

Principal Leadership: Effective Strategy in Increasing Entrepreneurship Spirit in Schools

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ABSTRAC: Entrepreneurship is one of the five competencies that school principals must have; entrepreneurship leadership is very much needed in the era of globalization; school principals must provide innovation and creativity to equip students and for the school's progress. The principal of SMAS, Al-Hidayah Dlanggu, did the same thing. The principal of SMAS Al-Hidayah Dlanggu can instil independence in various school-owned businesses, which are managed directly by students accompanied by the principal and teachers who participate in the school. The companies owned by SMAS Al-Hidayah Dlanggu include Jahe Jreng and Koprasi. SMAS Al-Hidayah Dlanggu is one of the schools included in the independent school category in East Java. The formulation of the problem in this study is how the principal's leadership in increasing entrepreneurship and the supporting and inhibiting factors at SMAS Al-Hidayah Dlanggu. The type of research used by researchers is qualitative research with a case study approach. The subjects of this study were school principals, teachers and students. Researchers collect data by using data observation, interviews, and documentation. Data analysis using data reduction, data presentation, and conclusion drawing. Test the validity of the data using data credibility and confirmability tests. The results of this study indicate that the principal leadership in increasing entrepreneurship at SMAS Al-Hidayah Dlanggu includes the principal having the ability to provide motivation, decision-making ability, communication ability, analytical ability, responsibility and being able to be a good role model. The supporting factors are the enthusiasm and commitment of teachers and students, while the inhibiting factors are capital.

Keywords: *Entrepreneurship, School Principal Leadership, Student Independence, Supporting Factors, Capital Limitations.*

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INTRODUCTION

The absolute competency that someone must have to become a principal is entrepreneurial competency (Imanulhaq, 2022). Entrepreneurial competence is reflected by making innovations in school development, working hard to achieve school or madrasah success, having high motivation to succeed in carrying out one's duties, never giving up and seeking the best solutions and having

an entrepreneurial instinct (Aseery, 2024; Ifani & Kartiwi, 2024; Ima et al., 2023; Nordahl-Pedersen & Hegggholmen, 2022). The high entrepreneurial spirit will be beneficial for the development of education in this 4.0 era. Principals or madrasahs who do not have a high entrepreneurial spirit, especially in private formal educational institutions, will have a negative impact, such as the closure of the schools they lead (Huda & Rokhman, 2021; Liebowitz & Porter, 2019; Mariani et al., 2024). Schools or madrasahs must be able to be independent and have independent funding sources that do not only depend on income from students if they do not want their schools to close (Kartiko et al., 2025; Sujarwoko, 2024). Based on this explanation, it is necessary to take concrete action so that it can be used as an important guideline by school or madrasah principals to become leaders who are able to develop an entrepreneurial spirit for the future.

Entrepreneurial principals play an important role in optimizing educational resources to develop students' abilities, so that they can be financially independent (Blake, 2008; Kuswarno et al., 2022). Placing members in organizations according to their interests can increase school independence through entrepreneurship (Badrudin et al., 2021; Balqis et al., 2025; Kriswahyudi et al., 2024; Mala et al., 2022; Mutammam et al., 2024). However, the main challenges faced by school principals or madrasa heads are limited resources, support and existing regulations (Fazri et al., 2024; Sasaki et al., 2024; Wijatmoko et al., 2023). Effective business teaching can foster an entrepreneurial spirit in students, and business or entrepreneurship subject teachers should engage students in tasks that can hone their skills as early as possible (Ademiluyi & Aluko, 2024). Although the principal has implemented a program to improve students' entrepreneurial competencies with various abilities, the results of the study show that students' entrepreneurial competencies are still relatively low (Glackin & Phelan, 2020; Khoury et al., 2012; Sánchez, 2013). Other studies show that alumni actively play a role in implementing student entrepreneurship learning, but the main obstacles faced in developing students' entrepreneurial spirit are the lack of awareness and low levels of student self-confidence (Laiya et al., 2024). To overcome these obstacles, motivation, ongoing mentoring, and opening students' minds are needed (Lita et al., 2021; Schimperna et al., 2022; Wiyono & Wu, 2022).

In the previous section, there has been no detailed explanation of the methodological approach or strategy that will be used to answer the research questions. Therefore, it is necessary to add a paragraph that describes the research approach that will be taken, such as a qualitative approach, case study, or field observation, to connect the research questions with the methods used. Based on the previous description, the researcher asks two research questions. The first question is how is the leadership of the principal or madrasah in increasing entrepreneurship in schools or madrasahs. This question will focus on analyzing the extent to which the principal can increase entrepreneurship in the school he leads. The second research question is what factors support and inhibit the leadership of the principal or madrasah in increasing entrepreneurship. This question will focus on finding information about the supporting and inhibiting factors of the principal's leadership in increasing entrepreneurship, as well as providing solutions to overcome existing obstacles.

Based on the identified gaps, this study is needed for several main reasons, namely answering empirical needs, With the lack of studies on how principals can implement entrepreneurial leadership concretely in schools/madrasahs, this study can provide new insights based on empirical data. Helping to formulate effective strategies, the most effective leadership strategies in improving entrepreneurship in schools, both from the managerial aspect and real practices that can be applied by principals. Providing solutions to existing obstacles, By understanding the main inhibiting factors in the development of entrepreneurship in schools, this study can provide concrete recommendations and solutions, such as a sustainable mentoring model, a community-based approach, and optimizing the role of alumni and the last is encouraging the strengthening of policies.

METHOD

This study took place at SMAS Al-Hidayah, an Islamic school located in Mojokerto Regency, East Java Province. This school was chosen because it has entered a double track school and is one of the independent schools in East Java. This study uses qualitative research with a case study approach (Hennink et al., 2011; K. Yin, 2018). This type of research was chosen after conducting in-depth observations of the principal's leadership in fostering entrepreneurship (Bogdan & Taylor, 1990). The time for this research was approximately 9 months, because the researcher wanted to build kinship and familiarity with the informants so that there would be no feeling of mutual suspicion.

Researchers in terms of searching for this data go directly to the field actively as participants. In this study, information data was obtained directly from informants using the purposive sampling method (Noy, 2008). In this case, the researcher conducted interviews with school administrators, instructors and students at the school, which is referred to as primary data, which is considered capable or has certain criteria for understanding the theme raised in this research (Ahmad & Muslimah, 2021; Grbich, 2013). For data collection techniques, observations were carried out using the senses to observe and then record what was needed in the research. The interviews used in this research were guided free interviews where respondents were given the freedom to answer questions and documentation by collecting information from written sources related to the leadership of the school principal in forming entrepreneurship.

After collecting the data, the data is then selected according to the researcher's needs based on the topic or theme of the research, then interesting findings are presented in a form that suits the researcher's wishes, one of which is in the form of a table to make it easier for researchers to draw conclusions. To test the validity of the data using source triangulation by comparing data obtained through various sources and technique triangulation by comparing data from the same person using several methods, data obtained through observation is then compared with data from interviews and documentation (Miles et al., 2013; Saldana, 2015).

RESULT AND DISCUSSION

Result

Based on the research findings, the researcher provides information collected through observation, interviews, and documentation found at the research location. This information is also collected from research participants, especially school administrators, teachers, and students.

Principal leadership in improving entrepreneurship

The principal has leadership responsibilities related to achieving formal and non-formal education goals and in developing a supportive school climate that will foster the spirit of the school community because the principal is a school leader whose position cannot be filled by others without certain considerations. In the ability to provide motivation, the principal approaches the school community first, so that the school community can accept it. And then conducts class visits, and also exemplifies his behavior. This is evidenced by the results of the interview with the principal as follows.

“As a leader, I try to provide the best care and attention to my colleagues, especially to students. One of my efforts is to provide continuous motivation. As a principal, I must be able to position myself in various roles. There are times when I have to be a friend to them, other times I have to act as a teacher, and on other occasions I have to function as a principal. This ability to position myself is very important, because I don't want the children to think of me only as a principal who makes them feel afraid or reluctant to speak honestly. Therefore, I try to always create a more open relationship, where they feel comfortable sharing and communicating without fear.” (Budi, 2024).

The statement issued by the principal was confirmed by the teacher who served as the person in charge of entrepreneurship. With the following statement.

“In terms of motivation, he always gives strong encouragement, not only through words but also through his attitude and behavior that inspires us to carry out our obligations better. Especially during the pandemic, when we were limited by government policies, Mr. Budi immediately took action. He gave reinforcement to all school residents by saying, "What we can still do, let's maximize it, and what is not possible to do, let's just follow the flow of the world." This expression is a motivation for us to continue to adapt and try to carry out our duties as well as possible even though we are limited” (Rona, 2024).

In line with Mr. Rona, this was also expressed by student Alfiana Nikmah

“Mr. Budi also comes to class, he always gives us encouragement, for example during production he always monitors us and always gives us encouragement, and Mr. Budi also said that Ramadani gives us encouragement and motivation in class and outside class.” (Nikmah, 2024)

To strengthen this statement, the researcher strengthened it with documentary evidence of the principal providing motivation with students outside the classroom in Figure 1 below.



Figure 1 Providing Motivation Outside the Classroom

The principal also has communication skills as evidenced by the following interview results. "Whenever I make a decision, I always have a discussion with my colleagues first. I believe that a good decision should be based on careful consideration and transparency. Before taking action, I always make sure to first understand the root of the problem. If the situation is serious enough and has the potential to damage the school's reputation, we will reach an agreement first before involving other parties. After that, we hold a meeting with all related parties to find the best solution together." (Budi, 2024)

This is also reinforced by PJ entrepreneurship saying that.

“Mr. Budi has a unique character, ‘scared but brave.’ He is always careful before making a decision by conducting surveys and discussing, not only with me but also with other teachers. If the decision is considered positive, it will be discussed in a meeting” (Mojokerto, 2024)

Another objective answer was also put forward by a student who gave the following opinion. “Mr. Budi is a figure who is always ready to listen. We often confide in him, both about matters inside and outside of school. He always takes the time, even through chat or phone, to listen and give input when needed” (Mojokerto, 2024)

Based on the results of the three interviews, it can be temporarily concluded that the principal of SMAS Al-Hidayah Dlanggu has good communication skills and is an effective listener.

As a leader, he uses his communication skills to create comfort for teachers and students in conveying opinions or problems. In addition, as a good listener, he tries to understand and resolve every problem in the classroom as best as possible.

Another advantage of the principal at this school is being able to be a good role model or example. The exemplary behavior carried out by the principal of SMAS Al-Hidayah Dlanggu is by providing examples to the school community such as being on time, neat, speaking well, polite, open, and kind. As the Principal of SMAS Al-Hidayah Dlanggu, Mr. Budi Winarto who conducted the interview stated that:

“As a leader, I realize that I must be an example for all parties in the school, not only for the teachers, but also for the entire school community. This includes various aspects, such as arriving earlier than others, dressing neatly according to the rules, and speaking politely and friendly. In addition, as a leader, I must also be able to maintain openness between teachers and students. As a small example, I ask students to come at 06.45 am, and for that, I make sure to come earlier than they do” (Budi, 2024).

This was also expressed by a student who did not want to be named, with the following answer. “Mr. Budi really shows good leadership qualities. When praying in congregation, he is always the first to arrive at the mosque. The same thing applies to every program held; he always arrives early. Even in the morning, Mr. Budi often arrives earlier than us” (Mojokerto, 2024).

The results of this temporary researcher can find that a successful leader is a leader who can be a role model for his followers based on the findings of the interview, the leadership of the principal of SMAS Al-Hidayah Dlanggu, has provided an example of how a disciplined leader and a good role model not only provides an example to teachers but also all school residents, not only giving orders but also doing them and providing inspiration for school residents.

Meanwhile, for the analytical skills possessed by a leader must have a vision far into the future. In this study, the principal was able to analyze the opportunities that exist to make changes in schools which are marked by preparing a golden generation by means of students after completing their education already having skills in entrepreneurship. This is stated in the following interview.

“When this school faced major challenges due to competition with other educational institutions, I as a leader realized that the government tended to support vocational schools because their graduates were equipped with skills that would allow them to immediately enter the workforce. At that time, SMAS did not have an entrepreneurship program or similar programs. Seeing this condition, I felt the need to take SMAS Al-Hidayah in a more innovative direction. Formally, we still follow the regulations of the education office, but outside of that, we began to adopt the concepts applied in vocational schools. From here, we developed an entrepreneurship program in our school.” (Budi, 2024).

This was also emphasized by Mr. Rona S. Pd as a teacher and person in charge of entrepreneurship who said that,

“The term is we, especially me as a student here, are nurturing (taking care of, guarding) the next generation of the nation, so what's more in 2045 there will be a Golden generation. Where the position of the young generation with more potential than the generation without potential, we use this to develop so that children, especially at SMAS al-hidayah, have an entrepreneurial spirit and then can also directly practice in reality how to do business to marketing” (Rona, 2024)

It is clear from the interview findings that the principal of SMAS Al-Hidayah Dlanggu is analytically talented, where as a leader the principal can see opportunities that can make changes to the school for the better. Starting from preparing students to become the golden generation to finally opening opportunities for students to explore or maximize their abilities in the form of entrepreneurship.” The following is a picture of students promoting their products and the sales stand for the products they produce.



Figure 2 Product promotion

To advance the school, the principal and all components in the school must have a great sense of responsibility, meaning that whatever their position, everyone involved in the institution is expected to experience an increase in their knowledge and skills. In developing their school, the principal holds a cooperation program with external parties as a form of their responsibility. This was revealed after the researcher conducted an interview with the principal. He stated the following.

“We have been running several programs/activities here to develop this school especially in entrepreneurship such as Actions that are carried out once a month. especially Friday blessings and market events. In addition, this institution collaborates with Airlangga University and YTS to achieve its goal of becoming a quality institution” (Budi, 2024).

The results of the interview were also confirmed by the following person in charge of entrepreneurship.

“We are here together, and even the leader also got involved in this business, he is the one who looks for ginger, he really supervises the production directly until he finishes the marketing with the children while learning, the point is we all get involved, and Mr. Budi also facilitates, Mr. Budi moves to ask for help from the service, assistance to the community, to social institutions and thank God many have been approved” (Mojokerto, 2024).

Based on this, the SMAS principal has an obligation to advance himself for the progress of his educational institution. When he has started entrepreneurship as a leader, the principal directs the program to develop further through events/bazaars and MOUs.

Supporting and Inhibiting Factors of Principal Leadership in Increasing Entrepreneurship

Supporting factors are factors that support, invite, and encourage a leader to organize and manage school activities. so that school residents have various skills and knowledge, especially in the field of entrepreneurship. Related to the driving force of the principal's vision for increasing entrepreneurship, researchers obtained data by conducting interviews with the principal. “*The commitment and enthusiasm of teachers and students, especially in entrepreneurship, the commitment and enthusiasm of all school residents are one of the supporting factors for my leadership as a leader, especially in this business*” (Budi, 2024).

This was also confirmed by the person in charge of entrepreneurship, in his following statement.

“The children are so enthusiastic in this endeavor, here also assisted by the teachers, because the students prefer to do activities outside rather than in the classroom. But here we do not ignore it, here we continue to equip the children with academic and non-academic learning so that it is balanced, that is our goal here” (Mojokerto, 2024).

In addition to the person in charge and the principal, we validated the students of the school and obtained the following answers. “We are very happy here, especially in this business activity, we are not only taught in class, but we are taught as young entrepreneurs too.”

So it can be concluded that the supporting factors for the leadership of the principal of SMAS Al-Hidayah Dlanggu are the spirit, commitment and motivation that exist within the person and the people who participate in entrepreneurship activities.

Meanwhile, the inhibiting factors mentioned by the principal are as follows.

“For the inhibiting factors, thank God, I think all have been resolved, miss, but what has not been resolved until now is marketing. Because of the limited number of children who manage to directly market outside, although some have been sent outside the region, it is only a few specific points”(Budi, 2024).

This was also confirmed by teachers and those responsible for entrepreneurship.

“The biggest factor that is an obstacle to this business and we all feel it, especially Mr. Budi, is because of the corona yesterday. And what we call learning must find obstacles and they are various, and we never know. For example, when producing ginger, initially the obstacle was in the tools such as graters which were still manual, but that can be overcome using machines. Universal obstacles mean other people must know. Especially capital, capital is not only money, knowledge is also included in capital. We still use handkerchiefs to squeeze ginger, squeezing it is also manual. But all of that can be overcome along with the development of this technology, so now we are using machines, from graters, from squeezing. And the last obstacle that has not been overcome until now is marketing” (Mojokerto, 2024).

Thus, it can be concluded from the interview above that the researcher found obstacles that hinder the leadership of the principal at SMAS Al-Hidayah Dlanggu in encouraging entrepreneurship, namely the capital factor in the sense that capital is not only in the form of money but also knowledge, and marketing which have not been resolved, but other factors such as facilities have all been resolved.

Discussion

This study focuses on how the principal's leadership in improving the entrepreneurial spirit in schools. The findings of the study indicate that the principal has a crucial role in building the spirit and commitment of all school residents towards developing entrepreneurship. The principal of SMAS Al-Hidayah Dlanggu, in this study, succeeded in building a supportive environment by providing motivation, building effective communication, and being a role model for teachers and students. The results of this study can use the Path-Goal Theory or Path Goal which is a leadership theory developed by Robert House (Asmendri et al., 2024; Bakker et al., 2023; Dirani et al., 2020; House, 1996; Ma`arif et al., 2025), The focus of this theory is how a leader is able to motivate their subordinates to achieve goals by detailing the path or steps taken and eliminating obstacles that prevent the achievement of these goals. (Adeoye et al., 2025; Arifin et al., 2018; Deng et al., 2023; Eberl & Drews, 2021).

The results of this study also indicate that the leadership of the principal has a central role in fostering an entrepreneurial spirit in Islamic-based schools. In the context of Islamic education management, the leadership of the principal is not only limited to administrative and academic aspects, but is also oriented towards developing Islamic character and implementing ethical values in the business world. The transformational leadership approach applied by the principal at SMAS Al-Hidayah Dlanggu reflects the principles of leadership in Islam, such as shiddiq (honest), amanah (trustworthy), fathanah (intelligent), and tabligh (communicative). These principles form the basis for building an innovative ecosystem based on Islamic values in the world of entrepreneurship.

In the context of educational leadership, the transformational leadership model (Anwar, 2024; Bass, 1999) provides a strong foundation for understanding how a principal can motivate and inspire the school community. Transformational leadership, according to Bass, is a type of leadership that emphasizes changing and improving the way individuals and social systems view each other, while creating positive values and impacts among followers. Transformational leaders have the ability to inspire, motivate, and support the development of their followers, encouraging

them to reach their maximum potential and think innovatively (Adeoye et al., 2025; Al-Husseini et al., 2021; Gumusluoglu & Ilsev, 2009).

This study found that principals who implement transformational leadership tend to be successful in creating an innovative environment and supporting the development of entrepreneurship in schools. By providing direct examples and building open communication, principals can instill strong entrepreneurial values among students and teachers. From the perspective of Islamic educational management, the principal acts as a murabbi (educator), mujtahid (reformer), and qiyadah (leader). These functions suggest that Islamic educational leadership emphasizes a balance between intellectual development, entrepreneurial skills, and the formation of good morals. The leadership model based on *uswah hasanah* (exemplary) is the main instrument in forming an Islamic entrepreneurial ecosystem in schools. The example given by the principal is not only in terms of hard work and innovation, but also in the application of sharia principles in the business world, such as honesty in transactions, prohibition of usury, and concern for social welfare.

In addition, the main supporting factor in the success of this leadership is the commitment of teachers and students in developing entrepreneurship in schools. (Alzoraiki et al., 2023; Kasim, 2021). However, the study also found inhibiting factors, especially in terms of marketing and limited capital. Inhibiting factors in marketing can include a lack of effective promotion or marketing strategies, limitations in reaching target audiences, and a lack of understanding of the needs or preferences of students and parents, while limited capital can hinder the development of facilities, curriculum updates, or improving the quality of teaching. For example, limited funds can limit the purchase of teaching aids, the provision of the latest reference books, or the procurement of educational technology needed to support the teaching and learning process.

Principals need to develop more innovative strategies to overcome these challenges, such as building partnerships with the business world and utilizing digital technology to expand marketing reach. The success of the principal's leadership in building an entrepreneurial culture in Islamic schools is also determined by various other supporting factors such as the active participation of teachers, students, and the community. In the context of Islamic education, the concept of *ukhuwah Islamiyah* (Islamic brotherhood) plays a role in building collaboration between schools, alumni, the business world, and higher education institutions. This community-based approach strengthens the Islamic entrepreneurial ecosystem through experiential learning and strategic collaboration with halal industry players. Thus, the application of entrepreneurship in Islamic schools not only generates economic benefits but also creates broader social benefits in accordance with the concept of *maslahah* in Islam.

The findings of this study indicate that the leadership of the principal is closely correlated with the development of students' entrepreneurial spirit. Based on the transformational leadership model, principals who succeed in creating a long-term vision and inspiring teachers and students can bring positive changes to educational institutions. The principal of SMAS Al-Hidayah Dlanggu uses a participatory approach, where he not only provides instructions but also participates in entrepreneurship programs. However, this study also found a number of challenges in implementing entrepreneurship programs in Islamic schools. One of the main obstacles is limited capital and lack of access to a wider market. From an Islamic perspective, the concept of *rizq* (sustenance) and *ikhtiar* (maximum effort) must be internalized in students' mindsets so that they have a high fighting spirit in developing sharia-based businesses. Therefore, more innovative strategies must be implemented, such as building a wider halal business network, utilizing digital technology for marketing sharia products, and building partnerships with Islamic financial institutions to obtain capital support in accordance with sharia principles. In addition to the financial aspect, strengthening the curriculum based on Islamic entrepreneurship is also an important factor in increasing the effectiveness of this program. The Islamic education model must be able to integrate the concept of *fiqh muamalah* in entrepreneurship learning, so that students not only understand the technical aspects of business, but also have an awareness of Islamic ethics and law in doing business. In this case, the development of a curriculum based on an interdisciplinary approach is very necessary so

that the entrepreneurial aspect can be integrated with various other disciplines, including Islamic economics, technology, and sociology..

This study provides a new contribution to the literature on educational leadership by highlighting the concrete strategies of school principals in developing entrepreneurship in Islamicbased schools. This is different from previous studies that emphasize more on theoretical aspects (Sánchez, 2013), This study presents empirical evidence on effective leadership practices in the field. In addition, this study adds new insights on how principals can overcome marketing barriers by optimizing the role of students in utilizing digital technology and social media to promote their products (Akimov et al., 2023; Faizah et al., 2023). This is relevant to the trend of modern entrepreneurship that is increasingly oriented towards digitalization (Schimperna et al., 2022). With digital technology, students can develop broader marketing skills, not only conventional but also online-based which is more effective in reaching wider consumers (Di Gregorio et al., 2019). In the context of innovation, this study also highlights the need for data-based strategies in managing entrepreneurship in schools. Utilizing data analysis to identify market trends and consumer preferences can help schools develop products and services that are more in line with community needs. This shows that principal leadership must not only have good managerial skills, but must also be able to adapt technology as part of their entrepreneurship strategy.

Based on the findings of this study, several recommendations that can be given to improve the effectiveness of entrepreneurial leadership of school principals are, Entrepreneurial Leadership Training, school principals need to receive further training on business management strategies and digital marketing in order to better guide students. This training can include financial management, digital marketing strategies, and product innovation based on market research (Yuangga, 2023). Collaboration with Industry and Academics, cooperation with universities and the industrial world needs to be expanded to enrich the entrepreneurship curriculum in schools (Ahadiyah et al., 2024; Arif et al., 2025; Calora et al., 2023; Fahmi et al., 2024). These partnerships can take the form of internship programs for students, collaboration in product development, and joint training involving industry practitioners (Franco et al., 2019; Kuncoro et al., 2024).

Some things that must be done for school principals are conducting Islamic-Based Entrepreneurship Training, Teachers and students need to be equipped with knowledge about Islamic business. Implementation of Digital Technology, Utilization of e-commerce platforms and social media must be optimized to expand the reach of student product marketing. Schools can develop special digital platforms that allow students to promote and sell their products more widely. Continuous Mentoring: A mentoring model from alumni or business practitioners can be applied to help students develop their entrepreneurial skills more practically. This mentoring can also include consultation sessions, direct training, and coaching programs that can help students develop their businesses. Strengthening School Policies: Schools need to design policies that support entrepreneurship development more systematically, including in budget allocation, curriculum, and providing incentives for students who succeed in developing their businesses and Cooperation with Sharia Institutions - Schools can partner with Islamic banks or Islamic financial institutions to support student business funding.

Table 1 Strategy for Strengthening Islamic-Based Entrepreneurship in Schools

No	Strategy	Description
1	Islamic Based Entrepreneurship Training	Teachers and students are equipped with knowledge about Islamic business so that they can apply the principles of sharia economics in their businesses.
2	Implementation of Digital Technology	Utilization of e-commerce platforms and social media to expand the reach of student product marketing. Schools can develop a special digital platform for students.

3	Continuous Mentoring	A mentoring model from alumni or business practitioners is applied to guide students in developing practical entrepreneurial skills.
4	Strengthening School Policies	Schools design policies that support the development of entrepreneurship systematically, including budget allocation, curriculum, and incentives for students.
5	Cooperation with Sharia Institutions	Schools partner with Islamic banks or Islamic financial institutions to support student business funding and ensure business practices that are in accordance with sharia.

Overall, this study confirms that effective principal leadership can enhance entrepreneurial spirit in schools through motivation, communication, and role modelling. However, challenges in marketing and capital remain issues that must be addressed with more innovative strategies. By integrating community-based approaches and the use of digital technology, schools can create a more adaptive and sustainable entrepreneurial environment in the era of the industrial revolution 4.0.

This study also opens up space for further studies on how other leadership models can be applied in the context of entrepreneurship education. Future research can explore the role of principals in building international collaborations, developing creative economy-based school business models, and measuring the long-term impact of entrepreneurship programs implemented in religious schools.

CONCLUSION

The school principal's leadership significantly enhanced the entrepreneurial spirit at SMAS Al-Hidayah Dlanggu. Previously, it was widely believed that entrepreneurship could only develop through structured formal education. However, the results of this study show that the active role of the principal, who is directly involved in various entrepreneurial activities, has a far greater impact than initially expected. The principal provides verbal motivation and serves as a role model by demonstrating punctuality and a high level of commitment to entrepreneurial activities. This study has inspired teachers and students to engage more actively in the entrepreneurship program. However, the primary challenge faced is the marketing of products created by students. While the production process runs smoothly, marketing remains a significant barrier. This finding opens up opportunities to explore digital technology and develop a broader marketing network as potential solutions. This study reveals that effective leadership, open communication, and the principal's direct involvement are crucial in fostering a sustainable entrepreneurial culture at school. However, marketing challenges still need to be addressed..

This study strengthens previous findings about the impact of school leadership on student entrepreneurship. It challenges the notion that entrepreneurship programs can succeed solely through traditional academic methods, introducing the concept of **transformational leadership** as a key factor that enriches the scientific discussion in the field of educational leadership and entrepreneurship. The study also highlights the importance of community involvement and the integration of Islamic values in developing entrepreneurial skills.

This study is limited by its small sample size, focusing on a single school and a specific case study. As a result, generalizing the findings to other schools may be difficult. Additionally, factors such as the variation in student backgrounds, gender, and age were not deeply explored. Further research with larger, more diverse samples and the inclusion of additional factors such as socio-economic background is needed to gain a more comprehensive understanding of the effectiveness of leadership in fostering entrepreneurship across different contexts.

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