

# Islamic Intellectual Capital Management as the New Educational Management Concept in Madrasah Aliyah

(Case studies in MAN 1 Kota Bandung and MAS Husnul Khotimah Kuningan)

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**Abstract**—This research aims to elaborate Islamic Intellectual Capital Management (ICM) as management model formulated by balancing between the conventional working principles of ICM spiritual values as a basic philosophical foundation in Islamic High or Madrasah Aliyah (MA). This research used descriptive analytics method by survey. In a mainly qualitative investigation, empirical data from two MA's in West Java province were collected by means of focus group and individual interviews as well as observation. These data were analyzed in accordance with accepted procedures for qualitative data processing. The result of the research showed that the intellectual capital in MA Husnul Khotimah, Kuningan city is better than MA 1, Bandung city. The conclusion is that Islamic ICM balances material and immaterial qualitative aspects of the educational management currently as a focus of the development of Islamic institutions in order to achieve high Madrasa Aliyah values.

**Keywords**—*intellectual capital management; islamic education management; human resource development*

## I. INTRODUCTION

The history of the industrial revolution showed that the development of knowledge and technology will increase sophistication from before over time. Industrial revolution was a breakthrough that occurred as a result of human thought and technology [1]. It raises the pattern of life of people who tend to pursue material needs, so that the focus of change is more conventional. A change that raises the imbalance in human social life, such as: creating of social inequality, inducing of capitalism, generating of bourgeois society as the dominant class, and excluding of groups who are unable to compete with competitors, until emerging of primordial sentiments.

The dimensions of the human building consist of material (physical) and immaterial (spiritual, value, and moral) [2]. This shown that spiritual values needs cannot be separated from human life. Both of these dimensions can only be obtained through the educational process as the main medium. Humans need education that supports their role in shaping the nation's civilization. Education is a milestone of the revolution that

occurs for every phase. Therefore, the strategic role of educational institutions is needed as a media for knowledge transformation that can meet human needs both material and immaterial also intellectual and spiritual dimensions.

MA has a great opportunity to fulfill these two dimensions. With integrality education concept, Islamic institutions is an educational institution that integrates the intellectual and spiritual dimensions of Islam as a product by Islamic institutions output. However, the facts that prevailing management has not been able to confirm Islamic institution's preference to date, for producing quality education with the standards of community needs.

Models of educational management was applied in MA has not been able to touch the quality aspects of value, focus, people, and innovation till now [3]. Meanwhile developments in the current era of disruption require institutional management in an innovative holistic manner. On the other side, the aspect of Islamic spiritual values has not fully become the absolute identity of the institutions, because it is not touched by conventional management concepts. By promoting innovative and disruptive power, the Islamic ICM is an intangible asset management model of organizational capital that aims to create MA values.

## II. THEORETICAL FRAME

### A. Intellectual Capital Management

The awareness of the importance of intellectual capital (IC) is a special feature of the beginning of the information technology era, namely knowledge-based economy and technology where intangible assets often interact with tangible and financial assets to create corporate value and economic growth [4]. Intellectual capital is defined as intellectual material (knowledge, information, intellectual property rights, and experience) that can be used to create wealth [5]. This means that IC is a brain power to create wealth through knowledge possessed by human resources and structural organizations.

In general, IC classification refers to the taxonomy proposed by Saint Onge, Sveiby, Stewart, Bontis, and Roos et.al, which divides the taxonomy of IC in the same three classifications [6], that is:

1) *Human Capital (HC)*: namely intellectual capital in the form of knowledge, talents (talent) and experience of organizational human resource [7]. HC is lifeblood in IC, where HC is a source of innovation and strategic renewal [7].

2) *Structural Capital (SC)*: which is intellectual capital inherent in the company/ organization, includes: hardware, software, databases, organizational structure, patents, trademarks, and everything else of organizational capability that supports those employees' productivity - in other words, everything that gets left behind at the office when employees go home [7].

3) *Relational Capital (RC)*: which is intellectual capital related to relations with external parties [8], namely the relationship between the organization and customers, consumers, intermediaries, representatives, suppliers, partners, owners, creditors, and so on [9].

Intellectual capital will not have a real basis as a theory if there is no measurement, because the testing of a science theory requires measurement [9]. The Danish Guideline is a final stage in ICM. The Danish Guideline is intellectual capital statement therefore a communication tool to communicate to employees, customers, cooperative partners and investors how a company generates value for them and a management tool used to generate value in a company [10].

The Danish Guideline reports used for this research for internal evaluation and as communication improving external performance aims to find out how effective and efficient all components of IC MA in developing themselves through actualization of conversion of competencies into values. Published ICM reports are very important for both internal and external circles to improvise and understand the development of organizational competencies.

### *B. The Role of Knowledge in Madrasa Aliyah*

Knowledge contained in educational institutions plays a role in the creation of organizational values in front of stakeholders (stakeholder value) [11]. The knowledge is an acquired ability by experience, values, contextual information, and expert insight that provides a framework for evaluating and combining new experiences and information. Knowledge originates and is applied to one's mind [12].

Knowledge in MA consists of two types, i.e. tacit knowledge and explicit knowledge, both of which work together to produce communal knowledge of the MA [13]. The emphasis on tacit knowledge lies in the use of taste, namely EQ and SQ by not ignoring IQ use [14]. At MA tacit knowledge takes the form of knowledge possessed by HR, in the form of experience and skills. The explicit knowledge is the knowledge of human resource that has been codified in the form of documents and databases. MA are included in the category of learning organizations if they are skilled in creating, acquiring, and transferring knowledge, and are able to modify ways to do so in reflecting new knowledge and insights [15].

An organization cannot create its own knowledge, but by their individuals. Organizational knowledge creation is a process that organizationally strengthens knowledge created by individuals, and crystallizes at the group level through dialogue, discussion, sharing experiences, or observations [16]. Knowledge of human resources honed through education and experience, then actualized and codified organizationally will bring HR of MA to become sustainable professionals in their field of expertise, through their ability to improvise innovatively which will naturally create quality LPI values in the presence of stakeholders and society.

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### *C. Islamic Spiritual Values*

Development of spirituality is not a new theory in the treasures of the Islamic world. The values of Islamic spirituality which are the pillars for the development of human life consist of four elements [2], that is, 1). *Tawhid*, is a fundamental philosophical foundation in development; 2). *Rububiyyah*, is the divine arrangement of human life including things such as food, sustenance and various other aspects that support the acquisition of their perfection. This reminds man of the existence of Allah Almighty as the Lord of the universe that all God's creations (nature and all their contents, including humans) should make people more familiar with their Creator and try to get closer to Him; 3). *Khilafah*, is the position of man as God's representative on earth. It defines the status and role of humans, and determines human responsibility as a Muslim and as a Muslim. In this context human endeavors play a role. 4). *Tazkiyah*, is the concept referring to "purification plus growth" which is the mission of all prophets of God to carry out human *tazkiyah* in all its relationships - with God, with humans, with the natural environment and with society and the state. The concept shows that humans must focus entirely on God, but the goal is for the sake of humanity itself (tauhid which is actualized into humanitarian action) [17].

## III. METHODS

The methodology used in this research is descriptive analytic method by survey. In a mainly qualitative investigation, empirical data from MA Negeri 1 Kota Bandung and MA Swasta Husnul Khotimah Kuningan in West Java province were collected by means of focus group and individual interviews as well as observation. These data were analyzed in accordance with accepted procedures for qualitative data processing. Refers to Creswell that the purpose of using qualitative methods in this study is to investigate problems related to the management of intangible assets of the MA and to develop a more detailed understanding of the various problems associated with it [18].

#### IV. RESULTS AND DISCUSSION

This research shows that both MA Negeri 1 Kota Bandung and MA Swasta Husnul Khotimah Kuningan have the potentials intangible assets to create madrasa values. MA Negeri 1 Bandung organizes vocational program as superior service for stakeholder. Meanwhile, the superior program in MA Swasta Husnul Khotimah is *Tahfizh* al-Qur'an.

The results of research and interviews showed that aspect of the human capital in madrasa both at MA Negeri 1 Kota Bandung and MA Swasta Husnul Khotimah Kuningan have qualified graduates who make them have potentially and dynamically, and have high work ethic and morale. Distinguishing things between both is strengthening the aspects of human capital in MA Swasta Husnul Khotimah Kuningan be priority especially in spiritual value. *Halaqah tarbawiyah* is routine program held once a week to increase intrinsic motivation of human resource by Islamic spiritual value. It is driven by internal rewards of human resource without any obvious external rewards. They simply enjoy an activity or see it as an opportunity to explore, learn, and actualize their potentials by their knowledge, talents (talent) and experience. It is also suggested that people are more creative when they are intrinsically motivated.

The structural capital aspect of madrasa's both MA Negeri 1 Kota Bandung and MA Husnul Khotimah Kuningan, not facilitate transformation of knowledge yet because there is no platform of management to manage their sharing knowledge. But, there is organizational culture help madrasas perform positively in competition, such as improved quality of human resource, beliefs, attitudes, took part in the study defined organizational culture in general procedures, and way of working peculiar to an organization, as well as referring to working for organizational aims.

Existence potentials of relational capital showed that this capital both in MA 1 Kota Bandung and MA Husnul Khotimah Kuningan has been part of madrasa's activity. They were developed good relationships with stakeholder and customer, and internal human resource of madrasa's. Alumni activation is part of MA Husnul Khotimah Kuningan's program to improve their educational quality.

The Islamic ICM models is a concept management of intangible assets of Madrasa Aliyah, namely human capital, structural capital, and relational capital Madrasa Aliyah with Islamic spiritual values, as a trigger in improving the quality of the three synergistic elements in creating Madrasa Aliyah values.

Final analysis used Danish Guideline to gives madrasas a report about the opportunity to work more systematically and comprehensively with the many initiatives within knowledge management that many madrasas have already started. The guideline also provides a good basis for communicating knowledge management policies to existing and potential employees, customers, investors and the general public.

As lifeblood in MA, strengthening human capital elements of Madrasah Aliyah with Islamic spiritual values is the main focus of ICM. Knowledge possessed by human resources is

built on the basis of Islamic spiritual values and becomes an entity in building quality HC.

Human capital development using the principles of Islamic spiritual values is actualized in the form of highly committed (professional, loyalty and commitment). The formulation of science and faith (*tawhid*) in managing HR, will strengthen the knowledge created by the individual and crystallize at the group level through dialogue, discussion, sharing experiences, or observations, that all of which are in a balanced between intellectual and spiritual arrangement. This can better maintain the credibility of individuals in building a solid Islamic personality.

The knowledge transfer aspect which is the main activity of human capital in the MA environment is influenced by Islamic spiritual values, resulting in healthy interactions between the human resources involved, building meaningful transfer of knowledge and creating values that contribute to Madrasah Aliyah.

If work ethic is understood as work ethics, then its form can be a set of characters, attitudes, and work mentalities. Characters that are full of monotheistic values give birth to productive personalities, namely continuing to improve self-competence by having knowledge and skills, being innovative, always walking to make changes for the better and inviting people to change for the better. A person who is disciplined, honest, intelligent, and teamwork is a reflection of a person who has a prophetic character. Attitudes that are full of tauhid values give birth to a high viewpoint, which leads to the breadth of views and depth of reach of their insights on life and life issues, so that they have resilient life because they are filled with confidence and surrender to Allah. The work mentality that is full of monotheistic values gives birth to persistence in doing work with the aim of producing achievements and works for the organization where he works and for others who are around him. Works well and correctly because of the awareness that arises from within, that he is the agent of change and all activities carried out will be held accountable before Allah Almighty.

The significance of Islamic spiritual values in the structural capital aspect i.e. to ground Islamic spiritual values in aspects of the Madrasah Aliyah ability, to facilitate the implementation of every role of human resources ethically and responsibly in the framework of realization of Madrasah Aliyah vision, mission and objectives, and its ability to condition individual spiritual growth and maintain collective awareness organization. All lead to one mission, facilitate human capital to create and expand knowledge in the Madrasah Aliyah environment in an effort to improve the quality of education, by prioritizing the concept of humanization (humanizing humans), liberation (liberation), and transcendence (reviving divine consciousness).

The significance of Islamic spiritual values in the aspect of relational capital, that relations both internally and external of Madrasa Aliyah are built on Islamic spiritual values. Madrasa Aliyah who have quality HC and SC, will have a positive impact on the construction of networks both with stakeholders, customers and Madrasa Aliyah work partners. Without good relations with relations, Madrasa Aliyah will become backward

and even extinct. Stakeholders [customers] as users of Madrasa Aliyah education services are a top priority in service. Providing services that are in accordance with Islamic spiritual values will result in education that is of more value in enhancing madrasa's competitiveness and profitability in the world of national education.

The construction of human resource development using the concept of Islamic ICM based on Islamic spiritual values is essentially converging at one point, namely *al-falah* (victory). *Al-falah* cannot be achieved without effort, independence and concrete actions (individuals as subjects not as objects). *Al-Falah* also has 2 (two) interrelated dimensions, namely faith and piety. Through *tazkiyatunnafs* every action is done to produce a good person and a clean soul with which *al-falah* will be achieved.

Actualizing the Islamic spiritual values in the operationalization of Intellectual Capital Management will provide a new nature for the management of Madrasah Aliyah to be more qualified. Islamic spiritual values which are the foundation of ICM implementation at Madrasa Aliyah, will deliver human capital as lifeblood organization to *al-falah* level which penetrates the increasing quality of structural capital and relational capital to make the Madrasah Aliyah become the best general education institution with an Islamic identity.

## V. CONCLUSION

Results of the research showed that arranging the potential of intellectual capital (human capital, structural capital, and relational capital) in MA 1 Bandung City requires a system to manage it into an innovation and sustainable value for madrasas. The same is true for structuring the potential of intellectual capital (human capital, structural capital, and capital relational) at the Private MA Husnul Khotimah Kuningan. Supported by the status of private madrasas, the opportunity to manage intangible assets of madrasas becomes innovation and sustainable value so that madrasas are more open. Islamic ICM is a tool for the development of Madrasa Aliyah by maximizing the quality of their role as educational providers.

The education system developed to improve the quality of education in the MA currently in Bandung tends to focus on developing aspects of science and technology. Improving the quality of education based on Islamic ICM can improve the quality of madrasa's education so as to produce human resource balanced, both science and technology then belief and piety (IMTAQ).

The development of the idea of Management of Islamic Intellectual Capital in MA Private Husnul Khotimah has a greater prospect. The education system by developing strengthening *tawhid* values as a priority for education programs so far has strengthened the development of quality human resources that are integrated with HR innovation and

creativity. Thus, it will create value that supports the quality of the education outcomes of the madrasah aliyah. The disruptive era should be a moment for Madrasa Aliyah to improve itself to strengthen its existence in national development, making Madrasa Aliyah still exist and develop in accordance with the times and at the same time fixing the Madrasah Aliyah towards a more holistic new order to build national education by strengthen Islamic identity. However, at a practical level, government regulations are needed that can support the implementation of IICM as a management model that improves the quality of educational outcomes in Islamic schools.

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