Indonesian Journal of Business and Entrepreneurship, Vol. 9 No. 3, September 2023
Permalink/DOI: http://dx.doi.org/10.17358/IJBE.9.3.359

Available online at
http://journal.ipb.ac.id/index.php/ijbe

NURTURING THE ECOSYSTEM OF HAJJ AND UMRAH BUSINESS IN INDONESIA: A MODEL FOR DEVELOPMENT

Dedi Sopyan[*)1], M. Syamsul Maarif[*)], Joko Affandi[**)], Laily Dwi Arsyianti[***)]

[*)]School of Business, IPB University
Jl. Pajajaran Bogor 16151, Indonesia
[**)]Sekolah Tinggi Manajemen PPM
Jl. Menteng Raya No. 9, Jakarta 10340, Indonesia
[***)]Department of Sharia Economic, Faculty of Economics and Management, IPB University
Jl. Agatis, IPB Dramaga Campus Bogor 16680, Indonesia

Article history:

Received
8 March 2023

Revised
30 May 2023

Accepted
16 June 2023

Available online
15 September 2023

Abstract: As the country with the largest market share in the Hajj, Indonesia possesses the innate ability to contribute to the Hajj and Umrah ecosystem. Nevertheless, the management of this ecosystem is not yet optimized. This study aimed to formulate a model for developing Indonesia's commercial Hajj and Umrah ecosystems. The research was conducted from August 2021 to July 2022 at the Directorate General of Hajj and Umrah of the Ministry of Religion and the Head Office of the Hajj Financial Management Agency (BPKH). Interpretative structural modeling (ISM) was utilized to assess this study. The principal institutions or groups involved in constructing a model for developing Indonesia's Hajj and Umrah ecosystems were the DPR RI and the Ministry of Hajj in Saudi Arabia. The major obstacles encountered include the absence of an institution that focuses on optimizing the Hajj and Umrah ecosystems and the unpredictability of the Hajj and Umrah regulations that the Kingdom of Saudi Arabian government governs.

Keywords: hajj financial management agency (bpkh), ecosystem, ministry of religion, hajj and umrah, soft system methodology

Abstrak: *Sebagai negara dengan pangsa pasar haji terbesar, Indonesia memiliki kemampuan bawaan untuk berkontribusi pada ekosistem haji dan umrah. Namun demikian, pengelolaan ekosistem ini belum optimal. Tujuan penelitian ini adalah merumuskan model pengembangan ekosistem haji dan umrah komersial di Indonesia. Penelitian dilakukan pada Agustus 2021 hingga Juli 2022 di Direktorat Jenderal Penyelenggaraan Haji dan Umrah Kementerian Agama dan Kantor Pusat Badan Pengelola Keuangan Haji (BPKH). Pemodelan struktural interpretatif (ISM) digunakan untuk menilai penelitian ini. Instansi atau kelompok utama yang terlibat dalam membangun model pengembangan ekosistem haji dan umrah di Indonesia adalah DPR RI dan Kementerian Haji di Arab Saudi. Kendala utama yang dihadapi antara lain belum adanya lembaga yang berfokus pada optimalisasi ekosistem haji dan umrah serta ketidakpastian regulasi haji dan umrah yang diatur oleh pemerintah Kerajaan Arab Saudi.*

Kata kunci: *badan pengelola keuangan haji (bpkj), ekosistem, kementerian agama, haji dan umrah, soft system methodology*

[1] Corresponding author:
Email: dedi.sopyan@gmail.com

INTRODUCTION

The global Muslim population is projected to increase from 1.6 billion in 2010 to 2.2 billion by 2030 and to grow to approximately 2.76 billion by 2050, representing 29.7% of the world's population if current trends continue (Hall and Prayag, 2020). Muslims typically visit Mecca and Medina to perform Hajj and/or Umrah. Hajj is a major pilgrimage with greater religious value, while Umrah is considered a minor pilgrimage (Jamal et al. 2019). Hajj represents one of the obligatory Islamic pillars, which is highly regarded by Muslims all over the world, including those residing in Indonesia. Umrah can be performed at any time, while Hajj can only be performed at specific times according to the Islamic calendar (Bavik et al. 2014).

It is evidenced by the growing number of Indonesian citizens who aspire to perform the Hajj, despite the limited quota, resulting in a rise in the number of waiting list Hajj pilgrims. A large number of waiting list Hajj pilgrims constitutes a driving factor for economic activity in the Kingdom of Saudi Arabia (KSA) today. The KSA's 2030 vision, focused on religious tourism through Hajj and Umrah, can be realized through the utilization of gifted heritage for economic growth and development (Alammash et al. 2021), rendering Hajj and Umrah a crucial element in stimulating diverse sectors in the country's economic activities. The extent of the Hajj and Umrah industries can be easily observed from the potential demand for Hajj and Umrah travel. This activity has significant economic value and can become a highly potential and strategic business area that contributes to economic growth for Indonesia and Saudi Arabia. Nevertheless, Indonesia merely acts as a market or consumer, having minimal involvement as a producer and value-added provider (Ghofar et al. 2020). Dozens of industries are engaged in the organization of Hajj and Umrah in the country, where these sectors are integrated into the supply chain and value chain of the Hajj and Umrah business ecosystems (Antonio, 2011).

The Hajj and Umrah ecosystem can be viewed from a general perspective, known as the Ecosystem Theory. At the same time, the flow of money and benefits (added value) can be explained through the supply chain and value chain theory. Value chain analysis is a strategy companies use to comprehend better their competitive advantages (Porter and Kramer, 1985). The hajj and umrah ecosystem incorporates the Tourism Supply Chain (TSC) in its operations, which Zhang et al. (2009) define as a network of tourism organizations engaged in various activities, beginning with the provision of a full spectrum of tourism products/service components, such as flights and accommodations, to the sales of tourist products in tourist areas. Effective management of the TSC faces significant challenges, highlighting the importance of tourism product characteristics and the tourism industry's features (Page, 2014). By being part of the global service economy sector, tourism has several unique characteristics compared to the manufacturing and primary sectors.

The tourism supply chain (TSC) concept can be utilized as an example for organizing Hajj and Umrah activities. However, it should be noted that certain aspects of the Hajj organization differ significantly from a conventional TSC due to government policies and strict controls. On the other hand, the organization of Umrah, categorized as spiritual tourism, is comparable to a typical TSC. Common issues in TSC include policies, laws, and regulations, distribution of power among supply chain players, increasing consumer autonomy, and advancements in ICT (Göymen, 2000; Yüksel et al. 2005).

The Ministry of Religion of the Republic of Indonesia (Kemenag RI) is the primary service provider in the Hajj ecosystem. At the same time, Special Hajj Service Providers (PIHK) and Umrah Travel Service Providers (PPIU) are the primary providers in the specialized Hajj and Umrah cases, respectively. Kemenag acts as a regulator or policymaker. The relationship between the beneficiaries and the primary service providers can be seen through the exchange value or the value exchange agreement between the two parties.

Given the context above and the economic significance of the Hajj and Umrah industry, establishing a suitable development model for the Hajj and Umrah ecosystem is imperative to generate added value and benefits for the Indonesian economy. Such a model can be explored by examining the role of business players in Indonesia in harnessing the economic potential of Hajj and Umrah, as well as the business model of the Hajj and Umrah ecosystem that is intended to provide added value to all stakeholders participating in the Hajj and Umrah ecosystem.

This study applies the approach mentioned above to business, specifically the Hajj and Umrah business ecosystems. As per theoretical frameworks, a business ecosystem represents a shared value proposition for customers that cannot be realized by any single company in isolation (Moore, 1996; Adner, 2017; Kapoor, 2018; Autio and Thomas, 2019; Shipilov and Gawer, 2019). To deliver this shared value proposition, each organization involved in the ecosystem must develop or modify its modules in a tailored manner (Jacobides et al. 2018).

Previous research has examined Hajj finances and Islamic tourism (Aziz (2018); Bokhari (2018); Ledhem and Moussaoui (2020)). This study presents a unique perspective by analyzing the Hajj and Umrah ecosystem development in Indonesia. Its objectives are to explore the value chain, examine key players and their roles, and evaluate the business valuation model of the Hajj and Umrah ecosystem.

METHODS

The study was carried out in two primary locations: the Directorate General of Hajj and Umrah of the Ministry of Religion and the Central Office of the Hajj Finance Management Body (BPKH). The data was gathered at the headquarters of the PPIU/PIHK associations (Himpuh, Asphurindo, Amphuri, Kesthuri, Sapuhi, Ampuh, Gapura, and Asphuri), as well as representatives from the West Java, DKI Jakarta, and Banten Hajj Guidance Group Communication Forum (FK-KBIH) and Commission VIII of DPR RI. Data collection took place from August 2021 to January 2022, with data processing completed by the time the dissertation was finished in July 2022. The data used in this research is both primary and secondary.

The data for this study were gathered from journals, scientific articles, credible media sources, and empirical case studies on Hajj implementation in other countries, such as Malaysia and Pakistan. This study necessitates primary and secondary data, with data collected through interviews or Focus Group Discussions to unearth specific information about the dependencies between actors in the value chain, costs, risk and profitability profiles, and business strategy directions.

The research methodology employed in this study is the Interpretative Structural Modeling (ISM) method used by Saxena et al. (1992) to ascertain the forms of programs, constraints, and institutions adopted in this research to develop the Hajj and Umrah ecosystem.

According to Saxena et al. (1992), nine major aspects must be examined in program analysis with ISM: (1) the objective of implementing the policy, (2) the need for implementing the program, (3) the changes to be achieved following the program's execution, (4) Program implementation restrictions, (5) Activities necessary for program implementation planning, (6) Institutions involved in policy implementation, (7) Community sectors affected, (8) Benchmarks used to analyze the effectiveness or level of success of these policies; (9) Activity measurements used to evaluate the outcomes of each activity.

The findings of this study are presented as a Structural Self-Interaction Matrix, which takes the form of a Reachability Matrix (RM) table, with V, A, X, and O replaced by 1s and 0s. The RM matrix is then corrected to form a closed matrix that fulfills the transitivity criteria. The RM matrix that meets the transitivity criteria is processed to obtain Driver-Power (DP) and Dependence (D) values to categorize the sub-elements. Eriyatno (2003) proposed that sub-elements can be classified into four sectors to understand the role of each sub-element.

According to Eriyatno (2003), to understand the role of each sub-element, the sub-elements are divided into four sectors:

a. Sector 1: Weak driver-weak dependant variables (autonomous), the sub-components in this sector are generally unrelated to the system but may have a modest relationship even if the relationship is significant.
b. Sector 2: Weak driver-strongly dependent variables (dependent), sub-elements in this sector are typically not independent or impacted by other sub-elements.
c. Sector 3: Strong driver-strongly dependent variables (linkage), the sub-elements in this sector must be carefully analyzed because their relationship is unstable. Every action on these sub-elements has an effect on other variables, and the feedback effect might magnify the effect.
d. Sector 4: Strong driver-weak dependent variables (independent); the sub-elements in this sector are generally independent and have strength.

RESULTS

The elements of the institution or group involved

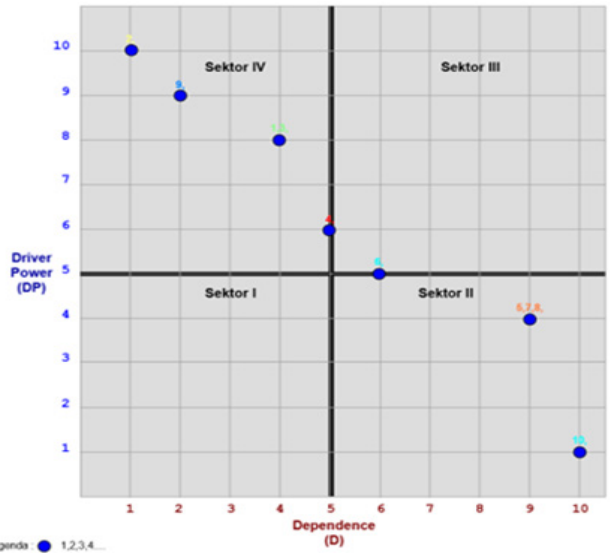
The matrix analysis results in Figure 1 indicate that DPR RI and the Ministry of Saudi Arabia are in sector IV (independent) and have the highest driver power, meaning that other sub-elements do not influence them. The Ministry of Religion and BPKH are the second drivers, indicating that DPR RI and the Ministry of Saudi Arabia influence them. This hierarchy structure suggests that the Ministry of Religion and BPKH should collaborate closely with DPR RI and the Ministry of Saudi Arabia to achieve successful business ecosystem development for the Hajj and Umrah in Indonesia.

The results of the matrix analysis in the graphic distribution graph show that DPR RI (2) and the Ministry of Saudi Arabia (9) are in sector IV as the main driver power, with the highest level of dependence on the institutions or groups involved in building the business ecosystem development model for the Hajj and Umrah in Indonesia. Meanwhile, the Ministry of Religion (1) and BPKH (3) are the second driving powers.

The results obtained from the MICMAC analysis exhibit the factors assigned to every sector. By examining the driver power (DP) and dependent variables (D), the agents or groups who foster the development of the Hajj and Umrah business ecosystem can be categorized into four sectors, namely, sector I (autonomous), sector II (dependent), sector III (linkage), and sector IV (driver power). The driver power represents the leading force propelling the Hajj and Umrah ecosystem based on the RM matrix. A factor that can drive other agents showcases a high driver power value. The hierarchy structure of the elements of the institution or group involved can be seen in Figure 2.

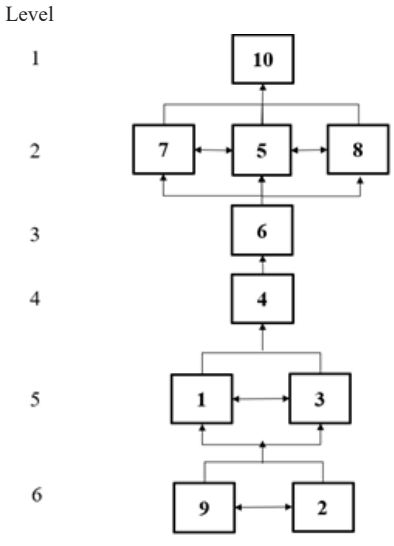
The organizations or groups that are influenced

The organizations or groups that are influenced within the model comprise of six sub-elements:1) the Ministry of Religion, 2) DPR RI, 3) BPKH, 4) PPIU/PIHK, 5) Hajj Pilgrims, and 6) Supporting Business Partners. The results of the matrix analysis in Figure 3 indicate that the sub-elements PPIU/PIHK (4), Hajj Pilgrims (5), and Supporting Business Partners (6) are located in sector IV (independent) and serve as the primary driver power with the highest level of dependence. Meanwhile, the second driving powers are the sub-elements of the Ministry of Religion (1) and BPKH (3).



Legends: 1) Ministry of Religion; 2) DPR RI; 3) BPKH; 4) PPIU/PIHK; 5) YLKI; 6) Supporting Business Partners; 7) Hajj Guidance Group; 8) Associations; 9) Ministry of Saudi Arabia; 10) Hajj Pilgrims

Figure 1. Matrix of the distribution of the results of the ISM study of the elements of the institutions or groups involved



Legends: 1) Ministry of Religion; 2) DPR RI; 3) BPKH; 4) PPIU/PIHK; 5) YLKI; 6) Supporting Business Partners; 7) Hajj Guidance Group; 8) Associations; 9) Ministry of Saudi Arabia; 10) Hajj Pilgrims

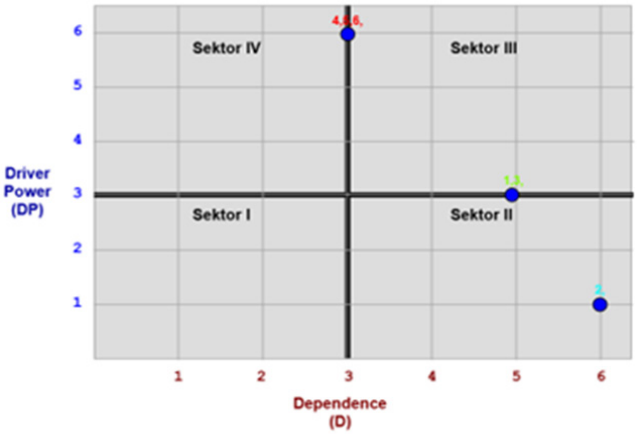
Figure 2. Model of the hierarchical structure of the elements of the institution or group involved

The MICMAC analysis results in the identification of institutions or groups that are influenced by the Hajj and Umrah business ecosystem model Sector IV (independent) includes sub-elements with strong DP-weak D values, which are the driving force behind the other sub-elements shown in Figure 4. The PPIU/PIHK, Hajj pilgrims, and supporting business partners sub-elements are categorized under sector IV and depend most on the institutions or groups involved in building the business ecosystem development model.

Main Constraint

The matrix analysis results in Figure 5 indicate that the sub-elements related to the absence of an institution focused on optimizing the Hajj and Umrah ecosystem are situated in sector IV (independent). The weakness of oversight concerning the existing Hajj and Umrah ecosystem and unsuccessful management of Hajj and Umrah represent secondary propulsive force, given their location in sector III.

Based on Figure 5, the sub-elements of program requirements are distributed across the four sectors. Sector I (autonomous) has weak DP-weak D values. The sub-elements under this sector are those not associated with system relationships. Based on the primary constraints, no sub-elements belong to this sector.



Legends: 1) Ministry of Religion; 2) DPR RI; 3) BPKH; 4) PPIU/PIHK; 5) Hajj Pilgrims; 6) Supporting Business Partners

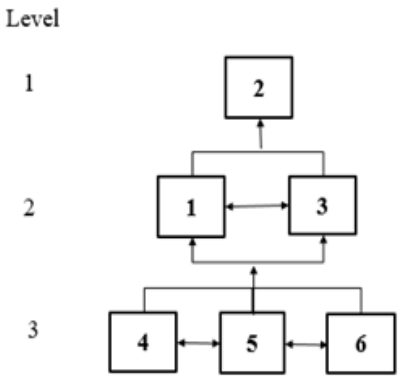
Figure 3. Matrix of the distribution of the results of the ISM study of elements of institutions or groups that are influenced

Sector IV (independent) has strong DP-weak D values. The sub-elements that fall under this sector are other sub-elements' driving forces or determinants. Based on the primary limiting factors, the sub-elements that act as driver power include the regulation of Hajj and Umrah, which is governed by the Saudi Arabian government and cannot be predicted, and the lack of an institution that is focused on optimizing the Hajj and umrah ecosystem. The hierarchical arrangement of elements within involved institutions is depicted in Figure 6.

Program Requirements

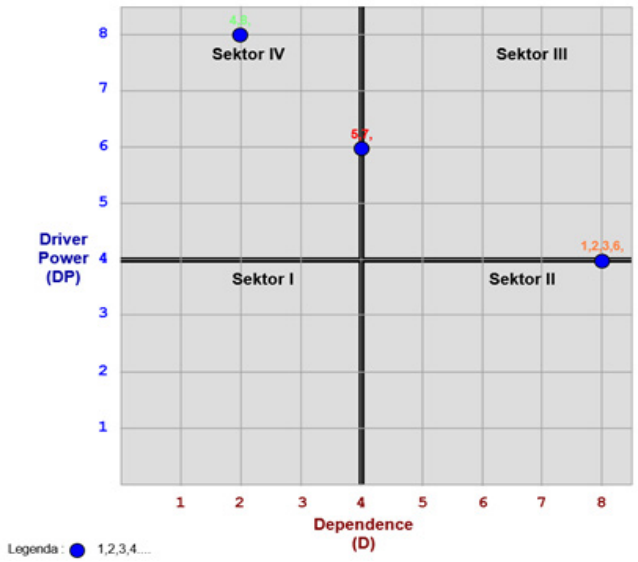
The results of the matrix analysis (Figure 7) show that the sub-element separating the management of the Hajj ecosystem into institutions that are considered more focused on Hajj and Umrah (3) is sector IV (independent), the institution endeavors to foster both internal and external collaboration through formal and/or informal arrangements, to create shared value within the Hajj and Umrah business ecosystem (Bertassini et al. 2021). Meanwhile, the second driving power is the sub-element of good and transparent governance in the Hajj ecosystem (4).

The MICMAC analysis will result in the elements of the program requirements for each sector. Based on the values of driver power (DP) and dependent variables (D), there are no sub-elements grouped under sector I (autonomous).



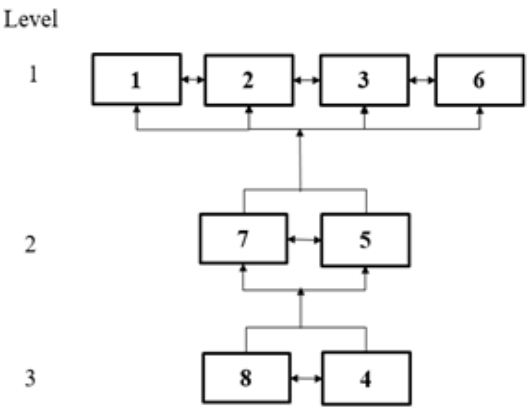
Legends: 1) Ministry of Religion; 2) DPR RI; 3) BPKH; 4) PPIU/PIHK; 5) Hajj Pilgrims; 6) Supporting Business Partners

Figure 4. Model the hierarchical structure of the elements of the institution or group influenced



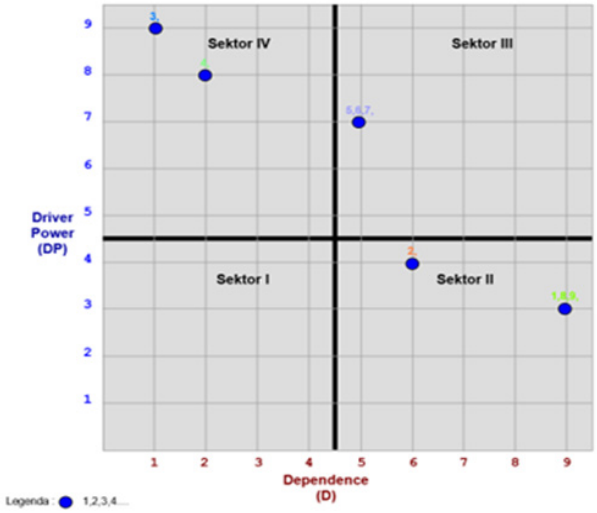
Legends:
1. The lack of funding and fluctuation of the exchange rate between the Indonesian Rupiah and Saudi Arabian Riyal causing suboptimal hajj ecosystem services
2. Existing policies causing a trade-off between cost and services
3. The emergence of digital platforms leading to changes in all aspects of hajj and umrah services
4. The absence of an institution focused on optimizing the hajj and umrah ecosystem
5. The weakness of supervision regarding the existing hajj and umrah ecosystem
6. The high cost economy causing some facilities to be minimized (reducing operating costs)
7. The unsuccessful management of hajj and umrah, and
8. The unpredictable regulations of hajj and umrah imposed by the Saudi Arabian Government.

Figure 5. Distribution matrix of the results of the ISM study of the main constraint elements



Legends:
1. The lack of funding and fluctuation of the exchange rate between the Indonesian Rupiah and Saudi Arabian Riyal causing suboptimal hajj ecosystem services
2. Existing policies causing a trade-off between cost and services
3. The emergence of digital platforms leading to changes in all aspects of hajj and umrah services
4. The absence of an institution focused on optimizing the hajj and umrah ecosystem
5. The weakness of supervision regarding the existing hajj and umrah ecosystem
6. The high cost economy causing some facilities to be minimized (reducing operating costs)
7. The unsuccessful management of hajj and umrah, and
8. The unpredictable regulations of hajj and umrah imposed by the Saudi Arabian Government.

Figure 6. Hierarchical structure model of the main constraint elements



Legends:
1) Investment in the real sector (transportation, hospitality, etc.) to create a closed loop investment
2) Ensuring efficiency related to Hajj and Umrah service provision and completeness in handling demand,
3) Separation of Hajj ecosystem management to institutions considered more focused on Hajj and Umrah,
4) Good and transparent governance of the Hajj ecosystem,
5) The need for collaboration from all parties involved in the formation of the Hajj and Umrah ecosystem,
6) The need to tighten the issuance of permits for Hajj and Umrah ecosystem support partners,
7) The development of infrastructure supporting the development of the Hajj and Umrah ecosystem,
8) The provision of literacy and socialization for the Hajj ecosystem, and
9) The digital integration of the Hajj ecosystem within a super app.
10) The unpredictable regulations of hajj and umrah imposed by the Saudi Arabian Government.

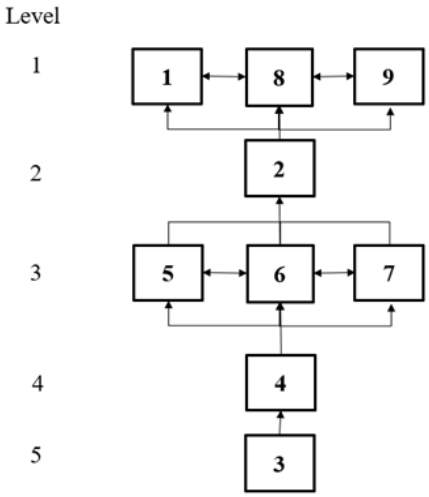
Figure 7. Distribution matrix of the results of ISM study of elements of program needs

Sector III (linkage) has a strong-strong DP and D value. The sub-elements that fall under this sector can influence each other in the sector. The sub-elements that fall under this sector include the need for collaboration from all parties involved in shaping the Hajj and Umrah ecosystem, the need to tighten the granting of licenses for Hajj ecosystem support partners, and the development of infrastructure that supports the development of the Hajj and Umrah ecosystem.

Sector IV (independent) has a strong-weak DP and D value. The sub-elements that fall under this sector are the driver power or determinants of other sub-elements. The sub-element of policy separation of the management of the Hajj ecosystem to an institution that is considered more focused on Hajj and Umrah and good and transparent governance of the Hajj ecosystem. The hierarchical arrangement of elements within program requirements is depicted in Figure 8.

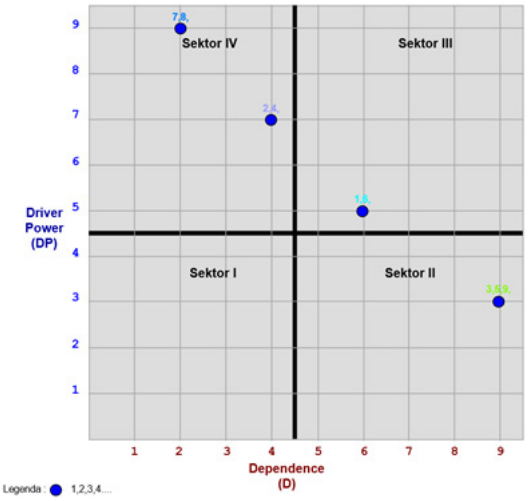
Change Elements that Need to be Implemented

The results of the matrix analysis (Figure 9) show that the sub-element of managing key stakeholders in the Hajj and Umrah ecosystem and the establishment of a linking agency between Saudi Arabia and the government (to form personal relationships) are in sector IV (independent), The objective is to establish a bargaining agreement among the involved nations, to reduce the cost associated with the Hajj (Saglam, 2022). Establishing law enforcement related to the hajj and umrah ecosystem and maximizing the stakeholders' role are the second driver power because they are in sector III.



Legends:
1. Investment in the real sector (transportation, hospitality, etc.) to create a closed loop investment
2. Ensuring efficiency related to Hajj and Umrah service provision and completeness in handling demand,
3. Separation of Hajj ecosystem management to institutions considered more focused on Hajj and Umrah,
4. Good and transparent governance of the Hajj ecosystem,
5. The need for collaboration from all parties involved in the formation of the Hajj and Umrah ecosystem,
6. The need to tighten the issuance of permits for Hajj and Umrah ecosystem support partners,
7. The development of infrastructure supporting the development of the Hajj and Umrah ecosystem,
8. The provision of literacy and socialization for the Hajj ecosystem, and
9. The digital integration of the Hajj ecosystem within a super app.

Figure 8. Hierarchical structure model of program requirements elements



Legends:
1. The optimization of existing facilities to support the hajj and umrah ecosystem,
2. The establishment of law enforcement related to the hajj and umrah ecosystem,
3. The creation of business understanding in the hajj and umrah ecosystem,
4. Maximizing the role of stakeholders involved,
5. Digitalizing the hajj and umrah ecosystem to be established,
6. The policies applied should benefit the country,
7. The establishment of a linking agency between Saudi Arabia and the government to form personal relationships,
8. The management of key stakeholders in the hajj and umrah ecosystem,
9. Considering the potential for digital disruption.

Figure 9. The distribution matrix of the results of the ISM study changes elements that need to be implemented

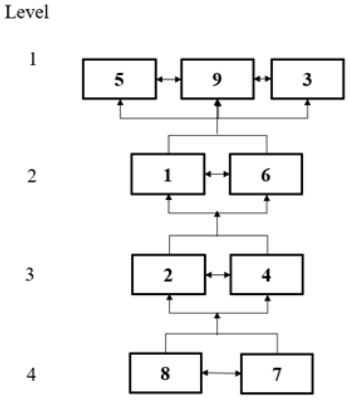
Based on the activities for implementing the actions, sub-elements that are the driver power are the formation of law enforcement related to the Hajj and Umrah ecosystem, maximizing the role of involved stakeholders, the formation of an intermediary institution between Saudi Arabia and the government (to form personal relationships), and managing the main stakeholders in the Hajj and Umrah ecosystem. The hierarchy structure of the elements of the institutions or groups involved is shown in Figure 10.

Strategies that can be applied in this sector include regular communication within the ecosystem as a form of governance for the Hajj and Umrah ecosystem. All decisions made by stakeholders should consider the dynamics within the ecosystem, especially the potential for digital disruption.

The institutional model of the Hajj and Umrah Ecosystem

An ISM analysis identified the Saudi Arabian Ministry and DPR RI as key drivers in developing the Hajj and Umrah ecosystem. The DPR RI enforces regulations to improve services for pilgrims, while the Saudi Arabian Ministry formulates policy and manages pilgrim reception upon arrival. These actors directly influence the Ministry of Religion, responsible for managing the Hajj and Umrah ecosystem, and the BPKH, which finances pilgrims and supports the government in reducing costs. As no single regulating institution interacts with the Saudi Arabian government, all institutions involved in the Hajj and Umrah ecosystem are involved. PPIU/PIHK and other institutions collaborate with the Ministry of Religion to provide services in partnership with the Guidance Group of Hajj Worship, YLKI, and the Association as secondary stakeholders. The Guidance Group of Hajj Worship organizes guidance, while YLKI acts as a critical observer to protect consumer rights. Figure 11 depicts the institutional model of the Hajj and Umrah ecosystem.

Collaboration is crucial in the business ecosystem as it enables firms to leverage each other's strengths and expertise to achieve common goals. By working together, businesses can pool resources, share knowledge, and access new markets, increasing innovation, productivity, and profitability. Collaboration builds trust and fosters long-term relationships among partners, leading to a more robust and more sustainable ecosystem. As Moore (2006) defines it, the ultimate aim of collaboration is to sustain the ecosystem through a network of businesses working together to establish a system of complementary capabilities.



Legends:
1. The optimization of existing facilities to support the hajj and umrah ecosystem,
2. The establishment of law enforcement related to the hajj and umrah ecosystem,
3. The creation of business understanding in the hajj and umrah ecosystem,
4. Maximizing the role of stakeholders involved,
5. Digitalizing the hajj and umrah ecosystem to be established,
6. The policies applied should benefit the country,
7. The establishment of a linking agency between Saudi Arabia and the government to form personal relationships,
8. The management of key stakeholders in the hajj and umrah ecosystem,
9. Considering the potential for digital disruption.

Figure 10. Model the hierarchical structure of the activity elements for change elements that need to be implemented

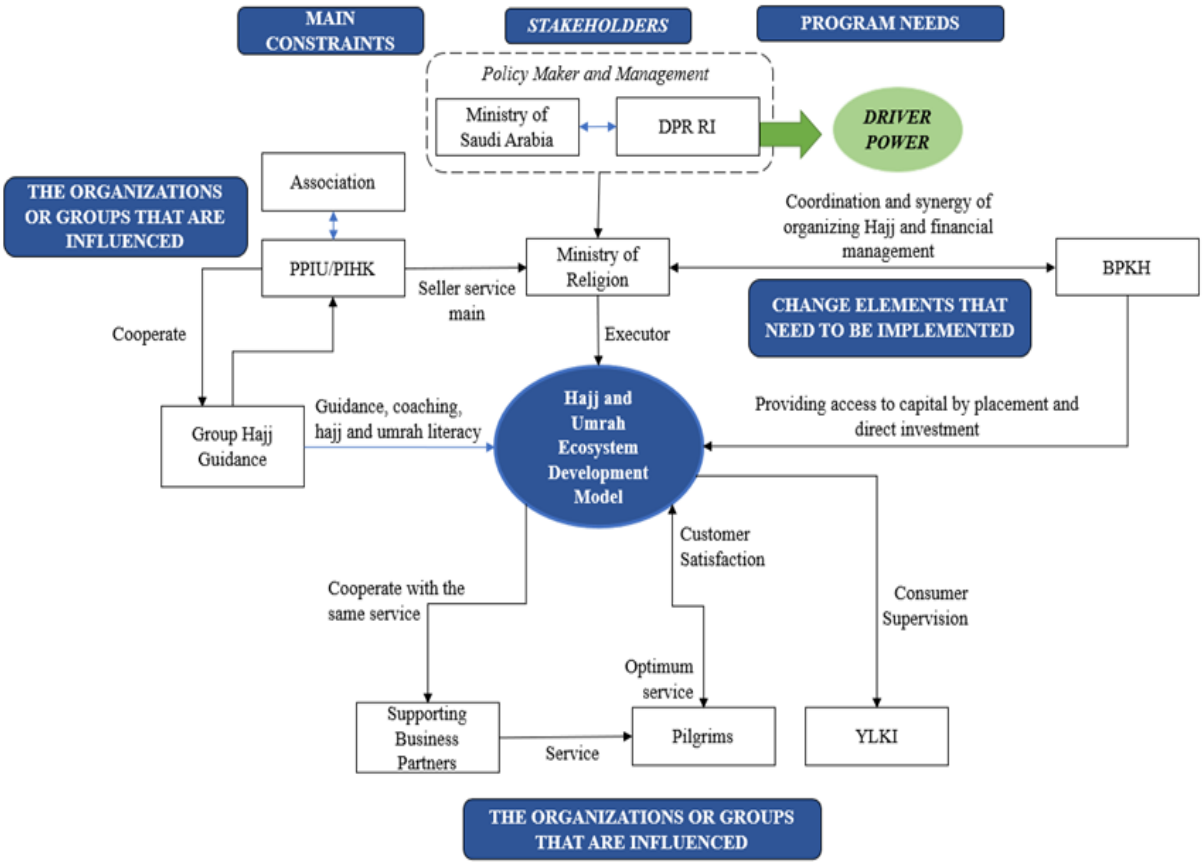


Figure 11. The institutional model of the Hajj and Umrah ecosystem

Managerial Implication

This study has significant managerial implications for developing Indonesia's Hajj and Umrah business ecosystem. After analyzing the results of the focus group discussion, it was determined that the following recommendations could be implemented to foster a more optimal Hajj and Umrah ecosystem:

1. Establishing a specialized agency to regulate the Hajj and Umrah ecosystem can facilitate the coordination and execution of logistical and organizational efforts such as transportation, accommodation, and health services. This agency can act as a support intermediary between Saudi Arabian and Indonesian Governments, ensuring that the pilgrims receive the necessary support and services (Khan and Iqbal, 2020).
2. Effective stakeholder management is crucial for the success of the Hajj and Umrah ecosystem business in Indonesia, as it enables businesses to ensure customer satisfaction, maintain relationships with government and regulatory bodies, manage community relations, and ensure smooth operations (Lubis et al. 2021). Policymakers are anticipated to develop concise and comprehensible regulations on the Hajj and Umrah industry to mitigate misunderstandings and minimize operational errors. An effective policy may also facilitate the expansion of entrepreneurial opportunities, thereby fostering the growth of new businesses and, ultimately, the attainment of a sustainable Hajj and Umrah ecosystem (Marsaoli and Kusumasari, 2022).

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

According to an analysis of the Hajj and Umrah ecosystems' development model, it was found that the DPR RI and the Saudi Arabian government (KSA) were the parties directly involved. Alharbi et al. (2022) suggest that KSA plays a crucial role in issuing visas, managing transportation, accommodation, and security for pilgrims. While the DPR RI may not be directly involved in the day-to-day operations of the Hajj and Umrah ecosystem, they do play a significant role in shaping policies and regulations related to the Hajj business ecosystem in Indonesia, which is essential for its sustainability (Adinugraha et al. 2021). The hajj pilgrims, PPIU/PIHK, and supporting business partners were found to be influenced parties because

their satisfaction and positive feedback are crucial for the success of the hajj business ecosystem. Their experiences and recommendations can directly impact the growth and reputation of the ecosystem (Hassan et al. 2022).

Recommendations

A primary constraint that needs to be addressed is the lack of a designated agency to optimize the Hajj and Umrah ecosystems. It results in inadequate coordination among the involved parties to form a cohesive ecosystem. A designated agency should facilitate communication and coordination among various stakeholders, including the government, travel agencies, and supporting businesses (Pongsakornrungsilp et al. 2021). Additionally, to foster the growth of the Hajj and Umrah business ecosystems, it is vital to consider implementing a program that separates the management of the Hajj ecosystem and entrusts it to a specialized agency. Establishing a liaison agency between Saudi Arabia and the government is crucial for the efficient functioning of the ecosystem. This agency would develop personal relationships and manage key stakeholders within the Hajj and Umrah ecosystems.

This study is anticipated to offer positive benefits and substantially impact future Hajj and Umrah ecosystems to enhance efficiency. Thus, to achieve optimal results, a dedicated agency should be established to oversee the governance of the Hajj and Umrah ecosystem and work in tandem with the Saudi Arabian Ministry. Decision-makers must establish a specialized agency to accomplish this objective and manage the primary stakeholders in the industry to prevent any overlapping powers. Further research is warranted to synchronize the study findings with new regulations and current events, particularly regarding governance, given the potential for digital disruption and disease spread.

FUNDING STATEMENT: This research did not receive any specific grant from public, commercial, or not-for-profit funding agencies.

CONFLICTS OF INTEREST: The authors declare no conflict of interest.

REFERENCES

Adinugraha HH, Nasution IFA, Faisal F, Daulay M, Harahap I, Wildan T, Takhim M, Riyadi A, and Purwanto A. 2021. Halal tourism in Indonesia: An Indonesian council of ulama national sharia board fatwa perspective. *The Journal of Asian Finance, Economics and Business* 8(3): 665-673.

Adner R. 2017. Ecosystem as structure: An actionable construct for strategy. *Journal of Management* 43(1): 39-58. https://doi.org/10.1177/0149206316678451

Alammash SA, Guo PS and Vinnikova A. 2021. Saudi Arabia and the Heart of Islam in Vision 2030: Impact on International Relations. *Arab Journal for Scientific Publishing (AJSP).* 5798.

Alharbi A, Alsaikhan R, Alghofaili R, Alkhalifa R, Alkathiri F, Aldowish N, Alkhalifa N, Alkathiri N, Reeves A, and Alturise F. 2022. Identifying Key Challenges And Issues In Crowd Management During Hajj Event In Saudi Arabia. *The Journal of Modern Project Management* 10(2): 358-373.

Bavik A, Ekiz E, and Xu B. 2014. Investigating the Determinants of Destination Satisfaction: Case of International Travelers in Saudi Arabia. In *The 7th International Conference on Service Management*. 10-12

Bertassini AC, Zanon LG, Azarias JG, Gerolamo MC and Ometto AR. 2021. Circular Business Ecosystem Innovation: A guide for mapping stakeholders, capturing values, and finding new opportunities. *Sustainable Production and Consumption* 27: 436-448. https://doi.org/10.1016/j.spc.2020.12.004

Bokhari AAH. 2018. The economics of religious tourism (Hajj and Umrah) in Saudi Arabia. In *Global Perspectives on Religious Tourism and Pilgrimage*: 159-184. IGI Global. https://doi.org/10.4018/978-1-5225-2796-1.ch010

Eriyatno. 2003. *Ilmu Sistem Meningkatkan Mutu dan Efektivitas Manajemen*. Bogor: IPB Press.

Ghofar A, Firdaus A, and Rulindo R, 2019. Pemilihan Alternatif Investasi Dana Haji dalam Mendorong Pertumbuhan Ekonomi: Pendekatan Analytic Network Process (ANP). *Journal of Finance and Islamic Banking* 2(2): 183-204. https://doi.org/10.22515/jfib.v2i2.1808

Hall CM, and Prayag G. 2020. *The Routledge Handbook of Halal Hospitality and Islamic Tourism*. Routledge. https://doi.

org/10.4324/9781315150604

Hassan TH, Salem AE, and Refaat SA. 2022. The Impact of Eatmarna Application Usability on Improving Performance Expectancy, Facilitating the Practice of Rituals and Improving Spirituality Feelings during Umrah Amid the COVID-19 Outbreak. *Religions* 13(3): 1–16. https://doi.org/10.3390/rel13030268

Jacobides MG, Cennamo C. and Gawer A. 2018. Towards a theory of ecosystems. *Strategic Management Journal* 39(8): 2255-2276. https://doi.org/10.1002/smj.2904

Jamal A, Griffin K, and Raj R. 2019. *Islamic Tourism: Management Of Travel Destinations*. Wallingford, Britania Raya: CABI. https://doi.org/10.1002/smj.2904

Khan MB and Iqbal S. 2020. Vision 2030 and the National Transformation Program. In *Research, Innovation and Entrepreneurship in Saudi Arabia*: 146-166. UK: Routledge. https://doi.org/10.4324/9781351040020-7

Ledhem MA and Moussaoui W. 2020. The impact of accommodation entrepreneurship activities on Islamic tourism (Umrah) development: An empirical evidence from Saudi Arabia. *International Journal of Hospitality and Tourism Studies* 1(2): 111–118. https://doi.org/10.31559/IJHTS2020.1.2.4

Levie J Autio E, Acs Z, dan Hart M. 2014. Global entrepreneurship and institutions: an introduction. *Small Business Economics* 42: 437–444. https://doi.org/10.1007/s11187-013-9516-6

Lubis M, Ananto AA, and Afifudin M. 2021. Digital ecosystem development in customer relationship management (CRM) for Hajj portal website. In *2021 7th International Conference on E-Business and Applications*: 47-53. https://doi.org/10.1145/3457640.3457654

Marsaoli R and Kusumasari B. 2022. Understanding Entrepreneurship Policy Program in Indonesia: An Analysis at Micro and Macro Level. *Indonesian Journal of Business and Entrepreneurship (IJBE)* 8(2): 169–181. https://doi.org/10.17358/ijbe.8.2.169

Moore JF. 1996. The Death of Competition. *Leadership and Strategy in the Age of Business Ecosystems.* New York: Harper Business.

Moore JF. 2006. Business Ecosystems and The View From The Firm. *The Antitrust Bulletin* 51(1): 31–75. https://doi.org/10.1177/0003603X0605100103

Page SJ. 2014. *Tourism Management*. UK: Routledge. https://doi.org/10.4324/9781315768267

Pongsakornrungsilp S, Pongsakornrungsilp P, Kumar V and Maswongssa B. 2021. The Art Of Survival: Tourism Businesses in Thailand Recovering from COVID-19 Through Brand Management. *Sustainability* 13(12): 1–17. https://doi.org/10.3390/su13126690

Porter ME, Kramer MR. 1985. Advantage. *Creating and Sustaining Superior Performance, Simons*. 56-68.

Saglam I. 2022. Bridging bargaining theory with the regulation of a natural monopoly. *Review of Economic Design* 26(3): 307–344. https://doi.org/10.1007/s10058-021-00263-6

Saxena JP, and Vrat P. 1992. Hierarchy and classification of program plan elements using interpretive structural modeling: a case study of energy conservation in the indian cement industry. *Systems Practice* 5: 651–670. https://doi.org/10.1007/BF01083616

Shipilov A, and Gawer A. 2020. Integrating research on interorganizational networks and ecosystems. *Academy of Management Annals* 14(1): 92–121. https://doi.org/10.5465/annals.2018.0121

Yüksel F, Bramwell B, and Yüksel A. 2005. Centralized and decentralized tourism governance in Turkey. *Annals Of Tourism Research* 32(4): 859–886. https://doi.org/10.1016/j.annals.2004.09.006

Zhang X, Song H and Huang GQ. 2009. Tourism supply chain management: A new research agenda. *Tourism Management* 30(3): 345–358. https://doi.org/10.1016/j.tourman.2008.12.010