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Analysis of the Revenue Sharing Model between Capital Owners and Managers in Islamic Education Institutions

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Abstract
This article analyzes the model of revenue sharing between capital owners (*shahibul maal*) and managers (*mudharib*) in the context of managing Islamic educational institutions in Indonesia. This study explores the implementation of sharia economic principles, especially *mudharabah* and *musharakah* contracts, in the financial governance of Islamic educational institutions. Research shows that the implementation of a sharia-based revenue-sharing model can improve the transparency, fairness, and financial sustainability of Islamic educational institutions. However, its implementation still faces challenges in the form of limited understanding of the concept of sharia economics, confusion in cooperation agreements, and lack of standardization of the revenue-sharing mechanism. This article offers recommendations for the development of a fairer and more sustainable outcome-sharing model for Islamic educational institutions in Indonesia.

Keywords: *Mudharabah*, *Musharakah*, Sharia Economics, Islamic Educational Institutions, Revenue Sharing

Introduction

Islamic educational institutions in Indonesia, ranging from madrasas, Islamic boarding schools, to Islamic universities, have experienced significant development in the last two decades. This development is not only seen from the aspects of curriculum and learning methods, but also from the institution's management and funding model. In this context, the relationship between the owner of capital (*shahibul maal*) and the manager (*mudharib*) is one of the crucial aspects that requires a fair and transparent profit-sharing mechanism in accordance with the principles of sharia economics.

The application of sharia economic principles in the management of Islamic educational institutions is not only an ideological demand, but also a practical necessity to ensure financial sustainability and justice for all stakeholders. As revealed by Fathurrahman (2021) [2], an equitable revenue sharing model is one of the determining factors for the success and sustainability of Islamic educational institutions in the long term.

This article aims to analyze various models of revenue sharing between capital owners and managers implemented in Islamic educational institutions in Indonesia, identify challenges in their implementation, and formulate recommendations for the development of a more equitable and sustainable model.

Literature Review

The Basic Concept of Revenue Sharing in Sharia Economics

The distribution of revenue in sharia economics is mainly based on two main contracts: *mudharabah* and *musyarakah*. *Mudharabah* is a business cooperation between two parties where the first party (*shahibul maal*) provides all the capital, while the second party (*mudharib*) acts as the manager. Profits are divided according to the agreement outlined in the contract, while losses are borne by the capital owner as long as they are not due to the negligence of the manager (Nurhayati and Wasilah, 2020) [10]. Meanwhile, *musharakah* is a cooperation contract between two or more parties for a certain business, where each party contributes funds with the provision that profits are divided by agreement while losses are based on the portion of the fund contribution (Rahmawaty, 2022) [13].

These two contracts are the main foundation in the development of a results-sharing model in Islamic educational institutions.

Characteristics of Islamic Educational Institutions in Indonesia

Islamic educational institutions in Indonesia are unique in terms of ownership and management structures. According to a study conducted by Zulfa (2020) [19], there are three general patterns of ownership of Islamic educational institutions in Indonesia: (1) belonging to individuals/families, (2) belonging to organizations/foundations, and (3) state-owned (state madrasas). This ownership pattern has implications for the applied profit-sharing model.

Suhartini and Anwar (2023) [16] identified that most private Islamic educational institutions in Indonesia, especially modern Islamic boarding schools and integrated Islamic schools, have adopted a business approach in their management, while still maintaining a social orientation and da'wah. This approach encourages the formation of a more structured profit-sharing mechanism between capital owners and managers.

Methodology

This study uses a qualitative approach with content analysis methods and literature studies. Primary data is obtained from policy documents and financial statements of Islamic educational institutions, while secondary data is obtained from scientific journals, books, and other publications relevant to the research topic. Data analysis was carried out using thematic analysis techniques to identify patterns in the practice of sharing results in Islamic educational institutions.

Revenue Sharing Model in Islamic Educational Institutions

Mudharabah-Based Model

The mudharabah-based *revenue sharing model* in Islamic educational institutions is generally applied to institutions owned by individuals or families, where the owner provides capital and infrastructure while the management team acts as the manager. Hidayat (2021) [6] identified that in this model, the distribution of profits usually uses a fixed ratio pattern, with percentages ranging from 60:40 to 70:30 for owners and managers.

A case study conducted by Pratiwi and Nizar (2020) [11] on five integrated Islamic schools in West Java shows that the *mudharabah model* applied is generally mudharabah *muqayyadah*, where the owner of the capital provides certain limitations to the manager in running a business. These restrictions include the type of activity, location, time, and other aspects that the capital owner considers important.

Musharakah-Based Model

The musharakah-based *revenue sharing model* is more widely applied to Islamic educational institutions owned by foundations or community organizations. In this model, several parties contribute to the provision of capital and the management of the institution. According to Huda and Nasution (2022) [7], *the musharakah model* in Islamic educational institutions in Indonesia generally uses a proportional distribution pattern based on capital contribution and management performance.

Research conducted by Azizah (2023) [1] on three private Islamic universities in Indonesia revealed that the *musharakah model* applied has been modified to adapt to the characteristics of educational institutions. These modifications include the addition of academic performance parameters, institutional reputation, and program sustainability in the calculation of the share of results.

Hybrid Model

Several Islamic educational institutions in Indonesia have developed a hybrid model that combines elements of *mudharabah* and *musyarakah*, as well as incorporating *productive waqf* aspects in their funding structures. Ramadhan and Ahmad (2021) [14] found that this hybrid model emerged in response to the increasing complexity of managing Islamic educational institutions.

A study conducted by Zulkifli and Saripudin (2022) [20] on ten modern Islamic boarding schools on the island of Java shows that the hybrid model allows for greater flexibility in the sharing of results, taking into account various factors such as the type of educational program, the level of market competition, and institutional development investments.

Challenges in the Implementation of the Revenue Sharing Model

Limitations of Understanding the Concept of Sharia Economics

One of the main challenges in the implementation of the results-sharing model in Islamic educational institutions is the limited understanding of the concept of sharia economics among managers and stakeholders. According to a survey conducted by Firmansyah and Rahman (2021) of 150 managers of Islamic educational institutions in Indonesia, only 35% of respondents have a comprehensive understanding of the concepts *of mudharabah* and *musharakah*.

This limited understanding has implications for the implementation of a revenue sharing model that is not fully in accordance with sharia principles, as shown by a study by Widyanto (2023) [17] which found that there is a practice of determining profit sharing ratios that contain elements of *gharar* (ambiguity) and resemble fixed interest in some Islamic educational institutions.

Confusion in the Cooperation Agreement

Another challenge identified is the confusion in the cooperation agreement between the capital owner and the manager. Handayani (2021) analyzed 25 cooperation agreement documents at Islamic educational institutions and found that most of the documents did not contain clear clauses regarding risk sharing, dispute resolution, and *exit* mechanisms from cooperation.

This confusion often triggers conflicts between capital owners and managers, especially when the institution suffers losses or does not reach the set financial targets. According to Siddiq and Hastuti (2020) [15], this kind of conflict has caused operational failures in several Islamic educational institutions in Indonesia.

Lack of Standardization of Revenue Sharing Mechanism

The lack of standardization in the mechanism of sharing results is also a significant challenge. Research conducted by Mubarok and Hasanah (2022) [8] shows that there is a very wide variation in the practice of sharing results between Islamic educational institutions, even for institutions with similar characteristics.

These variations include differences in determining the basis of calculation (gross profit vs. net profit), the distribution period of the proceeds (monthly, semi-annually, yearly), and the method of asset valuation. This condition makes it difficult to benchmark the process and evaluate the effectiveness of the applied result sharing model.

Development of a Sustainable Revenue Sharing Model Integration of Maqashid Syariah Principles

The development of a sustainable profit-sharing model for Islamic educational institutions needs to integrate the principles *of sharia maqashid* (sharia goals) which include the protection of religion, soul, intellect, descent, and property. According to Firdaus and Ariyana (2022) [4], a *maqashid sharia-based approach* allows for a balance between the commercial and socio-educational goals of the institution.

The result sharing model that integrates the principles *of sharia maqashid* is characterized by a special allocation for the development of the quality of education, the improvement of the welfare of educators and education personnel, and the maintenance of Islamic values in the educational process.

Implementation of Shariah Good Governance

The implementation of sharia-based good governance is also the key to developing a sustainable revenue sharing model. Nasrullah and Ismanto (2023) identified five main principles of sharia good governance that are relevant to Islamic educational institutions: transparency (*shiddiq*), accountability (*amanah*), professionalism (*fathanah*), responsibility (*mas'uliyah*), and justice (*'adalah*).

The implementation of these principles in the revenue sharing model includes the development of a transparent financial reporting system, an independent sharia audit mechanism, and competency-based and contribution-based performance evaluation procedures.

Diversification of Funding Sources

Diversification of funding sources is also needed to reduce reliance on conventional revenue-sharing models. According to a study conducted by Wijaya and Muzakkir (2023) [18], Islamic educational institutions that have successfully developed a sustainable profit-sharing model generally have diverse funding portfolios, including income from education fees, business units, productive waqf, and Islamic philanthropy.

This diversification allows institutions to develop a more flexible and adaptive outcome-sharing model to changing economic conditions and education markets. As revealed by Rahman and Arifin (2022) [12], diversification of funding sources also provides room for innovation in the revenue-sharing model, such as the development of *performance-based revenue-sharing* schemes and progressive *profit-sharing*.

Conclusions and Recommendations

An analysis of the profit-sharing model between capital owners and managers in Islamic educational institutions in Indonesia shows significant developments in the adoption of sharia economic principles. However, its implementation still faces challenges in the form of limited understanding of the concept of sharia economics, confusion in cooperation agreements, and lack of standardization of the revenue-sharing mechanism.

Based on these findings, several recommendations can be formulated for the development of a more equitable and sustainable profit-sharing model:

1. Increasing the capacity of Islamic educational institution managers in understanding and implementing the concept of sharia economics, especially related to cooperation contracts and revenue sharing.
2. Development of standard guidelines for the preparation of cooperation agreements between capital owners and managers that include aspects of revenue sharing, risk sharing, dispute resolution, and performance evaluation mechanisms.
3. The implementation of a governance system based on sharia principles, with an emphasis on transparency, accountability, and fairness in the sharing of results.
4. Diversify institutional funding sources to reduce reliance on conventional revenue-sharing models and open up space for innovation in revenue-sharing schemes.
5. Development of a regulatory framework that supports the implementation of a sharia-based revenue-sharing model in Islamic educational institutions, including fiscal incentives and legal protection for the parties involved.

The implementation of these recommendations is expected to encourage the realization of a results-sharing model that not only meets sharia principles, but also supports the sustainability and development of Islamic educational institutions in Indonesia.

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