

Developing a Strategic Framework for Mapping Sustainable Business Opportunities in Islamic Higher Education Institutions under the *Badan Layanan Umum* (BLU) Scheme

Yayan Mulyana^{1*}

¹Universitas Pasundan, Indonesia

*Corresponding Author E-mail: yayan.mulyana@unpas.ac.id

Abstract

This study aims to develop a strategic, ethical, and sustainability-oriented conceptual framework for identifying and evaluating sustainable business opportunities within Indonesian Islamic Higher Education Institutions operating under the Public Service Agency (PTKI BLU) model. Amid rising pressures on higher education institutions to reduce reliance on public funding and enhance revenue diversification, PTKI BLUs face the unique challenge of balancing market responsiveness with strict adherence to Islamic values and broader sustainability imperatives. This research adopts a qualitative conceptual approach inspired by Jabareen's framework analysis method, integrating extensive literature reviews and secondary data from institutional reports, policy documents, and best practices across PTKI BLUs. The findings result in a multidimensional framework composed of four core dimensions: (1) Internal Resource Audit, (2) External Needs & Market Analysis, (3) Business Model Development with a triple-filter evaluation (BLU Feasibility, Islamic Value Congruence, and Sustainability Impact), and (4) Strategic Prioritization, Implementation, and Monitoring. This framework assists PTKIs in strategically transforming internal assets—academic expertise, physical infrastructure, networks, and Islamic identity—into mission-aligned and financially viable ventures across sectors such as halal industry, Sharia finance, education services, and community-based enterprises. The implications of this study are twofold: it offers a roadmap for PTKIs to enhance their institutional resilience through ethically grounded entrepreneurship, and it contributes to the discourse on Islamic university governance under autonomy models like BLU. The originality of this research lies in its integrated approach, bridging regulatory flexibility, Islamic ethical principles, and sustainability into a unified model—addressing a critical theoretical and practical gap in current higher education and Islamic management scholarship.

Keywords: Islamic higher education; Public Service Agency; sustainable business; Sharia compliance; institutional entrepreneurship.

Abstrak

Penelitian ini bertujuan untuk mengembangkan sebuah kerangka konseptual yang strategis, etis, dan berorientasi keberlanjutan dalam mengidentifikasi serta mengevaluasi peluang bisnis berkelanjutan pada Perguruan Tinggi Keagamaan Islam (PTKI) di Indonesia yang berstatus Badan Layanan Umum (BLU). Di tengah tekanan global terhadap institusi pendidikan tinggi untuk mengurangi ketergantungan pada dana publik dan meningkatkan diversifikasi pendapatan, PTKI BLU menghadapi tantangan unik untuk menyeimbangkan respons terhadap pasar dengan komitmen terhadap nilai-nilai Islam serta prinsip pembangunan berkelanjutan. Penelitian ini menggunakan pendekatan kualitatif berbasis pengembangan kerangka konseptual dengan merujuk pada metode analisis Jabareen, melalui kajian pustaka yang komprehensif dan analisis data sekunder dari laporan institusional, kebijakan publik, dan praktik terbaik antar PTKI BLU. Hasil penelitian menghasilkan kerangka kerja multidimensional yang terdiri dari empat dimensi utama: (1) Audit Sumber Daya Internal, (2) Analisis Kebutuhan Eksternal & Dinamika Pasar, (3) Pengembangan Model Bisnis dengan evaluasi tiga lapis (Kelayakan BLU, Kesesuaian Nilai Islam, dan Dampak Keberlanjutan), serta (4) Prioritisasi Strategis, Implementasi, dan Monitoring. Kerangka ini membantu PTKI dalam mentransformasikan sumber daya internal—keahlian akademik, infrastruktur fisik, jaringan sosial, dan identitas Islam—menjadi unit bisnis yang layak secara finansial dan sejalan dengan misi keislaman mereka, pada sektor seperti industri halal, keuangan syariah, layanan pendidikan, dan kewirausahaan berbasis komunitas. Implikasi dari penelitian ini bersifat ganda: pertama,

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memberikan peta jalan bagi PTKI untuk meningkatkan ketahanan institusional melalui kewirausahaan berbasis etika; kedua, berkontribusi pada pengembangan tata kelola universitas Islam dalam konteks otonomi kelembagaan seperti BLU. Keaslian penelitian ini terletak pada pendekatannya yang terintegrasi, menggabungkan fleksibilitas regulasi, prinsip etika Islam, dan keberlanjutan ke dalam satu model terpadu—mengisi kesenjangan teoritik dan praktis dalam kajian manajemen pendidikan tinggi dan ekonomi Islam.

Kata Kunci: perguruan tinggi keagamaan Islam; Badan Layanan Umum; bisnis berkelanjutan; kepatuhan syariah; kewirausahaan institusional.

INTRODUCTION

In recent decades, the global landscape of higher education financing has undergone a significant structural transformation. Universities in various countries have faced increasing pressure to reduce their reliance on direct public funding and adopt more autonomous, diversified financial models. This pressure has intensified due to national fiscal crises, growing public expectations for universities to contribute directly to economic development, and increasing demands for institutional efficiency and accountability (Huang, 2018; Lung, Moldovan, & Alexandra, 2012). In response to these challenges, higher education institutions (HEIs) worldwide have adopted entrepreneurial approaches, built industry partnerships, and optimized internal resource management as core sustainability strategies (Sørheim, Widding, Oust, & Madsen, 2011).

This global trend reveals at least three critical tendencies in the context of *Perguruan Tinggi Keagamaan Islam* (Islamic Higher Education Institutions—PTKIs) in Indonesia. First, PTKIs carry a dual mandate: to preserve Islamic academic traditions while ensuring social relevance through meaningful contributions to the well-being of the *ummah*. These institutions must uphold Islamic values while navigating modernization demands and fiscal austerity. Second, they must respond to the evolving Muslim labor market and economic demands, including the growth of the *halal* industry, *Shariah* finance, and values-based social enterprises. Third, institutional policy shifts under the *Badan Layanan Umum* (Public Service Agency—BLU) scheme have granted PTKIs greater flexibility in managing finances, assets, and *non-tax state revenue* (*Pendapatan Negara Bukan Pajak – PNBP*) (PP No. 23 Tahun 2005; Wolok, 2023). However, this flexibility comes with a heightened demand for innovative, efficient, and accountable business governance that remains true to PTKI's religious and social mission.

The implementation of the BLU framework has opened strategic space for PTKIs to experiment with non-state business models and enhance fiscal sustainability through alternative revenue streams. Yet this flexibility introduces a critical challenge: how to develop business units that are not only financially viable but also aligned with Islamic principles such as *halal*, *thayyib* (good and wholesome), *adl* (justice), and *maslahah* (public welfare). This complexity deepens when connected to the growing urgency of integrating sustainability holistically—economically, socially, and environmentally. As such, PTKI-BLUs are called to become not merely financially independent institutions, but also value-driven entities with strong societal relevance and transformative capacity in sustainable development (Kardiyem, Bandi, Susilaningsih, & Setyowibowo, 2023). As of 2024, there are 106 public universities (*Perguruan Tinggi Negeri*—PTN) in Indonesia that have BLU status, representing approximately 2.96% of all PTNs. While still a minority, this number reflects how BLU has become a strategic instrument to advance public sector entrepreneurship and efficiency in Indonesian higher education (Kumparan.com, 2024).

Despite these developments, academic studies on PTKIs operating under the BLU model have so far concentrated on three dominant research strands. First, several studies evaluate PTKI performance

post-BLU implementation using the Balanced Scorecard approach, focusing on financial management, governance, and public service delivery (Lestiyani & Suranto, 2015). Second, some research analyzes the legal and administrative processes required for obtaining BLU status, as well as the bureaucratic procedures for planning and budgeting (Hanimalkan & Quddus, 2024; Rambe, Dasopang, Ariadin, & Pahutar, 2023). Third, other works investigate managerial cognition and asset governance practices, which tend to remain at the level of basic application rather than advancing toward strategic, long-term planning (Slamet, Hidayatullah, & Mustolik, 2022).

The principal shortcoming of these existing studies lies in the absence of an integrated conceptual framework specifically designed to assist PTKI-BLUs in mapping, evaluating, and implementing sustainable business ventures grounded in Islamic values and aligned with the operational flexibility of the BLU system. None of the current approaches systematically integrate the three critical dimensions: (1) the public mandate and financial flexibility inherent in the BLU model, (2) the Islamic principles and ethical imperatives that define PTKI's institutional identity, and (3) the demands of economic, social, and environmental sustainability in contemporary business governance. This gap often results in PTKIs reacting to immediate needs without a structured decision-making tool to select mission-aligned business models. In some cases, they risk falling into commercialization practices that contradict their educational and *da'wah* mandates.

Therefore, this study aims to develop a strategic and ethically grounded framework that enables PTKIs operating under the BLU model to systematically map, evaluate, and prioritize business opportunities. This framework is designed to integrate internal resource auditing, external needs and market analysis, and feasibility evaluation through three primary filters: *BLU Feasibility*, *Islamic Value Congruence*, and *Sustainability Impact*. This approach ensures that every business model developed not only generates revenue but also reflects a deep commitment to *maqāṣid al-sharī'ah* and delivers tangible contributions to community and environmental development.

This study advances the argument that without a multilayered evaluative framework that integrates regulatory feasibility, *Shariah* integrity, and multidimensional sustainability, business development in PTKI-BLU institutions risks straying from their foundational identity or failing to address contemporary strategic challenges. Accordingly, this research offers not only a conceptual solution but also a practical instrument that enables PTKIs to transform their internal strengths into meaningful external impact—economically, socially, and spiritually—within the governance logic of a modern, value-based public institution.

RESEARCH METHODS

This study focuses on developing a conceptual framework to map sustainable business opportunities within Islamic Higher Education Institutions (*Perguruan Tinggi Keagamaan Islam* – PTKI) operating under the *Badan Layanan Umum* (BLU) scheme. The primary unit of analysis is the institutional entity of PTKI BLUs, examined from the perspective of organizational structure, internal assets and resources, business management policies, and the Islamic values that underpin their operations. The analysis centers on the institutional potential of PTKI BLUs to be transformed into business units that align with both sustainability principles and *Shari'ah* compliance.

This research adopts a qualitative and conceptual approach (Lune & Berg, 2017). This methodological choice reflects the study's main objective: to formulate a conceptual framework that serves as a strategic and normative foundation, rather than aiming for statistical generalization. The study employs the conceptual framework analysis method introduced by Jabareen (2009), which views the

conceptual framework as an iterative construction of interconnected core concepts. This approach prioritizes understanding rather than prediction and allows for a deep exploration of the relationships between institutional flexibility, Islamic principles, and sustainability orientation in the context of PTKI business development.

The primary data sources for this study include an extensive literature review encompassing Islamic higher education, social enterprise development, *Badan Layanan Umum* (BLU) management, Islamic economics, and sustainability. The research supplements this with secondary data such as PTKI BLU annual reports, public policy documents, news articles, and official institutional websites. Several illustrative cases from PTKI BLUs that have established business units serve as empirical examples to identify patterns in resource utilization, policy strategies, and institutional practices.

The data collection process relies on documentary research by examining official documents and relevant scholarly literature. This includes academic journals, books, research reports, regulatory documents, and credible online media sources. The research team conducted a systematic review to extract information on PTKI BLU business practices, the use of BLU flexibilities, and Islamic values and sustainability concepts that can inform framework dimensions. All data were categorized based on themes, resource types, and relevance to the framework construction.

Data analysis was conducted through an iterative and reflective process consisting of conceptualization, classification, synthesis, and typology construction. The initial stage involved identifying key concepts from the literature and secondary documents, which were then redefined and organized into categories such as internal resources, external needs, and evaluative principles. The next step developed classification dimensions for business opportunities (e.g., resource-based, service/market-based). In the final stage, all concepts were filtered through three core criteria: feasibility within the BLU framework, alignment with Islamic values, and contribution to sustainability. The result is a *conceptual framework* and a typology of business models that are both practical and grounded in the normative identity of PTKI BLUs.

RESULTS AND DISCUSSION

Internal Resources and Institutional Capabilities

One of the foundational pillars in developing sustainable business opportunities within *Perguruan Tinggi Keagamaan Islam* (PTKI) operating under the *Badan Layanan Umum* (BLU) scheme lies in a deep understanding of the institution's internal resources. A comprehensive internal audit of PTKI BLU's assets and institutional capabilities serves as a critical starting point in designing business models that are not only economically profitable but also aligned with the institution's mission, Islamic values, and sustainability principles. In this context, the study systematically examines various resource categories, including academic assets, intellectual property (IP), physical assets, social networks, and *intangible assets*.

The most prominent internal resource of PTKI BLUs is their distinctive and specialized academic strength. Expertise in core Islamic disciplines—such as *fiqh muamalah*, *Shari'ah* economics, halal studies, and contemporary Islamic thought—provides a unique epistemic foundation for developing academic and professional services, such as specialization training, consultancy, and *Shari'ah*-based certification programs. With these competencies, PTKI BLUs can offer halal training services, *Shari'ah* finance implementation guidance, and Islamic-values-based curriculum development to public and private institutions operating in the halal sector or value-based education. This academic advantage aligns with

previous studies that underscore the strategic role of faith-based universities in promoting moral values across business and public sectors (Dwiatmaja, Basri, & Daming, 2024; Rice, 1999).

This academic strength is further enhanced by the intellectual capital generated through research and development activities. Within the regulatory framework of BLU (PP 23/2005), research outputs such as patents, copyrighted training modules, and scholarly publications can be strategically managed and commercialized through licensing or spin-off ventures. This creates a tangible opportunity for PTKI BLUs to translate intellectual capital into economic value without compromising their core missions in *da'wah* and education. A number of studies support that the commercialization of research output through revenue-generating ventures not only enhances institutional efficiency but also reinforces the university's legitimacy as an ethically grounded innovation hub (Hait & Preminger, 2025).

Beyond academic and intellectual resources, PTKI BLUs typically possess substantial physical assets, including land, lecture halls, auditoriums, dormitories, conference centers, laboratories, and libraries housing rare Islamic manuscripts. These assets often remain underutilized, despite holding significant economic potential if developed legally and productively. Through operational cooperation (*Kerja Sama Operasional/KSO*) and management cooperation (*Kerja Sama Manajemen/KSM*) schemes regulated under PMK 136/2016, PTKIs can manage these assets more flexibly, including leasing facilities, campus-based hospitality services, or developing *pesantren*-based agrotourism. In this context, physical assets are not merely passive resources but can become drivers of financial sustainability—provided their utilization remains within the core functions of higher education (Waluyo, 2011; PMK 92/2011, Art. 22).

Another strategic dimension is the social capital and relational networks that PTKIs maintain with external actors. PTKIs often build strong ties with alumni networks, Islamic civil society organizations, local communities, government agencies, and select industries. These networks are not only essential for institutional advocacy and reputation but also serve as gateways to business partnerships, product and service launches, and community-based enterprise development. In the Islamic sustainability framework, business success is not solely measured by financial returns but by its contribution to *maslahah* (public welfare). Therefore, social networks must be strategically integrated into the design and implementation of PTKI BLU business units that are socially inclusive and value-oriented (Romero-Sánchez, Perdomo-Charry, & Burbano-Vallejo, 2024).

The final but equally vital internal asset is *intangible capital*, such as moral reputation, institutional credibility as a center of Islamic scholarly authority, historical legacy, and cultural heritage. These assets are unique, difficult to replicate, and serve as powerful tools for market differentiation. For example, branding PTKIs as ethics-driven educational institutions could support the development of value-based halal products, educational tourism services, or spiritual mentoring and Islamic branding for *micro, small, and medium enterprises* (MSMEs). Amid rising consumer awareness of ethical and high-quality products, such *intangible* strengths serve as competitive advantages in PTKI business positioning strategies (Rice, 1999).

Thus, the internal resource audit reveals that PTKI BLUs possess a set of strategic assets—academic, intellectual, physical, relational, and symbolic—that, when managed through an integrated and *Shari'ah*-oriented approach, have immense potential to serve as a robust foundation for sustainable, adaptive, and mission-aligned business models. The next step is to align these strengths systematically with external needs and market opportunities, which will be discussed in the subsequent subsection.

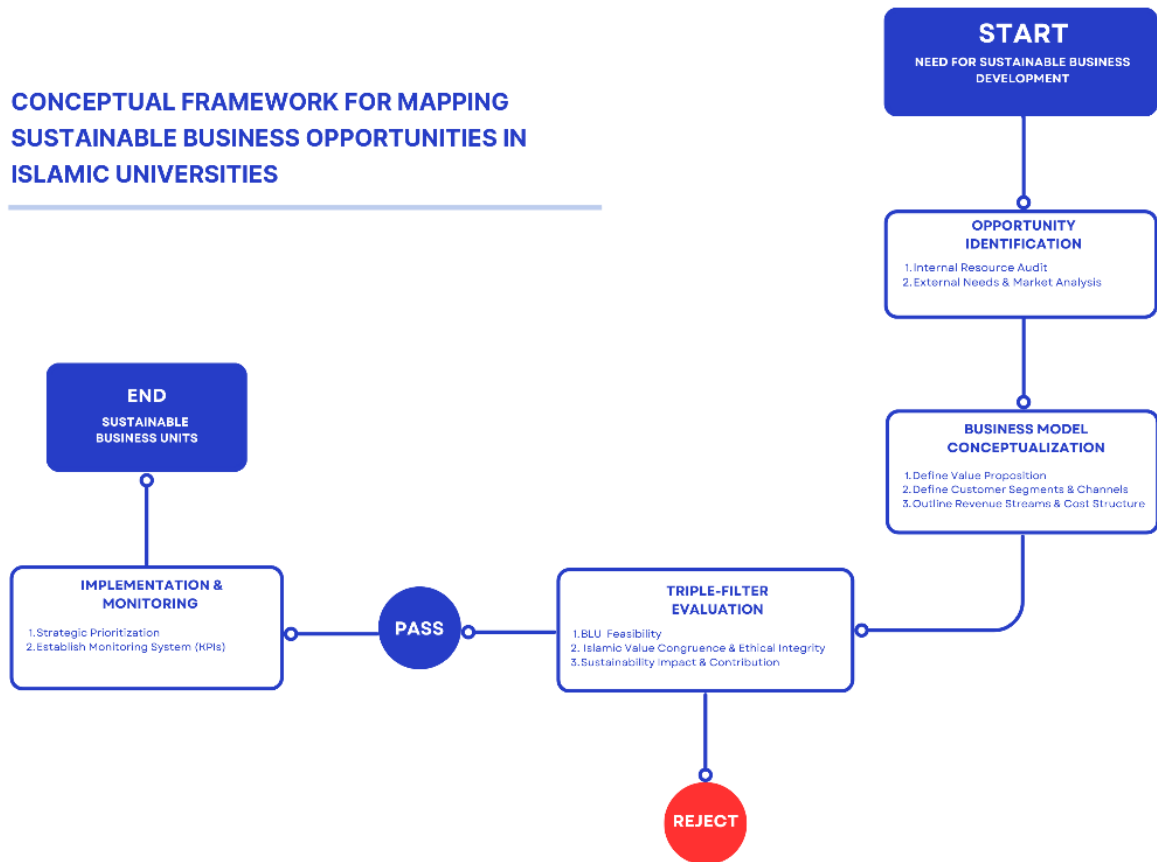


Figure 1. Conceptual Framework for Mapping Sustainable Business Opportunities in Islamic Universities under the BLU Framework

Figure 1 illustrates the conceptual framework developed in this study to systematically map sustainable business opportunities within *Perguruan Tinggi Keagamaan Islam* (PTKI) operating under the *Badan Layanan Umum* (BLU) scheme. The framework comprises five core stages, forming an integrated cycle of strategic decision-making. The process begins with the identification of institutional needs to develop sustainable business units, followed by *Opportunity Identification*, which involves both an internal resource audit and an analysis of external market needs and dynamics. This stage lays the foundation to ensure that each business initiative is grounded in the institution's actual strengths and aligned with real opportunities in its external environment.

The next stage is *Business Model Conceptualization*, where identified business ideas are further developed through the formulation of a value proposition, customer segmentation and distribution channels, as well as revenue and cost structures. Once the business model is constructed, the critical *Triple-Filter Evaluation* stage is implemented to assess feasibility and congruence across three major dimensions: (1) compliance with regulations and the operational flexibilities afforded by the BLU system, (2) ethical integrity and alignment with Islamic values, and (3) impact on economic, social, and environmental sustainability. Only models that pass all three filters are advanced to the next phase.

The final stage, *Implementation & Monitoring*, includes strategic prioritization and the development of a monitoring system based on *Key Performance Indicators* (KPIs). This phase is designed to ensure that the implemented business units are not only operationally effective but also accountable, measurable, and consistent with the institution's vision and mission. Meanwhile, any business model that fails to meet one or more of the three evaluative filters is discarded, as indicated by the rejection pathway (*reject*). Through this approach, the framework provides a strategic guide that is comprehensive, contextual, and sustainability-oriented, while safeguarding *Shari'ah* principles in every stage of business decision-making within PTKI BLUs.

Opportunity Mapping and Strategic Alignment

Following a comprehensive audit of the internal strengths of *Perguruan Tinggi Keagamaan Islam* (PTKI) operating under the *Badan Layanan Umum* (BLU) scheme, the next stage in mapping sustainable business opportunities is to strategically identify and align external opportunities with institutional capabilities. This process serves as a crucial bridge that connects internal potential with market dynamics, social trends, and the real needs of society and the *ummah*. In other words, the business ventures to be developed must not only be internally feasible but also externally relevant, demanded, and meaningful—economically, socially, and spiritually.

One of the most promising domains for PTKIs lies in their engagement with the global halal industry, which spans subsectors such as food, finance, pharmaceuticals, cosmetics, tourism, media, and lifestyle (Maulana, Taufani, Thasker, Harahap, & Zarkasyi, 2023). The growth of this industry is not only driven by the increasing global Muslim population but also by rising ethical consumer awareness across religious lines toward products that are *thayyib* (good, wholesome, and of high quality). In this context, PTKIs occupy a unique position; their expertise in Islamic studies makes them highly relevant in this sector, especially in providing services such as halal auditor training, certification, product research and development, and business consulting in halal supply chain management (Akbar et al., 2023; Bella-Salsa, Kartika, Jaiyeoba, & Jamaludin, 2023). The concept of *halal* lifestyle entrepreneurship further opens up opportunities for holistic business models that integrate Islamic principles throughout the entire value creation process.

Beyond the halal industry, the Islamic finance sector represents another strategic avenue. As institutions grounded in Islamic scholarship, PTKIs can significantly contribute to talent development, the creation of innovative *Shariah*-compliant financial products, and advisory services through *Shariah* expertise. The demand for human resource development in this field is increasing alongside the expansion of Islamic financial institutions at both national and global levels. Through BLU business units, PTKIs can establish professional training divisions, certification programs, and applied research centers that support innovation in product development and policy-making in the sector (Dwiatmaja et al., 2024). Leveraging BLU flexibilities as stipulated in PP 23/2005, these institutions can develop academically rooted Islamic finance service units that are agile and responsive to market needs.

Opportunity mapping must also account for social and community development dimensions as a form of *dakwah* and public service—hallmarks of PTKI missions. There is vast potential for developing socially oriented business units, particularly in areas such as community empowerment, vocational education, community health services, and environmental preservation. This approach aligns with the Islamic ethical principle of *maslahah*—that all economic activities should generate tangible benefits for the wider society. Social business models such as *community-based enterprises* or *social entrepreneurship* are

highly feasible for PTKI BLUs, especially in underserved regions. Studies by Nosratabadi et al. (2019) and Comin et al. (2020) affirm that integrating social dimensions into business models can generate long-term, sustainable impact—including within the university context.

To develop these opportunities effectively, PTKI BLUs must articulate a clear, distinctive, and communicable *value proposition*. As defined by Anderson et al. (2006) and Payne et al. (2017), a *value proposition* is not merely a marketing slogan but a fundamental element of business strategy that answers the core question: “Why should I choose this service?” For PTKIs, the value proposition must be grounded in Islamic scholarly excellence, ethical credibility, and institutional capacity to deliver concrete benefits—economic, spiritual, and social—to specific customer segments. This proposition must also be dynamic, evolving through *co-creation* with stakeholders.

Furthermore, customer segmentation is a vital step in developing an effective business strategy. PTKI BLUs can serve a wide range of segments: students (as users of educational and training services), halal industry players (needing certification, consultation, and research services), Islamic financial institutions (requiring training and *Shariah* advisory services), the general public (as beneficiaries of social enterprises and campus-based products), and government and NGOs (through policy partnerships and development programs). Alumni networks are also potential segments, accessible through career development programs, institutional donations, or social investments. Recognizing this diversity is essential to avoid one-size-fits-all approaches that fail to respond to real market demands (Dibb, 1998).

In terms of distribution and communication channels, PTKI BLUs must develop *multi-channel strategies* that combine direct approaches with strategic partnerships. Direct channels may include in-person campus training, online learning platforms, and *e-commerce* portals for products or services. Indirect channels may involve collaborations with professional associations, community organizations, local governments, and alumni networks as brand ambassadors. This combination enables broader value delivery while strengthening social networks and institutional legitimacy across multiple strategic ecosystems.

Finally, developing identified business opportunities must involve realistic and BLU-compliant revenue stream and cost structure calculations. Revenue sources may include product sales, service fees, licensing, royalties, or partnership schemes. Costs may consist of fixed components (e.g., rent, permanent staff salaries) and variable components (e.g., raw materials, instructor fees, and program operations). Accurate cost accounting is crucial for assessing financial viability and performance accountability. Under the BLU framework (PP 23/2005; PMK 92/2011), institutions enjoy flexibility in cost management, including performance-based incentives, while still adhering to principles of fairness and sound governance (Pranevičienė & Pūraitė, 2010).

Thus, this sub-finding demonstrates that PTKI BLUs occupy a highly strategic position to develop sustainable business models by integrating internal strengths with socially, economically, and spiritually relevant market opportunities. By fully leveraging the BLU framework—through institutional flexibility, moral legitimacy, and an Islamic social mission—PTKIs can emerge as key actors in driving inclusive and impactful *Shariah*-based economic transformation.

Triple-Filter Evaluation and Implementation Mechanism

The final stage in mapping sustainable business opportunities within *PTKI BLU* involves a systematic evaluation and implementation process. This study introduces a *triple-filter evaluation* approach as a comprehensive and multi-tiered selection mechanism to ensure that each proposed business model is not only financially and operationally feasible but also legally compliant, ethically aligned with Islamic

values, and oriented toward long-term sustainability. These three filters consist of: (1) *BLU Feasibility*, (2) *Islamic Value Congruence & Ethical Integrity*, and (3) *Sustainability Impact & Contribution*. Once a model passes all three filters, it is strategically prioritized and prepared for implementation, supported by a rigorous monitoring and evaluation system.

The first filter, *BLU Feasibility*, assesses the extent to which the proposed business model can be legally and effectively operated within the regulatory framework of Indonesia's *Public Service Agency* system. Under *Government Regulation No. 23/2005* and its amendment (*PP No. 74/2012*), *PTKI BLUs* possess broad managerial autonomy to manage *non-tax state revenue (PNBP)* directly in support of institutional operations and development. Therefore, every proposed business must be classifiable and manageable under *PNBP* principles and integrated into the institution's *Business Plan and Budget (RBA)* documents (*PMK No. 92/2011*, Articles 2 and 22). The business model should also utilize the managerial flexibilities offered by *BLU* status—such as asset management (*PMK No. 136/2016*), procurement (*PP No. 23/2005*, Article 20), and performance-based remuneration (*PP No. 23/2005*, Article 36). This feasibility assessment also considers the institution's ability to uphold the accountability and transparency principles foundational to the *BLU* system (Waluyo, 2011).

The second filter, *Islamic Value Congruence & Ethical Integrity*, constitutes the normative pillar of the entire evaluation process. At this stage, the business model is reviewed for compliance with *Shariah* principles. All products and services must be *halal* (permissible) and *thayyib* (good, high-quality, and beneficial). This evaluation extends beyond the nature of the product to include all transactions and operational mechanisms—such as contracts, financing schemes, profit-sharing arrangements, and stakeholder relations. The model must be free from *riba* (usury), *gharar* (excessive uncertainty), and *maysir* (gambling or speculation), as emphasized in Islamic finance literature (Dwiatmaja et al., 2024; Rice, 1999). For instance, if a proposed unit operates in financial services, all products and practices must comply with *Shariah*, both contractually and operationally. Compliance with Islamic values is not only an ethical obligation but also a source of business legitimacy and strategic differentiation for *PTKIs* within the Muslim community.

The third filter, *Sustainability Impact & Contribution*, evaluates the long-term contributions of the business model to the three core dimensions of sustainability: economic, social, and environmental. Each opportunity is analyzed in terms of its potential to generate sustainable economic value, enhance community welfare, and promote environmental stewardship. This approach aligns with Islamic ethical concepts of *khilafah* (human stewardship) and *maslahah* (public good). Models that are merely profitable but lack meaningful social or environmental impact receive lower evaluations in this filter. Conversely, ventures that integrate sustainability principles into both design and execution earn higher scores and are recommended for implementation (Nosratabadi et al., 2019).

After passing through the *triple-filter evaluation*, eligible business models advance to the *Implementation & Monitoring* phase. This phase consists of two main processes: *Strategic Prioritization* and the *Establishment of a Monitoring System*. Prioritization is based on the combined results from the three previous filters and the institution's strategic readiness—such as available human resources, initial capital, partnerships, and managerial capacity. Not all viable opportunities can be executed simultaneously; some may require capacity building, external collaboration, or phased implementation. Therefore, each *PTKI BLU* must adopt a flexible yet objective prioritization framework that reflects its long-term institutional vision and mission.

The next step is to develop a *Monitoring & Evaluation (M&E)* system based on *Key Performance Indicators (KPIs)* that align with the goals of the *BLU*, Islamic values, and sustainability dimensions. This

system should include periodic data collection mechanisms, evidence-based analysis, and transparent reporting to ensure accountability and continuous improvement (Wolok, 2023). Findings from the monitoring process must inform ongoing business strategies, adapt to market shifts, and ensure alignment with original institutional objectives. Furthermore, the M&E cycle must be fully integrated into the institution's *RBA* planning and budgeting processes, allowing each business unit to be assessed within a broader performance management system (Tuu, Aneta, Prihatini, & Tui, 2023).

In conclusion, the third-stage findings reveal that the success of business development in *PTKI BLUs* depends not only on internal potential or external opportunities but significantly on structured, value-based, and measurable evaluation and implementation mechanisms. The *triple-filter evaluation* proposed in this study offers a strategic tool to help institutional leaders ensure that each business initiative they pursue is contextually relevant, *Shariah*-compliant, and sustainably impactful.

Table 1. Triple-Filter Evaluation and Implementation Mechanism for PTKI BLU Business Opportunities

Stage	Process Description	Regulatory & Literature Basis
Filter 1: BLU Feasibility	Assess the operational and legal feasibility of the business within the framework of PP 23/2005 and supporting regulations. Focuses on PNPB classification, integration into the institutional business plan (RBA), and flexibility in asset, HR, and procurement management.	PP 23/2005; PP 74/2012; 92/2011; 136/2016; Waluyo (2011)
Filter 2: Islamic Value Congruence & Ethical Integrity	Assesses <i>Shariah</i> compliance of the product/service and the entire business process. Must be free from <i>riba</i> , <i>gharar</i> , and <i>maysir</i> . Focuses on <i>halal-thayyib</i> principles, contract types, profit-sharing schemes, and partnerships.	Rice (1999); Maulana et al. (2023); Dwiatmaja et al. (2024)
Filter 3: Sustainability Impact & Contribution	Evaluates long-term impact across economic, social, and environmental dimensions. Focuses on added value to public welfare and resource preservation, aligned with the principles of <i>maslahah</i> and <i>khilafah</i> .	Comin et al. (2020); Nosratabadi et al. (2019); Rice (1999)
Strategic Prioritization	Establishes implementation priorities based on the results of the three-filter evaluation, institutional readiness (HR, finance, partnerships), and alignment with PTKI's long-term vision and strategy.	PMK 92/2011; Dwiatmaja et al. (2024)
Monitoring & Evaluation (M&E)	Develops a monitoring and evaluation system based on Key Performance Indicators (KPIs). Includes routine data collection, impact analysis, transparent reporting, and integration into the RBA cycle for continuous improvement.	Tuu et al. (2023); Wolok (2023); Waluyo (2011)

Table 1 systematically summarizes the evaluation and implementation mechanism used to screen and realize business opportunities within the *PTKI BLU* environment. The triple-filter evaluation approach comprises three main layers of selection: feasibility within the legal and regulatory framework of the *BLU*

system, alignment with *Shariah* values and Islamic ethics, and contribution to multidimensional sustainability. The first filter ensures that each business model can be legally operated within the BLU system, particularly in managing *PNBP* (non-tax state revenue), procurement, and performance-based remuneration. The second filter reinforces normative and ethical dimensions by rejecting all forms of economic activity involving *riba* (interest), *gharar* (excessive uncertainty), or *maysir* (gambling/speculation), while emphasizing the importance of *halal-thayyib* values. Meanwhile, the third filter evaluates the extent to which a business model contributes to local economic development, social well-being, and environmental preservation. These three filters are not only eliminative but also selective, allowing only those business ideas that are truly relevant, ethical, and impactful to advance to the implementation phase.

In conclusion, the findings in this subsection highlight the critical importance of a value-based and comprehensive evaluative approach in the development of business units within PTKI BLU. Financial promise or social relevance alone is insufficient; every business idea must undergo a rigorous, multidimensional verification process to ensure its alignment with *Shariah* mandates, public accountability, and the BLU framework. Furthermore, the integrated system of strategic prioritization and monitoring and evaluation (M&E) guarantees that business implementation is not opportunistic, but rather planned, measurable, and well-governed. Through this approach, PTKI BLU can not only foster institutional economic independence but also strengthen its contribution to a just, sustainable, and value-driven national development.

Discussion

This study has developed a systematic conceptual framework for mapping sustainable business opportunities within *Islamic Higher Education Institutions* (*Perguruan Tinggi Keagamaan Islam – PTKI*) operating under the *Public Service Agency* (*Badan Layanan Umum – BLU*) scheme. The research yields three primary findings: first, the internal audit reveals that PTKI BLUs possess strategic resources—ranging from academic expertise, intellectual property, and physical assets to social networks and moral reputation—that can serve as the foundation for developing value-based business units. Second, the external mapping highlights significant opportunities in the *halal* industry, Islamic finance, and social entrepreneurship, which can be addressed through distinctive value propositions, precise market segmentation, and strategic distribution channels. Third, this study introduces a *triple-filter evaluation* mechanism to assess business model feasibility in terms of compliance with BLU regulations, *Shariah* integrity, and contribution to multidimensional sustainability. These findings collectively form an integrated system that institutional leaders can use to design, select, and implement business units that are *Shariah*-compliant, institutionally legitimate, and socially relevant.

Navigating the Duality: Mission Alignment and Market Demands

One of the key contributions of the conceptual framework developed in this study is its ability to help *Islamic Higher Education Institutions* operating under the BLU scheme navigate the strategic duality they face: on one hand, the obligation to uphold their Islamic mission and social responsibilities; on the other, the market-driven pressure to achieve financial self-reliance as mandated by the BLU system. This duality creates inherent tensions for value-driven institutions engaging in entrepreneurial activity, requiring a carefully designed strategy to ensure that market responsiveness does not compromise the integrity of institutional missions (Rice, 1999). Within the BLU framework, public institutions like PTKIs

are encouraged to become more efficient and performance-based through increased market responsiveness and revenue diversification (PP No. 23 of 2005; Wolok, 2023).

The first two dimensions of this framework—*Internal Resource Audit* and *External Needs & Market Analysis*—are directly designed to address this tension by encouraging PTKIs to first recognize their internal strengths before identifying external opportunities that align with their mission. The internal audit emphasizes PTKIs' epistemic capital in Islamic studies, *Shariah* finance, the *halal* industry, and other institutional resources that can be mobilized (Dwiatmaja et al., 2024). The external analysis identifies sectors such as *halal* industry and Islamic finance as strategic domains where market demand aligns with PTKI capabilities, given that both sectors are rooted in strong ethical and spiritual values (Kardiyem et al., 2023).

This approach ensures that PTKI's market participation is not perceived as a deviation from its Islamic identity but rather as an extension of its *dakwah* and community service mission in a professional and contextually relevant format. In this sense, the initial mapping of internal strengths and market opportunities serves as a navigational safeguard, ensuring that commercial pressures do not dilute institutional normative principles. This is crucial, as public or faith-based institutions often lose direction when overly immersed in market logic and pragmatism (Rice, 1999).

The *Triple-Filter Evaluation* mechanism introduced in this framework becomes a critical tool for balancing institutional efficiency with *Shariah* ethics and sustainability commitments. The first filter, *BLU Feasibility*, ensures that each business model possesses operational and financial viability in accordance with public governance principles regulated under PP 23/2005 and PMK 92/2011 (Ministry of Finance Regulation, 2011; PP No. 23 of 2005). However, the strength of the framework lies in the second stage: *Islamic Value Congruence*, which rigorously tests all business elements against *halal* principles, *maqāṣid al-sharī'ah*, and *maṣlaḥah*. Thus, even if a business appears financially promising, it must be rejected or revised if it does not align with *Shariah* norms (Rice, 1999).

The third filter, *Sustainability Impact & Contribution*, expands the evaluation to include the long-term effects of the business model on economic welfare, social equity, and environmental preservation. This filter ensures that PTKIs not only generate economic value but also contribute to intergenerational well-being and resource stewardship, in line with the Islamic ethical principle of *khilāfah* (trusteeship) (Comin et al., 2019; Nosratabadi et al., 2019). In other words, business success in the PTKI context is not solely measured by profit, but by the creation of *maṣlaḥah* and the fulfillment of ecological responsibility.

Overall, this framework does not position Islamic mission and market demands as mutually exclusive poles. Instead, it guides PTKIs in finding a strategic convergence where market participation becomes a channel for institutional mission fulfillment. Market engagement is not the end goal but a means to *revitalize the Islamic mission* in ways that are economically sustainable, ethically sound, and contextually relevant. Within this logic, the developed framework functions as a strategic decision-making tool that ensures business expansion aligns with the spiritual direction and social responsibility of PTKI BLUs amid the dynamics of the contemporary economy.

Leveraging BLU Flexibilities within an Ethical and Sustainable Compass

The conceptual framework developed in this study is not only designed to identify sustainable business opportunities but also to ensure that *Islamic Higher Education Institutions (PTKI)* operating under the *Public Service Agency (BLU)* scheme strategically, ethically, and sustainably utilize the financial and operational flexibilities afforded by their status. The core objective of the BLU system in Indonesia is to liberate public institutions from bureaucratic rigidity so they can operate more efficiently, productively,

and responsively to societal needs (Wolok, 2023). In this context, the framework operationalizes this goal through a practical roadmap that demonstrates how flexibilities—such as the direct management of *Non-Tax State Revenue* (PNBP), a more agile budgeting system, and asset management autonomy—can be optimized not as ends in themselves, but as means to build financially viable, ethically sound, and impact-driven enterprises.

The first filter in the framework, *BLU Feasibility & Financial Viability*, serves as the entry point for guiding the practical application of these flexibilities in the design and management of business models. This filter prompts PTKIs to assess how specific flexibilities can be strategically harnessed to strengthen the structural foundation of a business unit. For example, the ability to directly manage and utilize PNBP funds (Magara, 2009; PMK No. 92/PMK.05/2011) allows for more responsive financial management and the reallocation of budgets to support strategic initiatives. Meanwhile, asset management autonomy—through mechanisms such as *Operational Cooperation* (KSO) and *Management Cooperation* (KSM) (PMK No. 136/PMK.05/2016)—creates opportunities for PTKIs to activate underutilized physical assets, establish infrastructure partnerships, or develop services based on campus facilities.

The key innovation of this framework lies in the fact that such operational freedom is not treated as an unbounded space but is consistently guided by the next two filters: *Islamic Value Congruence* and *Sustainability Impact*. This approach emphasizes that the pursuit of efficiency and profitability—facilitated by the BLU system—must always remain subordinate to institutional values and broader social responsibilities. For instance, while PTKI BLUs may leverage procurement flexibility (PP No. 23 of 2005) to expedite business launches, the *Islamic Value Congruence* filter mandates that all procurement processes still adhere to principles of justice, transparency, and ethical sourcing (Rice, 1999). In other words, operational efficiency must remain embedded within the boundaries of *akhlāq* and *Shariah*.

The same principle applies to the use of physical assets, such as campus land, where BLU autonomy allows for economic utilization. However, the *Sustainability Impact* filter requires a thorough assessment of environmental and social consequences to ensure that utilization reflects the Islamic principle of *khilāfah*—humans' responsibility as stewards of the Earth (Rice, 1999). Thus, the framework positions BLU flexibilities as powerful instruments that are only legitimate and effective when directed by an ethical and sustainability compass grounded in Islamic values.

This framework provides PTKI BLUs with a mechanism to engage in the entrepreneurial spirit embedded in the BLU system (Kardiyem et al., 2023), without succumbing to purely commercial pressures that could compromise their Islamic mission or weaken their commitment to sustainable development. The underlying principle is that every flexibility exercised must be anchored in value integrity and social accountability. In doing so, PTKIs can innovate in business development without losing institutional identity or falling into pragmatic commercialization that contradicts their *da'wah* orientation and commitment to *maṣlaḥah*.

The entire process is reinforced by the final stage of the framework, *Implementation & Monitoring*, designed as a continuous feedback system based on *Key Performance Indicators* (KPIs). This system enables multidimensional impact evaluation—economic, social, and environmental—using metrics that are holistically constructed and aligned with BLU values and *Shariah* principles (Tuu et al., 2023; Wolok, 2023). As such, the framework is not static but adaptive to both external and internal dynamics, capable of maintaining a long-term balance between operational freedom and normative control.

From Internal Strengths to External Impact: A Value-Driven Pathway

A key element of the conceptual framework proposed in this study lies in the formation of a *value-driven pathway* that enables *Islamic Higher Education Institutions (PTKI)* under the *Public Service Agency (BLU)* scheme to systematically transform their unique internal strengths into tangible external impact. This pathway affirms that business development is not a separate process but rather an integrated one, beginning with a deep understanding of institutional capabilities and culminating in the creation of meaningful value for stakeholders. By articulating this journey across distinct dimensions and evaluative filters, the framework presents a strategic roadmap that PTKIs can utilize to authentically and effectively realize their entrepreneurial potential.

The initial stages of the framework—specifically the *Internal Resource Audit* (Dimension 1.1) and the *External Needs & Market Analysis* (Dimension 1.2)—emphasize the importance of grounding business initiatives in the competencies already held by PTKIs and the real needs of their external environments. The internal audit encourages the identification and appreciation of core strengths such as academic expertise in *Islamic studies*, *halal science*, or *Shariah finance* (Dwiatmaja et al., 2024), unique physical assets (Magara, 2009), well-established community and alumni networks (Romero-Sánchez et al., 2024), and intangible assets like institutional reputation and Islamic branding. This internal focus is then synergistically integrated with external analyses of market demand and societal needs, particularly in the *halal industry* and *Islamic finance* sectors, where PTKI expertise is highly relevant (Bella-Salsa et al., 2023; Maulana et al., 2023).

This initial alignment between internal strengths and external needs provides the foundation for the *Business Model Conceptualization* process (Dimension 2), particularly in developing the *Value Proposition* (Anderson et al., 2006; Payne et al., 2017). The value proposition developed in this context is not generic; it is specifically designed to leverage the distinctive advantages of PTKIs to address the identified external needs. This creates a strong basis for competitive differentiation while simultaneously building resonance with targeted customer segments. Thus, each business model crafted does not merely offer products or services—it embodies the PTKI mission through meaningful contributions and services.

The next stage, *Triple-Filter Evaluation* (Dimension 3), plays a critical role in refining this value-driven pathway. This stage involves a comprehensive evaluation to ensure that the proposed value is not only financially viable within the BLU framework (PP No. 23 of 2005; Waluyo, 2011) but also ethically valid under Islamic principles and contributes to long-term sustainability (Comin et al., 2019; Nosratabadi et al., 2019). This rigorous evaluation process ensures that the “impact” produced by PTKI ventures goes beyond material gain and encompasses social, ecological, and spiritual benefits—aligning with the holistic understanding of value in Islamic ethics (*maṣlaḥah*) and global sustainability discourse (Bjartmarz & Bocken, 2024; Rice, 1999).

The framework also emphasizes the importance of identifying *Key Activities, Resources, and Partners* in the business model design process (Dimension 2.X.2), which highlights the collaborative nature of value creation. PTKIs are encouraged to activate their networks and engage with external partners—including industry players, communities, and governments—not merely as distribution channels but as co-producers of value (Kardiyem et al., 2023). This approach is essential to ensure that institutional internal strengths are truly converted into broad, concrete impact such as community development, local economic empowerment, or strengthening ethical and *Shariah*-compliant industries.

Finally, this framework offers a structured methodology that systematically guides PTKIs from resource inventory—viewed theologically as a trust (*amānah*) from Allah SWT—toward the realization of meaningful and sustainable contributions to society. With a value pathway preserved from upstream to

downstream, PTKIs do not function merely as academic institutions but also as value-based agents of social transformation that foster equitable, high-quality, and dignified societal advancement.

Interpretation of Research Findings: Historical, Social, and Ideological Meanings

Historically, *Islamic Higher Education Institutions* (PTKI) in Indonesia have long grappled with the dual role of serving as *da'wah* institutions while simultaneously operating as modern entities under the national system. The transition of PTKI from traditional institutions rooted in *waqf* and Islamic organizations to semi-autonomous public entities under the *Public Service Agency* (BLU) scheme has demanded new governance formats that can balance their ethical-religious mission with institutional efficiency. Similar challenges are observed globally—for example, private *tahfiz* institutions in Malaysia continue to face structural limitations, inadequate funding, and poor governance standards (Anas, Samori, Hamid, & Noor, 2019). In Indonesia, PTKI autonomy has proven adaptive in the face of globalization, but it also risks producing policy fragmentation and systemic incoherence (Fatmawati, Suharto, Dahlan, & Yudiawan, 2023). Meta-analytical research reinforces the urgent need to integrate Islamic values with innovative governance practices to improve institutional competitiveness (Desmaniar, Rusli, Fathani, & Syukri, 2022).

The conceptual framework developed in this study directly responds to this need by offering a *value-driven pathway*—a strategic trajectory that reconciles PTKI's historical identity as an ethical-Islamic hub with the imperatives of fiscal independence and market relevance. This approach aligns with practices at Sohar University in Oman, which emphasize multi-level governance structures and institutional accountability (Fazari, 2020), while simultaneously critiquing the neoliberal deregulation trend that paradoxically enhances state control and undermines academic autonomy (Shin, 2014). In the Indonesian context, the strategic role of the PTKI Senate in leadership selection has been eroded by recent regulations, raising concerns about declining transparency and shared governance (Maragustam & Khodijah, 2024). In response, *authentic leadership*—which combines value-driven consciousness with managerial competence—is needed to reinforce organizational culture and academic atmosphere within PTKI (Shulhan, 2019), and to ensure that business initiatives and governance mechanisms remain embedded in the framework of *Islamic public value*.

Socially, this research creates new opportunities for PTKI to play a strategic role in addressing the complex and evolving needs of Indonesia's Muslim society—particularly in the halal sector, Islamic finance, skills education, and community empowerment. Numerous studies demonstrate that Islamic higher education does not merely aim to produce graduates, but also cultivates social and moral capital that contributes to peacebuilding, social cohesion, and community development. In Aceh, for instance, Islamic education institutions have successfully embedded values of brotherhood, social justice, and conflict resolution into their academic processes, which have tangibly enhanced student and faculty involvement in social peacebuilding (Mardatillah, Muchlinarwati, & Abdurrahman, 2025). Other initiatives include mainstreaming the value of *rahmah li al-'ālamīn* through religious moderation, anti-violence campaigns, and cultural adaptation programs—efforts that have strengthened PTKI's position as actors within *civil society* (Hanif, Mukri, Madnasir, & Siatan, 2024).

PTKI's contribution to social development also manifests in their long-term role in nurturing human and social capital. Alumni from these institutions often occupy strategic roles in both community-based and national policy initiatives, made possible through institutional policies that promote cross-sectoral collaboration and curricular reform (Assalihee & Boonsuk, 2022; Said, Muhammad, & Elangkovan, 2014). Even beyond formal education, institutions such as *madrasah* and mosque-based schools help cultivate

spiritual and moral character in young Muslims—an educational dimension often overlooked in secular paradigms (Alkouatli, 2023). In Indonesia, PTKI also serve as vital mediators of *interfaith relations*, fostering traditions of critical intellectualism that support democratization and social cohesion, despite resistance from conservative groups (Kraince, 2007). By synergizing their value-based internal strengths with a public-oriented mission (*maslahah*), PTKI not only expand their social function but also reaffirm their relevance as connectors between the state, the market, and the *ummah* (Hidayat & Ibrahim, 2021; Nasser, Miller-Idriss, & Alwani, 2019).

From an ideological perspective, this research makes a significant contribution to the critical discourse on value capitalism in the context of Islamic educational institutions. In an era when many educational institutions are trapped in commercialization and privatization, this study demonstrates that institutional entrepreneurship can still be developed without compromising its ideological orientation. The concept of Islamic institutional entrepreneurship emphasizes that enterprise development in Islamic contexts must be rooted in the principles of *maqāṣid al-sharīʿah*, promoting social justice, community welfare, and moral responsibility (Shaikh, 2024). The multilayered evaluation framework developed in this study—which integrates regulatory BLU feasibility, Islamic value congruence, and social-environmental sustainability—constitutes a concrete representation of efforts to align economic praxis with Islamic ethics, as emphasized in the principles of *Islamic social entrepreneurship* (Muin, Shuib, Omar, & Saidi, 2022).

Furthermore, this study contributes to an *epistemological critique* of the dichotomy between efficiency and values in the development of Islamic institutions. Islamic educational institutions, including PTKI, have historically developed alternative mechanisms such as *waqf*-based models as foundations for social welfare and community empowerment (Alam, Shahriar, Said, & Monzur-E-Elahi, 2018; Ayub, Khan, & Ismail, 2024; Supriatna, Syarif, Afrilia, Sundari, & Setia, 2024). Within the framework of institutional entrepreneurship, the productive potential of *waqf* and *Islamic microfinance* models—such as *Baitul Mal wa Tamwil* (BMT) in Indonesia—can be activated as strategic instruments to support business initiatives that pursue not only profit but also *maslahah* (Jatmiko, Azizon, & Sukmana, 2025). Thus, the framework proposed in this study serves not only as a managerial guide but also as an ideological statement that Islamic institutions can navigate the modern economic arena without becoming detached from their ethical roots. This simultaneously distinguishes the Islamic entrepreneurship model from Western models that tend to be more individualistic and profit-oriented (Javaid, 2024).

From a functional perspective, this study offers practical contributions for PTKI BLU administrators in designing, evaluating, and implementing business units based on Islamic values. The proposed conceptual framework serves not only as a measurable strategic tool but also introduces an integrated ethical approach to developing institutional entrepreneurship. Additionally, this research opens space for institutional reflection, particularly in the context of decentralized higher education financing, and expands the role of PTKI from teaching institutions to hubs for Islamic social and economic innovation. Another notable function is the provision of a strategic roadmap for synergizing academia, government, and the halal industry through a mission-based framework.

Nevertheless, this study also reveals potential dysfunctions that must be critically addressed. First, implementing the framework requires managerial capacity and an organizational culture that may not be evenly distributed across all PTKI, creating the risk of symbolic formalization without substantive implementation. Second, although normatively framed, a business-oriented logic still opens space for the co-optation of values by profit calculations—especially in the absence of strong ideological oversight and internal monitoring systems. Recent findings reveal that the pressures for efficiency and financial

sustainability in many Islamic educational institutions have led to the fragmentation of institutional identity and a shift in orientation from academic values to market goals (Alhazmi & Almashhour, 2024). In various contexts—including Indonesia, Iran, and Saudi Arabia—the pressure toward the commercialization of higher education has undermined academic autonomy and reduced learning to activities evaluated solely by performance metrics, bureaucratic accountability, and technical efficiency (Mirzamohammadi & Mohammadi, 2017).

Third, the focus on optimizing internal resources and seizing market opportunities may distract attention from more fundamental structural issues, such as funding inequality, dependence on state bureaucracy, weak research infrastructure, and the marginalization of holistic perspectives in Islamic education. This process of *neoliberalization* not only restructures governance systems but also produces moral and spiritual dissonance in teaching practices, as all aspects of education tend to be reduced to materially measurable outputs (Memon, Abdalla, & Chown, 2024). Therefore, although this framework offers a promising direction for institutional transformation, it requires contextualized ideological and institutional reinforcement to avoid becoming an instrument of neoliberal adaptation cloaked in Islamic value rhetoric.

CONCLUSION

This study has developed a comprehensive strategic framework to map sustainable business opportunities in *Islamic Higher Education Institutions* (PTKI) operating under the *Public Service Agency* (*Badan Layanan Umum* or *BLU*) scheme. The primary lesson learned is that institutional entrepreneurship within PTKI can be systematically implemented without compromising Islamic ethical values or public accountability. Through a *triple-filter evaluation*—assessing legal feasibility, *sharī'ah* congruence, and sustainability impact—this study demonstrates that business development in Islamic universities is not merely an economic endeavor but a value-driven institutional transformation. The research also confirms that PTKI possess distinctive internal resources and strategic alignment with socio-religious demands, allowing them to serve as intermediaries between the state, market, and Muslim society.

Scientifically, this research contributes to the emerging discourse on *Islamic institutional entrepreneurship* by integrating normative ethics with public sector governance and market responsiveness. It offers an original evaluative framework that combines BLU regulatory analysis, *maqāṣid al-sharī'ah*-based integrity checks, and multidimensional sustainability assessment—an approach not yet systematically applied in previous studies. Furthermore, it expands the understanding of how Islamic higher education institutions can transform their internal strengths into socially embedded and economically viable business models, contributing to both theoretical and practical advancements in Islamic education governance, public finance, and social entrepreneurship.

However, this study is not without limitations. The framework's implementation requires managerial capacity, ideological oversight, and institutional readiness that may vary significantly across PTKI. The absence of empirical pilot-testing within a specific institutional context limits the generalizability of its operational applicability. Moreover, while the framework addresses value alignment and sustainability, it does not yet explore in depth the broader structural issues such as bureaucratic dependence, research infrastructure disparities, or regulatory rigidity. Future research is encouraged to test this model in real institutional settings, incorporate comparative perspectives across Islamic and secular universities, and further elaborate mechanisms for ensuring ideological integrity in business operations.

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