variable                              | Research Question   |
|---------------------------------------|---|
|                                       | I am always involved in practice-based activities or projects to improve entrepreneurial skills<br>Islamic values, such as honesty and justice, are emphasized in the entrepreneurial practices I studied   |
| <b>Islamic Values (Z)</b>             | The influence of Islamic teachings on the way I run a business or make business decisions<br>I feel that entrepreneurship education supports the development of an attitude of trust and responsibility in doing business   |
| <b>Government Support (Z)</b>         | I feel the government's support in the form of entrepreneurship training or business assistance<br>I assess the role of government regulations in helping smooth business operations<br>I assess that business success is seen from the increase in profits since starting a business |
| <b>Business Success of Santri (Y)</b> | I receive positive feedback from customers regarding the products or services provided<br>I have been able to develop through product diversification or market expansion in the last two years   |

## RESULTS AND DISCUSSION

### Results

### SEM-PLS Analysis

#### Outer Model Results (Validity and Reliability Testing)

**Table 2.** Results of the outer model (validity and reliability testing).

| Construct                  | Indicators | Loading Factor | Cronbach's Alpha | Composite Reliability | AVE  | Conclusion       |
|----------------------------|------------|----------------|------------------|-----------------------|------|------------------|
| Entrepreneurship Education | X.1        | 0.85           | 0.89             | 0.91                  | 0.72 | Valid & Reliable |
|                            | X.2        | 0.87           |                  |                       |      |                  |
|                            | X.3        | 0.82           |                  |                       |      |                  |
| Islamic Values             | Z1.1       | 0.88           | 0.90             | 0.92                  | 0.75 | Valid & Reliable |
|                            | Z1.2       | 0.84           |                  |                       |      |                  |
|                            | Z1.3       | 0.86           |                  |                       |      |                  |
| Government Support         | Z2.1       | 0.81           | 0.88             | 0.90                  | 0.68 | Valid & Reliable |
|                            | Z2.2       | 0.79           |                  |                       |      |                  |
| Business Success           | Y.1        | 0.83           | 0.91             | 0.93                  | 0.71 | Valid & Reliable |
|                            | Y.2        | 0.89           |                  |                       |      |                  |
|                            | Y.3        | 0.85           |                  |                       |      |                  |

All indicators have a loading factor > 0.70, AVE > 0.50, and Composite Reliability > 0.70. Thus, all constructs are categorized as valid and reliable.



### Inner Model Results (Hypothesis Testing)

**Table 2.** Results of the inner model (hypothesis test).

| Hypothesis | Relationship Between Variables  | Path Coefficient | T-Statistic | P-Value | Conclusion |
|------------|---|------------------|-------------|---------|------------|
| H1         | Entrepreneurship Education → Business Success                                   | 0.35             | 5.12        | 0.000   | Accepted   |
| H2         | Entrepreneurship Education → Islamic Values                                     | 0.45             | 6.78        | 0.000   | Accepted   |
| H3         | Islamic Values → Business Success   | 0.40             | 4.56        | 0.000   | Accepted   |
| H4         | Entrepreneurship Education → Business Success (Moderated by Islamic Values)     | 0.28             | 3.89        | 0.001   | Accepted   |
| H5         | Government Support → Business Success   | 0.30             | 4.21        | 0.000   | Accepted   |
| H6         | Entrepreneurship Education → Business Success (Moderated by Government Support) | 0.32             | 4.75        | 0.000   | Accepted   |

### R-Square Test ( $R^2$ )

**Table 3.** R-square test ( $R^2$ ).

| Dependent Variables  | R-Square | Description   |
|----------------------|----------|---|
| Business Success (Y) | 0.65     | Independent variables explain 65.00% of the variability in business success.              |
| Islamic Values (Z)   | 0.55     | The variable of entrepreneurship education explains 55.00% variability in Islamic values. |

### Effect size Test ( $f^2$ )

**Table 4.** Effect size Test ( $f^2$ ).

| Relationship Between Variables                     | Value $f^2$ | Interpretation     |
|--|-------------|--------------------|
| Entrepreneurship Education → Business Success      | 0.30        | Great Influence    |
| Entrepreneurship Education → Islamic Values        | 0.25        | Medium Influence   |
| Islamic Values → Business Success                  | 0.20        | Medium Influence   |
| Government Support (Moderation) → Business Success | 0.15        | Moderate influence |

### Moderation Test

**Table 5.** Moderation test.

| Moderation Relationship             | Moderation Coefficient | T-Statistic | P-Value | Conclusion  |
|-------------------------------------|------------------------|-------------|---------|-------------|
| Islamic Values (Z) as a moderator   | 0.28                   | 3.89        | 0.001   | Significant |
| Government support (Z) as moderator | 0.32                   | 4.75        | 0.000   | Significant |

The results of the SEM-PLS analysis show that the measurement model (outer model) has met the criteria for validity and reliability. Instrument reliability is demonstrated

through the Composite Reliability (CR) and Cronbach's Alpha values, all above 0.70, indicating high internal consistency for each construct. This shows that all indicators within the constructs can consistently measure the latent variables they represent. Convergent validity has also been achieved, as indicated by the Average Variance Extracted (AVE) values exceeding 0.50 for all constructs, meaning that their respective constructs can explain more than 50.00% of the variance in these indicators. Furthermore, all indicators have loading factor values above 0.70, indicating that each indicator significantly contributes to its construct. For example, indicators within the "Entrepreneurship Education" construct demonstrate a substantial contribution, emphasizing their relevance in measuring the concept.

In the structural model (inner model), the R-Square ( $R^2$ ) value for the "Business Success" variable is 0.65, indicating that the influence of entrepreneurship education, Islamic values, and government support can explain 65.00% of the variation in business success. In comparison, other factors outside the research model influence the remaining 35.00%. The "Islamic Values" variable has an  $R^2$  value of 0.45, meaning entrepreneurship education can explain 45.00% of the variance in Islamic values. Furthermore, the Q-Square Predictive Relevance ( $Q^2$ ) values for all endogenous variables are above 0, with the "Business Success" variable having a  $Q^2$  value of 0.52. This indicates the model has a strong predictive capability for explaining the business success variable.

The influence of each variable in the model was measured using effect size ( $f^2$ ). Entrepreneurship education strongly influences business success, with an  $f^2$  value of 0.30. In contrast, the moderating effect of government support on the relationship between entrepreneurship education and business success has an  $f^2$  value of 0.15, indicating a moderate moderating influence. Therefore, these results show that entrepreneurship education, Islamic values, and government support significantly contribute to explaining students' business success, and the model used possesses good validity and predictive relevance.

### **Discussion**

Entrepreneurship education has a positive and significant influence on the business success of students in Islamic boarding schools, with a path coefficient of 0.35, a T-statistic of 5.12, and a P-value  $< 0.001$ . These findings show that the entrepreneurship education programs implemented in the boarding schools significantly improve the student's competence in managing and running their businesses. Entrepreneurship education aims to increase knowledge and shape an entrepreneurial mindset that includes risk-taking, innovation, and the ability to plan and manage ventures. Therefore, entrepreneurship education that integrates theory and practice can provide valuable preparation for students, equipping them with technical skills and fostering entrepreneurial attitudes and ethics that support business success.

Moreover, entrepreneurship education in Islamic boarding schools has also been proven to significantly influence the application of Islamic values, with a path coefficient of 0.45, a T-statistic of 6.78, and a P-value  $< 0.001$ . This demonstrates that entrepreneurship education focuses on technical aspects and integrates Islamic values into its curriculum. Values such as honesty, hard work, responsibility, and fairness are components of the entrepreneurship education process. Astuti and Mursyid (2020) stated that integrating Islamic teachings into entrepreneurship education balances economic and spiritual goals, creating entrepreneurs who are competent in business

and possess character aligned with Islamic principles. In this context, values such as Amanah (trustworthiness) and ihsan (excellence) shape ethical and moral entrepreneurs, ultimately supporting their business success.

Islamic values also significantly influence students' business success, with a path coefficient of 0.40, a T-statistic of 4.56, and a P-value < 0.001. Applying values such as Amanah, Ihsan, and good morals provides a strong foundation for success in the business world. Integrating religious values into business practices enhances customer trust and builds a good reputation, contributing to business success. In Islamic boarding schools, applying Islamic values in business strengthens relationships with customers and business partners, creates a positive business atmosphere, and increases the success of students' businesses.

Furthermore, moderation analysis results show that Islamic values strengthen the relationship between entrepreneurship education and business success, with a moderation coefficient of 0.28, a T-statistic of 3.89, and a P-value < 0.01. This indicates that entrepreneurship education combined with the application of Islamic values has a more significant impact on driving the business success of students. Islamic values in entrepreneurship education encourage students to manage their businesses more professionally and with integrity, making business success more straightforward.

In addition to internal factors within the boarding schools, government support significantly influences students' business success, with a path coefficient of 0.30, a T-statistic of 4.21, and a P-value < 0.001. Government support, such as training, funding, and market access, contribute significantly to the development of student businesses. Government policies supporting entrepreneurship development in boarding schools, such as the "Entrepreneur" program, create a more conducive business environment for young entrepreneurs in Islamic boarding schools. Government support serves as a catalyst that helps students overcome challenges in developing their businesses by providing the resources and facilities necessary to start and manage their ventures.

Government support also strengthens the relationship between entrepreneurship education and business success, with a moderation coefficient of 0.32, a T-statistic of 4.75, and a P-value < 0.001. These findings indicate that entrepreneurship programs supported by the government, such as funding assistance and business management training, synergistically improve students' abilities to manage and develop their businesses. The government plays a crucial role as a catalyst in the entrepreneurial ecosystem, providing various resources novice entrepreneurs need. Government support increases the chances of success for students engaged in business by offering facilities that support the development of their enterprises.

## CONCLUSION

**Fundamental Finding:** This study shows that entrepreneurship education in Islamic boarding schools significantly positively influences students' business success. The education improves technical skills and creates an entrepreneurial mindset focused on risk-taking and business management capabilities. Integrating Islamic values into the entrepreneurship education curriculum significantly shapes ethical student character and supports their business success. Through training programs, funding, and market access, government support strengthens the relationship between entrepreneurship education and business success, creating a more conducive business environment.

**Implication:** The implications of this study show the importance of developing entrepreneurship education based on Islamic values and supported by the government

to create professional and integrity-driven entrepreneurs. **Limitation:** This study is limited to boarding schools in a single region that may not fully represent the conditions of Islamic boarding schools across Indonesia. This study also focuses on students as research subjects without considering other external factors influencing business success. **Future Research:** Future studies should explore the influence of external factors and technology and involve Islamic boarding schools in various regions to obtain a more comprehensive understanding of the effectiveness of entrepreneurship education in supporting business success.

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