

Human Resource Management in Muhammadiyah Business Charity: A Case Study of Airmu Ponorogo

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ABSTRACT

This research aims to analyze the implementation of human resource management (HRM) in Muhammadiyah Charity, especially in Airmu Ponorogo Charity. The research was conducted using a qualitative method, using in-depth interviews, field observations, and documentation studies to collect relevant data. The results showed that SDI planning at Airmu Ponorogo Charity has been carried out systematically with a focus on meeting the needs of teaching staff and other supporting staff. The recruitment and selection process is conducted transparently, with competence and integrity criteria as the top priorities. In addition, performance management is evaluated through quantitative and qualitative approaches, although there are still challenges regarding the objectivity of the assessment system. The recognition and compensation programs prioritize moral and spiritual incentives, despite financial limitations hindering the provision of more comprehensive rewards. This study identified challenges in developing a data-driven performance evaluation system and attracting highly competent professionals. Consequently, this study suggests that the Airmu Ponorogo Charity Foundation explore collaborative opportunities with other organizations to enhance HRM quality. While HRM at the Airmu Ponorogo Charity Foundation has shown satisfactory performance, but still needs improvement in several aspects to support the achievement of organizational goals.

ABSTRAK

Penelitian ini bertujuan untuk menganalisis implementasi pengelolaan sumber daya manusia (SDM) di Amal Usaha Muhammadiyah, Khususnya di Amal Usaha Airmu Ponorogo. Penelitian ini menggunakan metode kualitatif dengan melakukan wawancara mendalam, observasi lapangan, dan studi dokumentasi untuk mengumpulkan data yang relevan. Hasil penelitian menunjukkan bahwa perencanaan SDM di Amal Usaha Airmu Ponorogo telah dilakukan secara sistematis dengan fokus pada memenuhi kebutuhan staf pengajar dan staf pendukung lainnya. Proses rekrutmen dan seleksi dilakukan secara transparan, dengan kriteria kompetensi dan integritas sebagai prioritas utama. Selain itu kinerja manajemen dievaluasi melalui pendekatan kuantitatif dan kualitatif, meskipun masih terdapat tantangan terkait objektivitas sistem evaluasi. Penghargaan dan kompensasi menekankan pada penghargaan moral dan spiritual, meskipun keterbatasan dana menjadi kendala utama untuk memberikan kompensasi yang lebih memadai. Studi ini juga menemukan tantangan dalam mengembangkan sistem evaluasi kinerja yang lebih berbasis data dan dalam menarik tenaga kerja profesional dengan kompetensi tinggi. Untuk itu, studi ini menyarankan agar Amal Usaha Airmu Ponorogo dapat memanfaatkan lebih banyak kerja sama dengan lembaga lain untuk meningkatkan kualitas SDI. Secara keseluruhan, pengelolaan SDI di Amal Usaha Airmu Ponorogo sudah berjalan dengan baik, namun masih perlu adanya perbaikan di beberapa aspek untuk mendukung tercapainya tujuan organisasi.

1. Introduction

Muhammadiyah is a da'wah movement that carries the spirit of Islam Berkemajuan, which if carried out properly and correctly, will give birth to superior people and an advanced civilization [1]. In order to realize this, Muhammadiyah built Muhammadiyah Charity (AUM) which became the main pillar in the company's da'wah bil-hal mission. AUM has a strategic position in actualizing Islamic values in social life, as

well as a pillar of the welfare and progress of Muslims. [2]. Economic AUM has a significant role in realizing the welfare and progress of the people. In carrying it out, Muhammadiyah has principles, values and norms enshrined in the Muhammadiyah Islamic Life Guidelines (PHIWM) regarding managing business charities (point 6), carrying out business activities (point 7), and developing professions (point 8) [3]. The foundation enshrined in the official decision is the

spirit of struggle in developing the economy for the benefit of the people.

There is an important benchmark that refers to Human Resources (HR), namely that business charity managers must be hired according to their expertise and abilities. They must be able to create an Islamic atmosphere in the charity entrusted to them. All managers must show exemplary behavior, respect the rights of others, have high concern, and reflect the attitude of *ihsan*, *ikhlas* and worship [2].

In Islam, the discussion related to this is termed Human Resources (SDI) which not only refers to competence in managing a business, but also the basic values that must be realized so as to produce resources that are honest and trustworthy, oriented towards goodness and truth [4]. The main capital of Muslims in building business ventures is not material (money), but Trust (trust) and Competence (competence) [5]. So, the main thing in business matters returns to the manager who has a truth-oriented Trust (*shiddiq*) and a sense of responsibility (*amanah*), and has competence, namely expertise or competence (*fathanah*) and the ability to communicate effectively and efficiently a business to other parties (*tabligh*) [6].

Several studies have shown that non-profit organizations, such as Muhammadiyah, face special challenges in SDI management. The researchers highlighted the importance of SDI management based on religious and social values. In this context, research states that the management of human resources in Islamic education institutions in Indonesia must pay attention to the balance between the demands of professionalism and the practice of religious values [7], [8]. This research shows that the management of SDI in Muhammadiyah AUM must consider spiritual and moral aspects, which are characteristic of religious-based organizations.

Muhammadiyah Ponorogo is an area that has a quite proud development of Economic AUM, by having 2 BPRS, 5 BMT, 30 SuryaMart Supermarkets, Al-Mabrur Tour and Travel, KBIH Surya Mabrur, Radio Gema Surya, Surya Grafika Printing, as well as Surya Laundry and AirMu [9]. Especially on the issue of water which is a basic resource for human needs, PP. Muhammadiyah gives its own attention by writing 'Fikih Air' which discusses the urgency of water, its governance and maintenance in society. The AirMu charity in Ponorogo, as of today, sells 5000 cartons of glass water, 500 cartons of bottled water, and 2000 gallons of water every month. Based on this background, the researcher is interested in conducting research on SDI management at the AirMu Ponorogo business charity, with the formulation of the problem:

a. How is the implementation of SDI at the AirMu Ponorogo Charity?

b. What are the factors that influence the effectiveness of SDI implementation at the AirMu Charity?

The researcher's objective in this study is to analyze the implementation of SDI management at the AirMu Ponorogo Charity based on Islamic principles and the Muhammadiyah Islamic Life Guidelines. As well as to identify the factors that influence the effectiveness of the implementation of SDI management at the AirMu Ponorogo Charity, and researchers strive to provide strategic recommendations in the management of SDI in accordance with Islamic values to improve the performance and sustainability of the AirMu Ponorogo Charity.

2. Research Method

This chapter will explain in detail about the research methods used in the case study on human resource management in Muhammadiyah Charity, especially in Airmu Ponorogo Charity. This research uses a qualitative approach with the aim of deeply understanding the human resource management practices and strategies implemented by Airmu Ponorogo, which is part of the Muhammadiyah business charity network. The approach used in this research is descriptive qualitative, which focuses on understanding and explaining the phenomenon of human resource management that occurs at Airmu Ponorogo. This qualitative approach was chosen because it can provide a more in-depth picture of the perceptions, experiences, and practices that occur in the field related to HR management in the context of religious organizations [10].

This research uses case study research with a focus on the Airmu Ponorogo Charity. A case study was chosen because it allowed the researcher to explore detailed and in-depth information about the processes and challenges of HRM in the organization. The researcher sought to explore the local context, culture, and Muhammadiyah values that influence HRM practices.

This research was conducted at Amal Usaha Airmu Ponorogo, which is one of Muhammadiyah's charity units engaged in education and social affairs. This location was chosen based on the relevance and availability of data regarding HR management that can provide a representative picture of management practices in the Muhammadiyah environment. The subjects of this study are the managers, leaders, and workforce at Airmu Ponorogo. This includes organizational leaders, administrative staff, teachers, and other operational personnel who are directly involved in managing human resources at the institution. The selection of these subjects is based on their crucial role in managing human resources as well as their ability to provide relevant information regarding the management policies and practices implemented.

In this study, the data collection techniques used include:

- a. In-depth interviews: Interviews were conducted with the managers and workforce at Airmu Ponorogo to explore their views on existing HR management practices. These interviews were semi-structured with open-ended questions that allowed for further elaboration.
- b. Participatory observation: The researcher was directly involved in several activities related to HR management at Airmu Ponorogo to gain a deeper understanding of the actual conditions in the field.
- c. Documentation: Data collection from documents related to HRM policies, such as annual reports, internal guidelines, and planning documents used by Airmu Ponorogo.

Data obtained from interviews, observations, and documentation were analyzed using qualitative data analysis techniques with an interactive data analysis model approach developed by Miles and Huberman [11]. The analysis steps include:

- a. Data collection: The process of collecting data through interviews, observations, and documentation.
- b. Data reduction: Filtering and organizing data to make it more focused and relevant to the research objectives.
- c. Data presentation: Presenting data in a narrative form that facilitates understanding and analysis.
- d. Conclusion drawing: Drawing conclusions based on the data analysis that has been done, as well as interpretations regarding the implications of the research findings.

3. Result and Discussion

The researcher and the team have conducted observations and interviews twice, namely the initial observation on Thursday 12 December 2024, and the follow-up observation on Friday 10 January 2025. From the results of the observations and interviews that have been conducted, it was found that the implementation of human resource management at AirMu Ponorogo has referred to Islamic values and the principles of the association, although ideally in the sense of full SDI management such as the planning process, competency standards, vacancy publication, position placement, career development, and others, have not been fully implemented. The details of the findings obtained are as follows:

3.1. Recruitment Based on Islamic and Association Values (Cadre)

Established in 2017, AirMu was born from the strong da'wah spirit of Muhammadiyah administrators.

Against the backdrop of the 212 Movement in Jakarta, which resulted in the boycott of several non-Muslim products, Muhammadiyah Ponorogo leaders took the initiative to create a bottled drinking water product (AMDM) born from the womb of Muslims. Thus, the AirMu Charity cannot be separated from the spirit of Islamic struggle and the spirit of da'wah of the association [12]. With this background, the human resources recruited to run the AirMu Charity are cadres (Muhammadiyah Youth) whose fighting spirit in the association is not in doubt. This aims to ensure that every individual who joins AirMu has high commitment, integrity and loyalty to the charity in order to fight for the vision and mission of the organization.

The results showed that human resource (HR) planning at Airmu Ponorogo Charity is done very carefully. Organisational managers identify workforce needs based on the vision and mission of the charity, which focuses on education and community service. In this process, an assessment of the needs of teaching staff, administrative staff, and other operational staff is conducted. The recruitment and selection process is conducted with the principles of openness and transparency. Airmu Ponorogo prioritizes prospective employees who have Islamic values, have high dedication to education, and can adapt to the culture of the Muhammadiyah organization. The results of interviews with managers show that the selection process is based on two main criteria, namely competence and integrity. This is reflected in the use of selection tests that include technical ability assessments as well as interviews to measure the attitudes and character of prospective employees [13]. However, there are challenges in attracting highly competent professionals, especially in the fields of education and technology, as Airmu Charity focuses more on social and humanitarian values rather than salaries or incentives.

3.2. Employee Spirit Based on Sincerity and Devotion

It has become a deep-rooted culture in Muhammadiyah that every Muhammadiyah citizen and cadre must maintain sincerity and build a spirit of devotion when in Muhammadiyah Charities. This is in line with the message of KH. Ahmad Dahlan as the founder of the association, namely 'live Muhammadiyah, don't look for a life in Muhammadiyah.' This spirit means that every individual who works in Muhammadiyah must show sincerity and high work ethic and carry out superior management [14].

With this principle, personally, each employee will become a sincere and professional person, managerially, Muhammadiyah business charities will continue to make maximum efforts to maintain the sincerity of employees by providing proper welfare as it should. In terms of rewards and compensation, Airmu Ponorogo Charity tends to priorities moral and

spiritual rewards over material compensation. Programs such as career advancement and rewards for best performance are often carried out in the form of religious lectures, awards in annual events, as well as the provision of certificates. However, the main challenge found in this regard is the limited budget that affects the competitiveness of the compensation offered to teaching and operational staff. Salaries and benefits are still not commensurate with the workload, leading to the risk of high turnover in the competent workforce.

3.3. Professionalism Built into the Ongoing Management Process

Referring to the standard basic concept of Human Resources, professionalism in Islam includes aspects of trust and competence [15]. For the trust aspect in the management of SDI in AirMu's business charity, it runs well because it is built on the spirit of Islam and the dedication of the association, but for the competence aspect, it has not run properly because the employees at the beginning of AirMu's development were cadre-based with the main consideration being integrity and loyalty [12]. Thus, building competence in running the AirMu business ama is carried out by debriefing and continuous coaching so that at a certain phase all existing employees can meet the competencies that are qualified to manage the bottled drinking water business ama [16].

The performance appraisal process at Amal Usaha Airmu Ponorogo is conducted using an approach based on quantitative and qualitative evaluation. Every year, a performance evaluation of all teaching and administrative staff is conducted, involving management as well as input from students. The results of these evaluations are used to determine promotions and rewards for those who demonstrate outstanding performance. However, a major challenge in performance management is the lack of a more objective and data-driven evaluation system. Performance evaluations are often subjective, so there is a need to standardize a more systematic and transparent assessment system [17].

3.4. Routine Development of Al-Islam and Kemuhammadiyah (AIK)

As part of the Muhammadiyah organization, in order to maintain the Islamic and Muhammadiyah spirit of every employee in AirMu's business charity, regular coaching and studies are conducted that specifically discuss Islamic and Muhammadiyah issues. This aims to maintain the values of human resources for employees so that sincerity and spirit of devotion are maintained. Working in a Muhammadiyah business charity, not only gets worldly welfare but strengthens the values of *ukhrawi* faith [18].

Human resource development is carried out through various training and coaching programs that are held

regularly. The training provided covers technical skills in the field of education, such as the use of technology in learning, as well as improving soft skills such as leadership and teamwork. However, there are constraints related to limited funds that hinder the development of training for all employees.

3.5. Industrial Relations

In the context of industrial relations, Airmu Ponorogo Charity applies a more familial approach and is based on Islamic values. The relationship between managers and employees tends to be open and communicative. Deliberation is the main method in solving problems and making decisions related to internal policies. However, in practice, there are some challenges related to differences in perceptions between managers and employees regarding work standards, especially in terms of working time and additional tasks outside routine obligations. This shows that it is important to develop clearer regulations and communicate expectations and obligations to all employees [19].

4. Conclusion

This research shows that the management of SDI at Amal Usaha Airmu Ponorogo has been well implemented in many aspects, especially in terms of HR planning and development. However, challenges related to limited funds, lack of a data-based performance evaluation system, and limited attractiveness in recruiting professional labor are still problems that must be addressed immediately. The management of Airmu Ponorogo Charity needs to focus more on revamping the evaluation system and HR development to support the maximum achievement of the organization's vision and mission.

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