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The Role of the Indonesian Young Entrepreneurs Association in the Development of Young Muslim Entrepreneurs in Ponorogo Regency

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Abstract

This study discusses the role of the Indonesian Young Entrepreneurs Association (HIPMI) in developing young Muslim entrepreneurs in Ponorogo Regency. The study is important because young entrepreneurs need support through mentoring, networking, and entrepreneurship development based on Islamic values. This research used a qualitative field study approach. Data were collected through interviews, observations, and documentation with HIPMI administrators and members. Data analysis used the Miles and Huberman model with triangulation techniques. The results show that HIPMI plays facilitative, educational, representative, and technical roles through business networking, entrepreneurship training, mentoring, and cooperation with external parties. HIPMI also strengthens the entrepreneurial ecosystem through training programs and collaboration with HIPMI PT. However, challenges such as limited participation and organizational stigma are still present. In conclusion, HIPMI contributes to improving entrepreneurial skills, business relationships, and the entrepreneurial spirit of young muslim entrepreneurs in Ponorogo Regency.

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INTRODUCTION

The development of youth entrepreneurship in Indonesia is showing an increasingly positive trend, particularly in the micro, small, and medium enterprise (MSME) sector, which is a key pillar of the national economy. The younger generation is no longer viewed solely as job seekers but also as job creators capable of driving economic growth, innovation, and community empowerment (Anshori et al., 2025). Amidst the development of the digital economy, young people have greater adaptability, creativity, and the courage to take higher risks in running businesses. This situation has led to the emergence of the Young Muslim Entrepreneur phenomenon, a generation of young Muslims who run businesses by combining business orientation with Sharia values such as honesty, trustworthiness, justice, and social responsibility (Al-Kahfi et al., 2025).

Ponorogo Regency, known for its religious culture and Islamic boarding school environment, has significant potential for developing Muslim entrepreneurship. Its strong community character, anchored in Islamic values, creates an ecosystem that supports the emergence of young Muslim entrepreneurs who are focused not only on profit but also on the blessings of their businesses (Hadhiqi, 2025). However, the development of young muslim entrepreneurs cannot be optimal without the support of organizations capable of providing coaching, mentoring, access to business networks, and strengthening entrepreneurial capacity. In this regard, the Indonesian Young Entrepreneurs Association (HIPMI) plays a strategic role in supporting the development of young entrepreneurs through various training programs, business mentoring, and strengthening business networks (Perangin-angin & Nawawi, 2022).

The reality on the ground shows that HIPMI's role in reaching young entrepreneurs still faces various challenges. Some young entrepreneurs believe that HIPMI tends to be associated with established businesses with extensive networks, leading novice entrepreneurs to feel less confident about joining. Furthermore, access to information about the organization's development programs is also deemed insufficient to reach small business owners at the grassroots level. This situation indicates a gap between the organization's goal of empowering young entrepreneurs and the realities experienced by some young muslim entrepreneurs in Ponorogo Regency.

Based on these conditions, this study was conducted to analyze in depth the role of the Indonesian Young Entrepreneurs Association (HIPMI) organization in Ponorogo Regency in supporting the development of young muslim entrepreneurs . This study also aims to identify the role and strategies implemented by HIPMI in fostering entrepreneurship and the challenges faced in the process of developing young Muslim entrepreneurs at the regional level. This research focus is important because most previous studies have concentrated more on general discussions of young entrepreneurship, while studies on the role of Islamic value-based entrepreneurial organizations at the local level are still relatively limited.

RESEARCH METHOD

This study uses a qualitative approach with field research to deeply understand the role of the Indonesian Young Entrepreneurs Association (HIPMI) in the development of young muslim entrepreneurs in Ponorogo Regency. The study was conducted at the HIPMI Branch Management Board in Ponorogo Regency because this organization is active in fostering and developing youth entrepreneurship. The research subjects consisted of HIPMI administrators and members selected using a purposive sampling technique. Data collection was conducted through interviews, observation, and documentation to obtain data relevant to the research focus. The data used included primary data from interviews and observations, as well as secondary data from books, journals, and organizational documents. (Sugiyono, 2008). The data analysis technique used the Miles and Huberman model, which includes data reduction, data presentation, and conclusion drawing. Data validity was tested using source and method triangulation techniques to ensure the data obtained are more valid and accountable(Miles et al., 1996).

RESULT AND DISCUSSION

HIPMI Ponorogo Regency plays an important role in supporting the development of young Muslim entrepreneurs through facilitative, educational, representative, and technical functions (Ife & Tesoriero, 2008). In its facilitative aspect, HIPMI serves as a social and economic interaction space that helps members expand their business networks and gain access to business information. Activities such as business gatherings, social gatherings, and discussion forums provide a platform for members to exchange experiences, explore collaboration opportunities, and gain access to vendors and raw materials at a more cost-effective rate. These informal interactions demonstrate that strengthening social capital significantly supports the sustainability of members' businesses.

Furthermore, the culture of mutual use of products and services among members contributes to economic solidarity within the organization. This directly impacts the customer base, business relationships, and revenue opportunities for members. These findings demonstrate that HIPMI serves not only as an organizational platform but also as an agent of empowerment, capable of creating a supportive and collaborative business environment for young Muslim entrepreneurs in Ponorogo Regency (Utami et al., 2025).

In terms of education, HIPMI Ponorogo runs various learning programs such as sharing sessions, training, seminars, and entrepreneurship workshops. These activities feature senior entrepreneurs as resource persons, allowing members to gain insights based on real-world experience in building businesses. The learning process is not only theory-oriented but also focuses on developing an entrepreneurial mindset, such as the courage to take opportunities, adaptability, and readiness to face business failure. Members begin to understand that business success is determined not only by large capital but also by creativity, relationships, and the right business strategy. This finding aligns with the concept of entrepreneurship education, which emphasizes the importance of developing an innovative and adaptive mindset in business development (Maulani et al., 2025).

HIPMI also adapts its educational programs to current trends through training in digital marketing, branding, and social media content creation. These programs help members improve their digital business promotion skills, making them more adaptable to modern business developments. Through interactions between members and senior entrepreneurs, they gain motivation and mental strength to face business challenges. These experiences foster a more independent, innovative mindset and a focus on long-term business development (Herlina & Simabur, 2025).

The representative role of HIPMI Ponorogo is evident in its ability to liaise between members and external parties, particularly the government and business partners. The organization helps members gain access to business information, business legality, and collaboration opportunities with various parties. Furthermore, HIPMI also serves as a forum for MSMEs to express their aspirations regarding policies deemed to impact small business development. The presence of members under HIPMI's auspices also enhances the professional image of businesses, making it easier to gain trust from external parties. These findings indicate that the organization has a representative function in strengthening members' bargaining power in the social and economic environments (Suherman, 2025).

On the technical side, HIPMI Ponorogo provides business assistance through mentoring and sharing among members. This mentoring is conducted informally through discussions and daily interactions within the organization. Members with business experience assist other members with marketing, product management, pricing strategies, and promotional content development. This experience-based approach is considered more effective because the material learned is practical and can be directly applied to daily business activities. This demonstrates that the entrepreneurial learning process is not solely achieved through formal education but also through social experiences and collective interactions among members of the organization (Prasetyo et al., 2013).

In addition to fulfilling various organizational roles, HIPMI Ponorogo also implements an entrepreneurial development strategy through education and training, business mentoring, and strengthening the entrepreneurial ecosystem. This educational strategy is implemented through the Branch Training Program (Diklatcab), webinars, seminars, and creative content training aimed at building the entrepreneurial foundation of its members. These programs help members improve their insights , business management skills, and utilize digital media as a means of business promotion. This aligns with the vision of (Drucker, 1986) which explains that entrepreneurship education and mentoring serve as a means of developing competency and business readiness. The business mentoring strategy is implemented through a collaborative and participatory approach. HIPMI provides not only technical support but also moral and emotional support for its members (Fayolle & Gailly, 2015). The intense relationships between members create a sense of community, allowing them to feel they have a place to discuss and find solutions to business challenges. Furthermore, HIPMI helps connect members with buyers, vendors, and other business partners to expand business opportunities.

The strengthening of the entrepreneurial ecosystem is carried out through internal organizational activities and collaboration with the Indonesian Student Association (HIPMI) for Higher Education (HIPMI PT). Regular organizational meetings provide a space for sharing experiences and strengthening solidarity among members. Meanwhile, the presence of HIPMI PT helps develop a cadre of young entrepreneurs within the campus environment. Students not only gain entrepreneurial theory but also access to mentoring, business relationships, and practical experience from experienced business owners. This finding aligns with the entrepreneurial ecosystem theory, which emphasizes the importance of collaboration among actors in creating a sustainable business environment (Isenberg, 2016).

In carrying out its role as an organization that accommodates young Muslim entrepreneurs, HIPMI Ponorogo is not free from various internal and external challenges that affect the effectiveness of its contribution to the development of young Muslim entrepreneurs. Internal challenges include limited time for members, differences in character, and changes in organizational leadership that affect the consistency of work programs. Most members are active business owners, so the focus on organizational activities is not optimal. Furthermore, differences in mindset and ego among members also pose challenges in maintaining a unified organizational vision. This condition aligns with Henri Fayol's organizational management theory, which states that organizational effectiveness is influenced by coordination, leadership, and human resource management (Fayol, 2016).

On the other hand, external challenges include suboptimal cooperation with the government, competition with other organizations, and the public stigma that views HIPMI as an exclusive organization. This perception has caused some young entrepreneurs to hesitate to join HIPMI. This situation demonstrates the importance of organizational strategy in building a more open, inclusive, and collaborative image so that HIPMI can expand its role and contribution to the development of young entrepreneurship in Ponorogo Regency. These findings align with Michael Porter's theory, which explains that external factors, such as competition and institutional relations, have a significant influence on organizational sustainability and business development (Porter, 2008).

CONCLUSION

This study shows that the Indonesian Young Entrepreneur Association (HIPMI) of Ponorogo Regency plays a significant role in supporting the development of young Muslim entrepreneurs through facilitative, educational, representative, and technical roles. This role is realized through strengthening business networks, entrepreneurship training, business mentoring, and liaising between members and external parties. Furthermore, the strategies implemented by HIPMI include entrepreneurship education and training, business mentoring, and strengthening the entrepreneurial ecosystem through collaboration with HIPMI universities (HIPMI PT). These strategies have positively impacted improving the skills, business relationships, professionalism, and entrepreneurial spirit of members. However, HIPMI Ponorogo still faces several internal and external challenges, such as limited member participation, organizational dynamics, less-than-optimal cooperation with the government,

and the stigma of organizational exclusivity. Nevertheless, these challenges serve as encouragement for HIPMI to continue strengthening communication, collaboration, and organizational innovation in supporting the development of young Muslim entrepreneurs.

Based on the research findings, HIPMI is expected to continue improving the quality of its development programs and expanding the reach of entrepreneurial activities in a more sustainable manner. Local governments are also expected to provide more optimal support through policies and strategic collaborations in developing youth entrepreneurship. Furthermore, further research is expected to expand upon a broader study of the role of entrepreneurial organizations in empowering the younger generation.

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