



The 5th Indonesia International Conference on Innovation, Entrepreneurship,  
and Small Business (IICIES 2013)

## Management by Inspiration: Implementation of Transformational Leadership on Business at *Pondok Pesantren*<sup>\*)</sup> Sunan Drajat

Nur Khusniyah Indrawati<sup>a\*</sup>

<sup>a</sup> Economic and Business Faculty- Brawijaya University, Jl. MT. Haryono 165, Malang 65144, Indonesia

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### Abstract

The research aims to explore leadership style of KH Abdul Ghofur as a CEO on Business at Pondok Pesantren Sunan Drajat, and to what extent his leadership style influence subordinates both achieve extraordinary outcome and develop their own leadership capacity. The fieldwork for the present study was conducted in Lamongan, East Java. The research used Postpositivist, intuitive, and apocalipse paradigm within a single case study scenario. The primary method of data collection was in-depth interviews using a semi-structured interview guide. It was based on an open-ended format, in order to encourage him to share information with his comfortable style. The domain analysis was used to analyze the data because one of main objective of this research was explore KH Abdul Ghofur's leadership style in business aspects. The result suggest that KH Abdul Ghofur implemented more inspiration and motivation than charismatic as a part of transformational leadership component in heading his business. However, inspiration and motivation become basis in term of leadership style, and inspiration management as KH Abdul Ghofur's leadership style was stimulate enthusiasm and inspired among subordinates. He always said "used your intellegence" in order to build self confidence, and subordinates persuasive appeals as well as arise emotional acceptance. Finally, He used his ability to influence subordinates beyond their own expectations and self-interest.

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Selection and peer-review under responsibility of The 5th Indonesia International Conference on Innovation, Entrepreneurship, and Small Business.

**Keywords:** Transformational Leadership, Inspirational Management, Used Your Intellegence

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<sup>\*)</sup> Pondok Pesantren = Islamic Boarding School

\* Corresponding author. Tel.: +6281334597963; Fax: 0341558224

e-mail address: nurkhusniyahindrawati.yahoo.com

## 1. Introduction

Currently leadership is one the most talked issues in organizations. It is because organization success depends on leader role. Leader become catalyst to carry organizational activities that required to remain realistic and practical thinking. He also needs to think about how entrepreneurship skill transferred to employees in order employees able to emulate entrepreneurship skills and making them as human capital. Therefore, it can always adapt to changing environment. Good leaders are leaders who create sustainable change and have a broad understanding of environment. Understanding changes and lives in significant changes means they adapt to environmental changes. Clarke (1994) said “change is an accelerating constant and yet there is a fundamental dilemma. People need time to get change, but there is not time any more ... evidence suggests that average corporate lifespan is down to forty years and, like product lifecycles, may be shrinking because of an inability to change and adapt fast enough”.

All businesses at Pondok Pesantren Sunan Drajat are family business which on alignment to environmental changes. Business at Pondok Pesantren Sunan Drajat establishment based on one of testaments of Kanjeng Sunan Drajat namely "*wenehono mangan marang wong kang luwe*" (give food to hungry people) (Indrawati, Salim, Djumilah, and Sham, 2012). This testament philosophy implies a need to create jobs in order hungry people can get a job to meet their live need. In addition, Prophet SAW said: “Upper hand (giver) is more noble than lower hand (recipient) (Narrated by Ad Daruquthni) ". The progress achieved through business actually a long and winding journey. However, the persistence to try in creating harmony with changing environment make business became a success. Business success key lies in leadership style of KH Abdul Ghofur. He gives opportunities as big as possible and fully trusts the managers to develop their potential and continue to innovate and committed to achieving business goals. This condition shows leadership effectiveness of KH Abdul Ghofur because basically not all influence to other people can produce something desired.

Effectiveness outcome of a leader can be seen from performance and growth of group or organization. This is evident from his willingness to respond the challenges or crises, follower satisfaction with leader, follower's commitment to group advice, psychological well-being and development of followers, maintaining leader high status, and leader progress to higher power position in organization (Yulk, 1994). However, for KH Abdul Ghofur, all indicators achievement of leadership effectiveness will not bring happiness and success if business establishment objectives, namely *masalah* (goodness), not achieved.

Leader effectiveness also depends on leadership style applied. There are many researches on transactional and transformational leadership styles, either jointly or separately. However, most of these studies aims to see their effect on performance, both individuals and organizations. Previous studies, besides performed using positivist paradigm, also does not discuss about leader background and leader track from start until making organization increase the performance, and do not touch specifically the particular leadership style dimensions. This study, in addition to fill the gap of previous studies, also to follow up study of Indrawati, Salim, Djumilah, and Sham (2012) on risk management based on Islamic spiritual to explore the leadership style of KH Abdul Ghofur that did not researched before. Management styles difference of business operated conventionally and based on Shari'ah and Islamic values allowing to raise the leadership styles differences. Therefore, the research aims is to explore KH Abdul Ghofur leadership style as a CEO, and to what extend his leadership style influence subordinates.

The rest of paper is organized as follows. First, it is presented overview of transactional, transformational, and inspirational leadership styles. Second, it is presented data collection method and analysis, and an overview of case subject. Third, the discussion of subject's inspirational leadership attributes is presented. Finally, conclusion presents implications and recommendations for future research.

## 2. Literature overview

### 2.1. Theoretical concepts

There are many definitions of leadership. All definitions emphasize how a leader influences other people. In chapter 1 of *Leadership and Success* defines “leadership is the process influencing more than one person toward a goal” (Durham, Durham, and Durham, 2006). In chapter 11 of *Organizational Behavior* defines leadership as “ability to influences one group toward goal achievement” (Robbins, 1996).

Leadership theory had been developed continuously. Entering 21st century, in United States emerged a new leadership theory. It is inspired from needs hierarchy theory proposed by Maslow (1943), namely leadership theory

of self-actualization (Rubino, 2012). Knowing these theoretical frameworks is important and useful to remember that some framework key has been developed for leadership analysis and study. A summary of different academic approaches to leadership presented in chapter 1 of Leadership Frame work as follow (Christy, 2009):

- The qualities or traits approach
- The functional or group approach
- The approach which sees leadership as a behavioral category
- The leadership styles approach
- The situational approach and contingency models
- Transformational leadership
- Inspirational leadership

Based on leadership approach above, there is a difference in looking at two leadership approaches. It has been conceptualize transformational and transactional leadership (Burns, 1978). This is quoted from chapter 1 of Transformational of Leadership that referred as a new paradigm in leadership theory (Bass and Riggio, 2006). However, in this concept, inspiration does not stand alone as leadership theory but becoming a component of transformational leadership theory. Several other authors have same thought with Rayner and Smith (in Christy, 2009). They put inspiration as a leadership theory that independent and separated from transformational leadership theory (Bass, 2007; LRN Corporation, 2010; Rubino, 2012).

### *2.1.1. Transformational leadership*

Organizational behavior literature always compares transformational leadership with transactional leadership. Transactional and transformational leadership can be found in all parts of globe and in all forms of organization. Transformational leadership was defined in chapter 1 on Introduction to Transformational Leaderships as follow: “Transformational leadership involves inspiring followers to commit a shared vision and goals for an organization or unit, challenging them to become innovative problem solvers, and developing followers’ leadership capacity via coaching, mentoring, and provision of both challenge and support”. Furthermore, components of transformational leadership were follows: (1) Idealized Influence, (2) Inspirational Motivation, (3) Intellectual Stimulation, and (4) Individualized Consideration (Bass dan Riggio, 2006).

### *2.1.2. Inspirational leadership*

Inspiration, although it can be interpreted differently by each person, but it can means stimulus, driver, and brainstorming. Among several meanings, many people say that inspiration and motivation is one and same. However, in chapter 1 of The Inspiration Factor stated that: “I have seen a something subtle but often makes significant distinction between motivation and inspiration. Motivation provides an incentive for people to act in certain ways, but for reason that can be noble...or selfish. They may even act out of fear. Motivation, therefore, can either be positives or negative, productive or destructive. Inspiration, on the other hand, is always good, always positive. It focuses on people’s deepest and noblest desire” (Barber and Springle, 2010).

Inspiration is a leadership characteristic including knowledge, skills, humility, and ability to develop motivation and commitment of people in order bounded each other. Inspiration quality is determined by three core aspects, namely: (1) evocation, (2) transcendent, and (3) approach motivation. Inspiration arises spontaneously without intention. Inspiration also something extraordinary and often involve events clearly and awareness of new possibilities (Kaufman, 2011). Finally, inspiration involves approach motivation that working hard to emit, to express and actualizing a new idea or vision.

Inspirational leadership can be defined as “an influence relationship among leaders and followers who intend to make real changes that reflecting their mutual purposes (Rost in LRN Corporation, 2012). The role of inspirational leadership are: (1) Using strategic vision to motivate and inspire, (2) Empowering employees at all levels, (3) Accumulating and sharing internal knowledge, (4) Gathering and integrating external information, and (5) Challenging the status quo and enabling creativity (Dess dan Picken in Kaufman, 2011). Inspirational leadership accepted by his follower because they have extensive knowledge, illuminating or relieving, and having sensitive feeling to problems occurring in organization. Based on this, the followers trust is built. Inspirational leaderships use words, slogans, metaphor, symbol, image, cue, ceremony, ritual, and code to manage meanings and impressions, to generate expectations and stimulate intellectuality, and provide visions that can be achieved and realistic future.

According to Introduction: Redefining Inspirations, inspirational leader can take initiative and apply the seven inspiration principles follows: (1) be authentic, (2) connect with other's dreams, (3) see in others abilities they don't see in, (4) speak with credibility, (5) tell great stories—yours and others', (6) help people reach their destination, and (7) create a new culture (Barber and Springle, 2010). These principles work in any context (the individual, team, division, or multinational companies), even if no one else in the company, inspirational leaders take initiative and applying it with outstanding results for all parties involved in business. Therefore, management inspiration is one implementation of transformational leadership. Inspirational leadership model involves two aspects: (1) business cluster, and (2) relationship cluster (LRN Corporation, 2012). The second aspect move organization to achieve its goals. Interactions and dependencies between these two aspects determine inspirational leadership. The relationship between business and relationship clusters visualized in Figure 1.

### 2.1.3. Islamic leadership

Human duty as a leader is actually born together with revelation Prophet Adam to earth. Humans as a leader are obliged to prosper earth, doing good deeds for himself and others (society) as well as surrounding environment, both animate and inanimate. This is the meaning of Allah verse in Al-Baqarah (2): 30. Thus, people in leadership activities did not allowed to take ways to exploit subordinates and destroying nature, and environment.

Every leader performs leadership function based on leadership style adopted. For a faithful leader, the guidance is instructions/guidance of Allah SWT. Therefore, it required sufficient thinking ability to make conditions/situations analysis. The result can be utilized to improve efficient and effective leadership (Nawawi, 1993). It is accordance with Allah verse in Qur'an of Yunus (10): 100. The content of these verses is every leader required to always use their reason in efforts to develop strategic and tactical organization/business in order always gets pleasure from Allah SWT. Conversely, if a leader does not rely to God, then destruction just wait the time. Faith is key to leader success. Faith control reason to carry the functions as a leader. Moreover, only faith that can become safety valve if business fails (Indrawati, Salim, Djumilah, and Sham, 2012). Allah Warning against those who do not underlie every activity with faith has written in Qur'an of Yunus (10): 101.

Allah signs power for believers of faith leader come from interaction between human beings (Nawawi, 1993). It is commanded by Allah in Qur'an of Yunus (10): 105 and 106. A leader is sensitive to social situations and then uses his wits to think to look for solutions the problems in social situations. Allah SWT has promised classify them into group people who acquire knowledge wisdom, as written in the Quran of Yusuf (12): 22. Leader's ability to analyze social situations based on wisdom science that approved by Allah will lead to effective leadership because leadership function will implemented properly, true, and correct.

### 2.2. Empirical evidence

Combination leadership theories, transformational leadership behaviors and Leader-Member Exchange (LMX) with Organizational Citizenship Behaviors (OCB), indicate that transformational leadership is more preferable than LMX to predict OCB. In addition, LMX does not mediate relationship between transformational leadership and OCB (Asgari, Silong, Ahmad, and Sama, 2008). In addition, leaders who committed to quality service and empowering the leadership style can create a transformational climate. It makes employees feel comfortable to implement their commitment to services quality, especially employees who served in "frontline" (Clark, Hartline, and Jones, 2009). Other research also proved that reliable team establishment and leader desire to always open information will improve knowledge sharing. Team knowledge sharing significantly predicted ratings of leader-manager from team performance (Lee, Gillespie, Mann, and Wearing, 2010). MacKernzie, Podsakoff, and Rich (2012) looked the effect of transactional and transformational leadership on sales forces performance. The results showed that transformational leadership has a more powerful effect, both directly or indirectly, to sales force performance and OCB than transactional leadership.

### 3. Methodology

This research used postpositivist, intuitive, and apocalypse paradigm. The case focused by this research was inspired by business leader's success. The fieldwork for present study was conducted in Lamongan, East Java, Indonesia, for four months. The method to select participants was purposive, because the research learned about a workplace of inspirational leader from typical case which was known had ability to influence subordinates to exert themselves beyond their own expectations and self-interest. Business leaders were selected because they were

motivated inspirationally – that is, they had publicly acknowledged that their ability inspires others to lead business organizations and were identified by subordinates and others in their communities and the around business area.

### 3.1. Data collections and analysis

The primary data collection method was in-depth interviews using a semi-structured interview guide. Interview with KH Abdul Ghofur depends on time available. Interview guide was based on an open-ended format in order to encourage him to share information with his comfortable style. The sequence of questions was flexible. However, it was completely capture a wide range of experiences, in which he was encouraged to reflect inspiration and how it influenced his leadership and decision making. The interview was audio taped. Data triangulation was used in order to seek data verification. Additional information was obtained through interview with some subordinates to substantiate data accuracy. Domain analysis was used to analyze data because the primary research aim was explore leadership style aspect of KH Abdul Ghofur to lead business.

### 3.2. Case study framework

The case study theory framework based on Yin (2009) and Merriam (1988, in Lodico, Spaulding, and Voegtler, 2010) to generate theory from data. The research was within a single case study scenario for reasons: (1) growing business at Pondok Pesantren Sunan Drajat was unique case. Applying postpositivist paradigm was enabling to explore research topic more flexible in a new context for those phenomena, (2) research learned about inspirational leader from typical cases of business leadership at Pondok Pesantren Sunan Drajat have never studied before, and a single case study scenario was appropriate for finding a new concept (Yin, 2009). Therefore, these research results equip transformational leadership style, especially in Islamic business. (3) there are limitation both participants and observation periods (Merriam, 1998, in Lodico, Spaulding, and Voegtler, 2010).

### 3.3. Case Subject: KH Abdul Ghofur, founder and chair the business at Pondok Pesantren Sunan Drajat

A *Kyai* (a leader of Pondok Pesantren) was a person who was recognized by society. He has skills of religion science, leadership, and his charisma affects social change. As a consequence, he makes better quality of community life (Sham, 2005). KH Abdul Ghofur was born from *Kyai* family on 1947, in Lamongan, East Java. He was a XVIth generation of *Kanjeng* (Master) Sunan Drajat from ancestors of Zainal Abidin (chirp of Prophet of Muhammad SAW, grandchild of Siti Fatimah and Ali bin Abi Tholib, daughter of Husen). His father was a leader of Pondok Pesantren Sunan Drajat. His elementary education until senior high school was at Tarbiyatut Tholabah, Lamongan, East Java. He pursued Islamic education at Pondok Pesantren in Situbondo, East Java. He was a figure who had high level skill of self-defense and expert in traditional medication.

He was a chairman of Communications and Information Forum of Islamic Boarding School-Agriculture based (FKIPPBA), an adviser of Agriculture Community Groups (KUBA), and founder of Martial Youth Alliance (GAPSI). The significant achievement of KH Abdul Ghofur was first winner of environmental from local government of East Java in 2005s. In 2006s, he was given “Kalpataru” (environmental championship award) from President for environmental mentor category. The best achievement of KH Abdul Ghofur was awarded title of Dr. Honoris Causa (HC) from one of state university in Indonesia because of his concern to *mengkudu* fruit benefit for health.

KH Abdul Ghofur was a *Kyai* who dedicated his life for human well-being, especially encouraging people to improve their life in their religion, both physical and non physical health. His career started in 1977s, as a *Kyai* and then as a leader of Pondok Pesantren Sunan Drajat. Actually, he did not have any obsession to became a *Kyai*. Nevertheless, he experienced a great event of very awful spiritual when he was studying at Pondok Pesantren in Situbondo. In addition, in KH Abdul Ghofur father’s eras, his father implemented tight regulations for *santri* (Islamic student). For instance, *santri* was prohibited played samro (Islamic music), sport, watch television, listen to radio, and other extracurricular. As a consequence, a number of student was retire year to year. Finally, no any student lived and studied at Pondok Pesantren Sunan Drajat. It inspires and motivating him became a *Kyai* after his father passed away. He began to re-arranged and promoted Pondok Pesantren Sunan Drajat by traditional sport and Islamic activities. He felt optimist and dreamed at onetime Pondok Pesantren Sunan Drajat “shine” as one favorite school under his eras beyond his father era. Soon, his dreamed came true. Pondok Pesantren Sunan Drajat became



one of Pondok Pesantren in East Java. *Santri* who was studying in Pondok Pesantren Sunan Drajat came from Lamongan and surrounding. He had never expected Pondok Pesantren Sunan Drajat grows quickly.

In the 1980, KH Abdul Ghofur formed main small company/enterprise. It produced dolomite and phosphate (organic manure). He bought mountains for around 100 hectares. It was divided into two areas, 50 hectares for dolomite and phosphate company, and other for agribusiness. This areas outside the place of Pondok Pesantren Sunan Drajat. At the same time, he must managed business owned by him self. He struggle and running business without a partner. Both Pondok Pesantren Sunan Drajat and his business was “survive and thrive”. He could not managing his business and he focused to build up Pondok Pesantren Sunan Drajat. As a result, in the 1990-an, his business was vacuum.

In the 1998s, KH Abdul Ghofur persuaded by his friend to manage his business and began to manage business activities. In addition, he created another companies. It was related as well as unrelated with core business, namely maining. One of his business was restaurant in Malaysia. It is managed separately from his business in Lamongan, East Java, Indonesia. In 2002s, his business was managed by his son, and KH Abdul Ghofur was focused on Pondok Pesantren Sunan Drajat. However, he inspire and controlling his business over time. The peak eras of his business was exporting mengkudu juice to Japan and Australia. Nevertheless, in the early 2003s, the mengkudu juice was vacuum because of product life cycle. There are many mengkudu juice company in Indonesia. It makes product life cycle of mengkudu juice was decline faster. Therefore, KH Abdul Ghofur stopped his mengkudu juice company.

In the 2005s, KH Abdul Ghofur registered his core business -- maining company – with the name Sunan Drajat Lamongan (SDL), Ltd.. He also registered the trademark KISDA with a dream to supply farmers with a high quality and cheaper products than same product which produced by big companies. KH Abdul Ghofur’s company vision was to became pioneer company in organic fertilizer. KH Abdul Ghofur’s company mission was to produce organic fertilizer which concern to environmental.

#### 4. Findings: KH Abdul Ghofur’s Inspirational Leadership Qualities

KH Abdul Ghofur style in leading his business was different with when he leads Pondok Pesantren Sunan Drajat. His style was built on his eras and his father style. Charismatic style reflected from KH Abdul Ghofur while he leads Pondok Pesantren Sunan Drajat. In fact, KH Abdul Ghofur figure as a leader becomes *Uswatun Khasanah* (good reference) for his student and all people who knew him. In contrast, KH Abdul Ghofur style in leading his business has close relationship with subordinates. His leadership style created high levels of inspiration and motivation, as well as commitment by generating and communicating a clear vision and, often appealing to higher idea and value among subordinates.

Sense of nationalism and patriotism KH Abdul Ghofur related to business appears when there are many product come from foreign companies, especially United States. This conditions make KH Abdul Ghofur very alarming. He sees this condition as another form of colonialism (economic colonialism) against state and nation of Indonesia. KH Abdul Ghofur said:

*"It no need to make a big plane, making car, already lost to America .... if you can, don't too big, if big already lost, yes, like this water. Why Cah (call for child Java), the water belong to Javanese, source belong to Javanese, the drinker was Javanese, Why the factory belong to 'foreigner', what do Javanese gets? Why don't you drink your own water now, do not drink water from 'foreigner'. Why you use Danon from 'foreigner', coca cola from 'foreigner', fanta from 'foreigner', sprite from 'foreigner', what kind of thing is gotten Malang people?. How many trillions each month you colonized by 'foreigner'? ..... Well can I make an example, in order Islamic Boarding House was not colonized, how if you drink its own water production ".*

KH Abdul Ghofur said Indonesia could lose a blessing because many science developed without reach the wisdom. He was concerned about people who do not want to think to try to improve their life to improve the status and dignity as most noble creature, as mentioned in Qur'an. According to KH Abdul Ghofur, humans are ordered to think how to improve the world, so blessings will be given by Allah SWT, including natural resources and its contents as well as a large population, it can be maximized for people benefit. This was disclosed by KH Ghofur as Allah SWT says in Qur'an of Al-Baqarah (2): 164. The meaning of verse is for people who think (know), then everything in heavens and earth is a sign God greatness and given to man as a provision of his caliphate on earth. Therefore, KH Abdul Ghofur said:

*"You should thinking and managing your economy rightly if you want to succeed in all areas. Manage your world, then hereafter will follow to become good because sometimes hereafter was concerned but his world does not concerned ant then all will shambles ".*

According to KH Abdul Ghofur the order to think ("*afalaa ta'qiluun*") was written in Quran about 52 times, among them within Al-Baqarah (2): 44. Implementation the verse is KH Abdul Ghofur not only invite the business management at Pondok Pesantren Sunan Drajat to think in organizing business economics, but also contributing their thoughts to motivate everyone to raise business activity. This is because KH Abdul Ghofur dislike only gives orders but does not do. The events causing this verse come according to Ibn Abbas was to warn against a Jewish man in Madinah. One day he was advised his relatives who had become Moslem to hold the teachings of Prophet Muhammad, but he himself did not do it. (Narrated by al-Wahidi and Tsa'labi)

The phrase "use your intellegence" was often said and it become a trade mark of KH Abdul Ghofur in controlling whole business. Therefore, managers are able to think and find solutions themselves, so they know the potential within him self. This shows that KH Abdul Ghofur has been developed entrepreneurial mentality and inspirational management style. He believes everyone have competencies that must be actualized in their activities.

Entrepreneurial mentality means invites each individual to see the potential within himself as a successful professional, and continually strive to stay alive to face new challenge. Through entrepreneurial mentality, they continues to think creatively develop business and continue to expand the network. This can be done by raising self-esteem and giving responsibility to individual. Every individual, whatever and wherever his position, must become a "player" to run business (Rachman and Safitri, 2011). Thus, each individual has clear goals, both personal goals and to develop business in future, so they would be ready to strengthen work intensity and more resistant to difficulties encountered. Entrepreneurial mentality can not developed easily. KH Abdul Ghofur abstinence to receive complaints from business manager of instructions given before they work hard to make it happen. This is success essence as a professional, so each individual can feel his contribution to business development.

Inspirational management style can also be inferred from Iwan statement, a Business Unit manager AMDK "Aidrat",

*"Kyai principally very believe to people who already assigned. Kyai will not intervene or interfere against any institution but in emergency condition".*

From KH Abdul Ghofur inspiration and his experience as an entrepreneur in variety fields, Iwan start to realize in developing bottled mineral water which eventually evolved rapidly, although at the time of study this new business unit is about two years old. During its development, the financial results of Business Unit AMDK "Aidrat" are used to pay mason of dormitory development for man students. At research time, the construction is ongoing. While the money to buy materials etc. was taken from another business unit profit.

Inspirational management style of KH Abdul Ghofur was not only felt by Iwan, but also by Mustadjab, a Ranch Business Unit manager,

*"Yes like that, Kyai wants everything fast, so if we can, now the implementation and later we must report. Every day, every night I have to report to Kyai ". Mustadjab added, "Do not ever report to Kyai if you have not done anything".*

This inspirational management style very felt during research. For example, on a cool evening and drizzle, there was a need for new location development for business unit AMDK "Aidrat" in order more representative. The new location not far from current location. A meeting held in afternoon about 16:00 pm at the residence of KH Abdul Ghofur. KH Abdul Ghofur lead the meeting while his legs massaged by Nur Khozin. Meetings conducted in living room of Main House KH Abdul Ghofur that very wide. The room full of white color at walls and combined with dark and light green drapery with a lot of ventilation making this room of very cool. The room usually is used to for women guest for treatment. Meetings held while drinking tea in afternoon after a day of tired doing routine work. Unless researchers, all meeting participants wear sarong and a T-Shirt, so family impression is very sound. However, it does not reduce the importance of substance meeting. This meeting time was taken from KH Abdul Ghofur break from routine servicing guests who have asked for help and before KH Abdul Ghofur fulfill its obligations of community invitation to provide spiritual speech in some cities that begin after Maghrib until at around 03.00 am. Meeting participants are KH Abdul Ghofur, Iwan as business unit manager of "Aidrat" bottled water, Nur Khozin, as building architect of "Aidrat" bottled water "Aidrat", and researchers. Meeting was very relaxed, far from being formal as in companies in general. Meeting result is to make an agreement on several matters related to building development of "Aidrat" bottled water, including building design for operational business units expansion of "Aidrat" bottled water.

After meeting, Nur Khozin, explains that KH Abdul Ghofur never gained architect knowledge of any educational institutions, both formal and informal. The building design is translated into images in a "plywood" in accordance with KH Abdul Ghofur inspiration. Admittedly, reassembling the building often happened, when the image is manifested into building. However, it was not a matter that needs to be questioned. Importantly, the building can stand up with majestic and sturdy like strong belief of KH Abdul Ghofur in providing education to students at Pondok Pesantren Sunan Drajat and business success. This gives evidence that inspirational management style applied by KH Abdul Ghofur make business managers are challenged to prove their potential to manage business itself through inspiration and instruction given by KH Abdul Ghofur to control business.

## 5. Discussion

Based on the interview and secondary data on KH Abdul Ghofur's leadership style, it was clear that he much more apply inspirational leader attributes as a part of transformational leader than transactional leader. However, sometime KH Abdul Ghofur motivated subordinates and his followers externally with rewards. It is demonstrate transactional leadership characteristics at other time.

As a whole the research findings contribute to implementation of transformational leadership characteristics, particularly charismatic and inspiration. Transformational leadership emphasizes the exchange relationship between leaders and followers related the shift of values, beliefs, and followers needs. Leadership characteristics applied by KH Abdul Ghofur truly reflect two inspirational leadership dimensions, namely business and relationship clusters. The two aspects create inspiration leadership basis of KH Abdul Ghofur to manage business to achieve its objectives and sustainable. It is based on belief that a successful inspirational leader should accelerate business and distribute the results. This is a great success of interactions and dependencies between business and relationships clusters on business at Pondok Pesantren Sunan Drajat. KH Abdul Ghofur success to lead business because there was strong relationship, credible, and meaningful, as required by business clusters to shape inspirational leadership.

Therefore, it can be said that in his leadership, KH Abdul Ghofur use transformational leadership styles manifested in inspirational management. Inspirational management can be seen from the following activities:

- KH Abdul Ghofur stimulate enthusiasm among all parties involved in Pondok Pesantren Sunan Drajat and his business. He always said "use your intelligence" to build confidence for all parties, especially subordinates.
- KH Abdul Ghofur spontaneously inspired the subordinate every time he wanted to explain and enlighten a new possibility, and invite people to work hard, both to think and executing something to grow business, expressing, or actualizing a new idea or vision. This is done with the argument that if the business at Pondok Pesantren Sunan Drajat grows fast, then it creates benefit not only to Pondok Pesantren Sunan Drajat experienced physical or deeds to students, but people around also benefited through the "trickle down effect" caused by the development. Thus, masalah that become main objective of business establishment can be achieved.
- KH Abdul Ghofur use persuasive approach and bringing emotional acceptance by subordinate.
- KH Abdul Ghofur uses his ability to influence beyond expectations he had and personal interest.

Transformational leadership implemented by KH Abdul Ghofur through inspirational management has a positive psychological effect on subordinates or followers, so the "pin" as "*ushwatun hasanah*" leader worth for given. Extra effort is always made to inspire subordinates with a persuasive approach through a simple and straightforward language that is easy to understand. *Kyai* Symbols and humble leader and never "carry" his *Kyai* attribute at every opportunity, has created good image for KH Abdul Ghofur. Deeds given, both as a physician in giving treatment to general public as well as business owners, create impression for public. In addition, KH Abdul Ghofur always have a broad vision for Pondok Pesantren Sunan Drajat and the business directed to better work, especially related to mankind welfare. This fact is based on argument that *Ummah* (religious members) is everything, so anything will be "sacrificed" for mankind wellbeing.

This finding is consistent with transformational leadership characteristics proposition in Organizational Behavior literature, among others, argued by Organ, Padsakoff, and MacKenzie (2006, in Asgari, Silong, Ahmad, and Sama, 2008):

*...."transformational leaders get follower to perform above and beyond expectations by articulating a vision, providing an appropriate role model, fostering the acceptance of group goals, providing individualized support and intellectual stimulation, and expressing high performance expectations."*



Inspirational management can support entrepreneurial mentality development. The study findings indicate that business greatness at Pondok Pesantren Sunan Drajat was nothing without "Kyai" contribution. Personal and entrepreneurial mentality of KH Abdul Ghofur in controlling the business affects the business development. These attitude mentality are: (1) strong desire, (2) strong belief on personal power (self-knowledge is needed to make it happen, trust in yourself, and understanding the purpose and needs), (3) honesty and responsibility (to realize it is needed morality and high discipline), (5) physical and mental endurance (to realize it is needed physical and spiritual health, patience and fortitude, perseverance and tenacity to work hard, and constructive and creative thinkers). Collins (in Barber and Springle, 2010) wrote the greatest leaders build enduring greatness in organization through a paradoxical mixture of humility, personal and desired professional. This paradoxical mix relevant to everyday leadership of KH Abdul Ghofur, both in Pondok Pesantren Sunan Drajat or business.

Since his early leadership, KH Abdul Ghofur already realizes that a leader was demanded to think creatively. Creative thinking is ability to perceive something unique from symptoms in the environment, then renew and find a new way out. The new way is something that is constantly sought, not found suddenly. So, to think and acting creatively need to be considered as a way of life and way of thinking (Rachman and Safitri, 2013). This is implementation the "use your intelligence" phrase that always emphasized by KH Abdul Ghofur on every occasion when giving guidance and advice to all business managers, in order continuously they obtained results of creative thinking.

When leadership aspect was based on Allah revelation, human leadership in the earth actually a milestone of human leadership in all areas of life. Their duties put every man as leader who touched two important things in his life on earth, namely "*amar ma'ruf nahi munkar* (inviting to goodness and enjoining to evil)". The two duties from Allah means the human as leader must prosper the earth, by doing good deeds for himself and others (society) and surrounding environment, both animate and inanimate. This is meaning of Allah verses in Al-Baqarah (2): 30. Study findings showed that KH Abdul Ghofur leadership style that inspires subordinates to continue to think to find best solution to develop business was in line with Allah verses in Yunus (10): 100 and Yusuf (12): 22. As earth caliphate, KH Abdul Ghofur carry leadership through activities that blessed by Him using reason/mind. It is based on belief that Allah SWT gives man with intelligence/mind to think how to deal all problems in his life, although it is not easy to do. It must be done in order not get into unbelievers group, as Allah SWT said in Yunus (10): 101. Human noble task was to become Allah representative on earth. It is very heavy duty as spoken in Al-A'raf (7): 69 and 74. To exercise the power by using intelligence/mind, every human should hold Allah verses, in Yunus (10): 105 and 106, Allah forbid men to become idolatrous and tyrannical.

Based on research results, research proposition (RP) can be arranged as follows:

- RP 4.1.:** *Compared with transactional leadership, transformational leadership become priority for KH Abdul Ghofur in directing and controlling the business life wheels at Pondok Pesantren Sunan Drajat.*
- RP 4.2.:** *Transformational leadership style applied by KH Abdul Ghofur becomes entrepreneurial spirit for all managers to maximally manifest it into day-to-day operations. Abstinence for managers desperate to search solutions for problems arises and delivering the problem to KH Abdul Ghofur before sought to resolve the problem himself. Therefore, all managers have a strong mental confidence on their competence and capabilities owned and not fragile and collapse by wind gusts of sharper business competition.*
- RP4.3.:** *Inspiration and motivation become main source of transformational leadership implementation compared with charisma, intellectual stimulus, and individual considerations, to manage business at Pondok Pesantren Sunan Drajat. However, the four components of transformational leadership were inherent to KH Abdul Ghofur in efforts to manage business with a strong spiritual sense.*
- RP.4.3.1.:** *Management inspiration sowed by KH Abdul Ghofur in business field has supported the growth of trees entrepreneurial mentality. Successful entrepreneurial mentality was built by KH Abdul Ghofur by always providing inspiration and delegating to management to make strategic and operational measures as a manifestation the support for management capabilities and intellectual stimulus in*

*managing subsequent business, so business at Pondok Pesantren Sunan Drajat can grow and thrive. Therefore, through inspirational management, the business main objective, namely masalah towards Falah, actually achieved.*

## 6. Implications and Concluding Thoughts

Overall findings of this study contribute to transformational leadership characteristics implementation, particularly inspirational, motivation, and charismatic. Transformational leadership emphasizes the exchange relationship between leaders and followers related the shift of values, beliefs, and followers needs. It was developed by Organ, Podsakoff, and MacKenzie (2006, in Asgari, Silong, Ahmad, and Sama, 2008). Although sometimes also still apply transactional leadership for particular interests.

The study shows that leadership style applied by KH Abdul Ghofur like "two different sides of a coin". Charismatic leadership style comes from KH Abdul Ghofur in leading Pondok Pesantren Sunan Drajat. However, inspiration and motivation become main basis to lead business. Inspirational leadership style manifested through "use your intelligence" words that was said to managers and employees to face all business problems. The goal was managers and employees think and finding their own solutions to determine their potential and develop that potential. Inspirational leadership style is also intended to raise self-esteem and giving responsibility to all people involved in business. Therefore, this research supports the development transformational leadership and entrepreneurial mentality.

This study is only based on one leader perspective. The same study can be done in a bigger range. Leaders can come from different cultures and beliefs/faith. Moreover, it also has not been revealed whether the results of this study also conducted by businesses in other Pondok Pesantren or companies that operate based on Shariah and Islamic values. Therefore, further research needs to be done in business institutions labeled Shariah or derived from different cultures. The elements influence on different leadership styles may help a various perspectives on future research to better understand transformational leadership style implementation through inspirational management.

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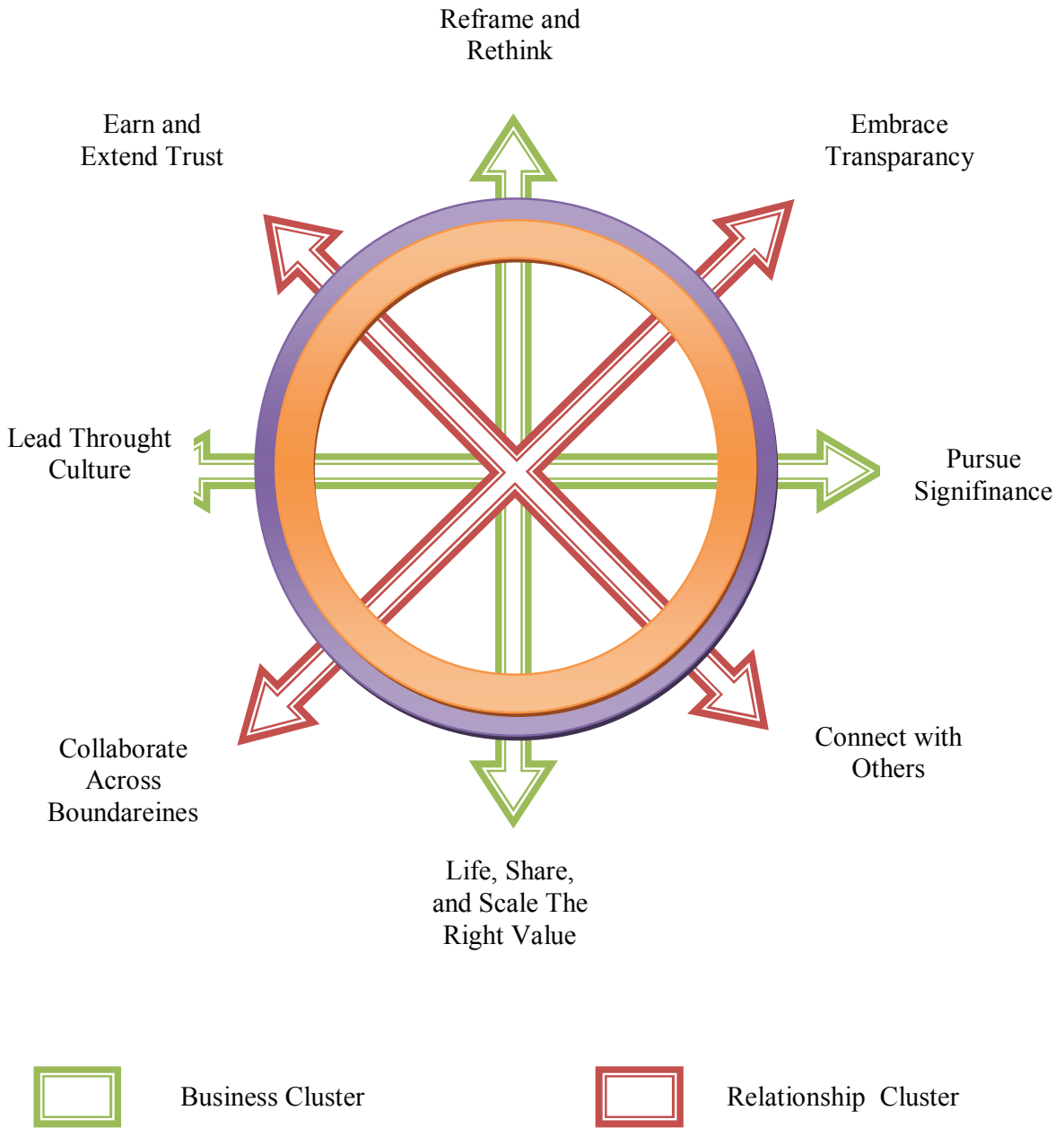


Fig.1: Relationship between Business and Relationship Clusters in Inspirational Leadership Model