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ORIGINAL RESEARCH ARTICLE

Strategic Management in Improving Madrasah Competitiveness Based on Local Excellence: An Ahlussunnah Wal Jama'ah Perspective

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ABSTRACT

This study analyzes strategic management in improving madrasah competitiveness based on local excellence within the Ahlussunnah Wal Jama'ah (Aswaja) framework, focusing on formulation, implementation, evaluation, and supporting/inhibiting factors. Aswaja principles—*tawassuth* (moderation), *tawazun* (balance), *tasamuh* (tolerance), and *amar ma'ruf nahi munkar*—provide an Islamic ethical foundation. Using a qualitative case study at a madrasah in Lampung, data were collected through interviews, observation, and documentation. Findings reveal three interrelated stages: formulation integrates vision-mission, SWOT analysis, local potential, and Aswaja values; implementation develops flagship programs embodying community empowerment and balanced development; evaluation uses continuous monitoring and stakeholder feedback grounded in *musyawarah*. Integrating local excellence within an Aswaja framework significantly improved competitiveness—increased enrollment, community trust, and reputation—while preserving Islamic orthodoxy and local culture. Supporting factors include visionary leadership rooted in *khidmah*, teacher commitment, community involvement, and infrastructure; inhibiting factors include resource limits, low digital literacy, and geographic constraints. The study concludes that Aswaja-infused local excellence-based strategic management offers a transformative approach for sustainable madrasah competitiveness while maintaining authentic Islamic teachings and community values.

Keywords: Strategic Management, Madrasah Competitiveness, Local Excellence, Islamic Education, Institutional Development, Ahlussunnah Wal Jama'ah.



ABSTRAK

Penelitian ini menganalisis manajemen strategik dalam meningkatkan daya saing madrasah berbasis keunggulan lokal dalam kerangka Ahlussunnah Wal Jama'ah (Aswaja), dengan fokus pada formulasi, implementasi, evaluasi, serta faktor pendukung dan penghambat. Prinsip Aswaja—*tawassuth* (moderasi), *tawazun* (keseimbangan), *tasamuh* (toleransi), dan *amar ma'ruf nahi munkar*—memberikan landasan etis Islam. Menggunakan pendekatan kualitatif studi kasus di madrasah Lampung, data dikumpulkan melalui wawancara, observasi, dan dokumentasi. Temuan menunjukkan tiga tahap: formulasi mengintegrasikan visi-misi, analisis SWOT, potensi lokal, dan nilai Aswaja; implementasi melalui program unggulan yang mewujudkan pemberdayaan masyarakat dan pengembangan seimbang; evaluasi melalui monitoring dan umpan balik pemangku kepentingan berbasis *musyawarah*. Integrasi keunggulan lokal dalam kerangka Aswaja meningkatkan daya saing—peningkatan jumlah siswa, kepercayaan masyarakat, dan reputasi—sambil melestarikan ortodoksi Islam dan budaya lokal. Faktor pendukung: kepemimpinan visioner berbasis khidmah, komitmen guru, keterlibatan masyarakat, dan infrastruktur; faktor penghambat: keterbatasan sumber daya, literasi digital rendah, dan kendala geografis. Penelitian menyimpulkan bahwa manajemen strategik berbasis keunggulan lokal yang diinfusikan Aswaja menawarkan pendekatan transformatif untuk daya saing berkelanjutan madrasah dengan tetap mempertahankan ajaran Islam otentik dan nilai komunitas.

Kata Kunci: Manajemen Strategik, Daya Saing Madrasah, Keunggulan Lokal, Pendidikan Islam, Pengembangan Kelembagaan, Ahlussunnah Wal Jama'ah

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1. INTRODUCTION

The educational landscape in Indonesia has undergone significant transformation in recent decades, marked by increasing competition among educational institutions at all levels. This competitive dynamic is driven by several factors, including heightened public awareness of the importance of quality education, the implementation of school choice policies, and the proliferation of both public and private educational institutions. In this context, madrasahs—Islamic educational institutions that integrate religious and general education—face unique challenges in maintaining their relevance and competitiveness. Unlike public schools, madrasahs are not only required to demonstrate academic excellence but must also maintain their distinctive Islamic identity while responding to the demands of modernization and globalization (Mahmud & Suratman, 2020).

The Ahlussunnah Wal Jama'ah (Aswaja) tradition, which represents the mainstream Islamic orthodoxy in Indonesia, provides a comprehensive theological and ethical framework for madrasah development. Aswaja values—particularly *tawassuth* (moderation), *tawazun* (balance), *tasamuh* (tolerance), and *i'tidal* (justice)—offer a distinctive approach to educational management that avoids both extreme conservatism and excessive liberalism. This framework emphasizes the importance of maintaining Islamic authenticity while engaging constructively with local culture

and modern developments, making it particularly relevant for madrasahs seeking to develop competitive advantages rooted in both Islamic tradition and local excellence.

The phenomenon of declining public interest in madrasahs has been observed in various regions of Indonesia. Parents and communities increasingly compare madrasahs with public schools based on academic achievement, facilities, and perceptions of graduate quality. This competitive pressure has forced many madrasahs to rethink their institutional strategies and develop distinctive advantages that can differentiate them from other educational institutions. However, field observations reveal that many madrasahs still operate without a coherent and systematic strategic management framework. They often rely on traditional approaches that are inadequate for addressing the complex challenges of modern educational competition. This condition is especially pronounced in rural areas where madrasahs face additional constraints such as limited infrastructure, financial resources, and access to technology.

Initial observations at several madrasahs in Lampung Province revealed a concerning pattern. Despite possessing rich local cultural and natural resources that could serve as competitive advantages, many madrasahs have not optimally utilized these assets in their institutional development strategies. Madrasahs tend to adopt generic approaches to improving quality without considering their specific local context and potential. This has resulted in a lack of distinctive features that make it difficult for them to compete with other educational institutions in attracting students and community trust. Furthermore, the limited integration of local excellence into the curriculum and institutional programs represents a missed opportunity for madrasahs to develop sustainable competitive advantages rooted in their communities. Within the Aswaja framework, this integration is not merely a strategic choice but a theological imperative, as Aswaja teaches that Islam should be practiced in harmony with local culture (*al-muhafazhah 'ala al-qadim al-shalih wa al-akhdzu bi al-jadid al-ashlah*—preserving good traditions while embracing beneficial innovations).

Previous research has examined various aspects of strategic management in educational institutions. Mahmud and Suratman (2020) found that strategic management of madrasah excellence in East Kalimantan is implemented through cooperative and competitive strategies in managing skills, religious, and student achievement programs. Saifani, Andriyani, and Lusida (2024) found that strategic management plays an important role in improving education quality through systematic planning, implementation, and evaluation. Iskandar et al. (2022) demonstrated that strategic management in pesantren involves stakeholder participation and continuous improvement to achieve educational excellence. Fauzi et al. (2021) showed that strategic management in elementary schools can improve service quality and graduate outcomes through innovative approaches. Fitri, Nasukah, and Tayeb (2020) developed a strategic planning model for Islamic higher education that integrates Islamic values with contemporary management practices.

Studies on madrasah competitiveness specifically have been conducted by several researchers. Nofriansyah, Herri, and Syafrizal (2025) found that SWOT-based strategy formulation and Porter's model provide structured policy direction in improving madrasah competitiveness. Ma'ruvah, Tuala, and Putra (2026) analyzed strategic management in maintaining madrasah excellence through a continuous cycle of formulation, implementation, evaluation, and improvement. Restarie

et al. (2026) revealed that service differentiation and school image modernization are key pillars of competitiveness for Islamic educational institutions. Ilyasin and Muadin (2025) developed a conceptual approach to learning organization leadership and competitive advantage in madrasahs. Norman, Firmansyah, and Wahib (2023) analyzed madrasah image branding based on local wisdom to provide unique identity and attract community interest to enhance madrasah competitiveness. However, these studies have not specifically addressed the integration of local excellence into strategic management comprehensively nor have they examined how Aswaja values can serve as a distinctive foundation for madrasah strategic management.

The research gap lies in the absence of comprehensive studies examining how madrasahs can systematically integrate local excellence into their strategic management frameworks to enhance competitiveness while maintaining fidelity to Aswaja principles. Most previous research has focused either on general strategic management in educational institutions or on competitiveness strategies without specifically addressing the role of local excellence or the Islamic ethical framework that should guide madrasah development. In addition, there is limited empirical evidence on how madrasahs in rural areas can leverage their unique local resources—such as agricultural potential, cultural heritage, religious tourism, and community traditions—to build sustainable competitive advantages within an Aswaja framework that values both Islamic orthodoxy and local wisdom. This gap is particularly significant given the Indonesian government's policy emphasis on local excellence-based education as a strategy to improve education quality and relevance, and the recognition of Aswaja as the dominant Islamic tradition in Indonesian society.

The novelty of this research lies in the development of an integrative strategic management model that systematically incorporates local excellence as a core element of madrasah competitiveness and grounds this approach in Aswaja values. Unlike previous research that treated local excellence as a peripheral or additive component, this research positions local excellence as a fundamental strategic asset that informs vision and mission formulation, program development, resource allocation, and institutional branding. Furthermore, this research explicitly identifies Aswaja values—*tawassuth* (moderation), *tawazun* (balance), *tasamuh* (tolerance), *i'tidal* (justice), and *amar ma'ruf nahi munkar* (enjoining good and forbidding evil)—as the ethical and theological foundation that gives meaning and direction to strategic management in madrasahs. This integration ensures that madrasah competitiveness is pursued not merely for institutional survival but for the broader purpose of serving the community and preserving Islamic values. This research also provides empirical evidence from the rural madrasah context, offering insights highly relevant for similar institutions facing resource constraints and competitive pressures. Furthermore, this research identifies the specific mechanisms through which local excellence contributes to competitive advantage, including curriculum differentiation, community engagement, and institutional reputation building.

The theoretical framework of this research is based on the integration of Strategic Management Theory and Competitive Advantage Theory with Aswaja values as the foundational ethical framework. Strategic management, as conceptualized by David and David (2017), involves the formulation, implementation, and evaluation of cross-functional decisions that enable an organization to achieve its objectives. This framework emphasizes the importance of systematic

environmental analysis, strategy formulation, implementation, and evaluation in achieving organizational goals. Porter's Competitive Advantage Theory (1985) provides a lens for understanding how organizations can achieve superior performance through differentiation, cost leadership, or focus strategies. In the madrasah context, local excellence serves as the basis for differentiation strategy, enabling institutions to offer a unique value proposition that distinguishes them from competitors. The Aswaja framework enriches these theories by providing Islamic ethical principles that guide strategic decision-making, ensuring that competitiveness is pursued with moderation, balance, justice, and service to the community. This synergy of strategic management theory, competitive advantage theory, and Aswaja values enables an analysis that goes beyond traditional management approaches, viewing local excellence as a strategic resource that can be leveraged for competitive advantage while maintaining Islamic authenticity and community service (*khidmah*).

Based on the above description, this research aims to: (1) analyze local excellence-based strategic management formulation in madrasahs within an Aswaja framework; (2) examine local excellence-based strategic management implementation guided by Aswaja principles; (3) evaluate the impact of local excellence-based strategic management on madrasah competitiveness and its contribution to preserving Aswaja values; and (4) identify supporting and inhibiting factors in the implementation of local excellence-based strategic management from an Aswaja perspective. The results of this research are expected to provide theoretical contributions to the development of Islamic education management with Aswaja values and practical recommendations for madrasah leaders in improving institutional competitiveness through local excellence while remaining faithful to authentic Islamic teachings.

2. RESEARCH METHODS

2.1 Research Design

This research employs a qualitative approach with a case study design to explore the implementation of strategic management in improving madrasah competitiveness based on local excellence from an Aswaja perspective. The qualitative approach was chosen because it enables an in-depth understanding of the complex phenomenon of strategic management in its natural setting, capturing participant perspectives and contextual factors that influence implementation (Creswell & Poth, 2018). The case study design is appropriate for examining contemporary phenomena in real-life contexts, especially when the boundaries between phenomenon and context are not clearly evident (Yin, 2018). This design allows the researcher to capture the "how" and "why" of strategic management implementation and its impact on madrasah competitiveness while also exploring how Aswaja values inform strategic decision-making and institutional practices..

2.2 Subject and Research Location

The research was conducted at a madrasah in Lampung Province that has been recognized for its efforts in integrating local excellence into institutional development. This site was purposively selected based on several considerations: (1) the madrasah has implemented a strategic management approach incorporating local excellence; (2) the madrasah faces typical challenges

of rural madrasahs, including limited resources and geographic constraints; and (3) the madrasah has shown improvement in competitiveness indicators such as student enrollment and community trust. The research subjects consisted of 12 key informants: madrasah head (1), teachers (5), administrative staff (2), community leaders (2), and parents (2). Participants were selected using purposive sampling to ensure representation across stakeholder groups.

2.3 Data Collection Procedures

Data collection was conducted over a four-month using three main techniques: in-depth interviews, participatory observation, and documentation. Semi-structured interviews were conducted with the madrasah head, teachers, administrative staff, community leaders, and parents to explore their experiences, perceptions, and challenges in implementing local excellence-based strategic management and how Aswaja values influenced their approach. Each interview lasted between 45 to 90 minutes and was recorded with participant consent. Interview questions specifically explored participants' understanding of Aswaja values, how these values shaped strategic planning and decision-making, and the role of Aswaja principles in program development and community engagement. Participatory observation was conducted during strategic planning meetings, program implementation activities, and community engagement events to observe actual strategic management practices and the manifestation of Aswaja values in institutional life. Documentation included analysis of strategic plans, annual reports, program documents, student enrollment data, and other relevant records as well as documents that reflect the madrasah's commitment to Aswaja values. This multi-method approach ensures that the data is not only deep but also verified across different sources, reducing the risk of subjective bias in the findings.

2.4 Research Instruments

The primary instrument in this qualitative research is the researcher themselves, supported by secondary instruments such as interview protocols, observation checklists, and documentation grids. The interview protocol consisted of 25 open-ended questions designed to explore the formulation, implementation, and evaluation of local excellence-based strategic management, as well as supporting and inhibiting factors and the role of Aswaja values in each stage. Questions were organized into five themes: (1) understanding and perceptions of strategic management and Aswaja values; (2) strategy formulation processes and the integration of Aswaja principles; (3) strategy implementation practices and their alignment with Aswaja teachings; (4) strategy evaluation and impact from an Aswaja ethical perspective; and (5) challenges and recommendations for strengthening Aswaja-based strategic management. The observation checklist was structured to monitor strategic planning meetings, program implementation activities, and stakeholder interactions with attention to the manifestation of Aswaja values such as *tawassuth*, *tawazun*, *tasamuh*, and *i'tidal*. These instruments were validated by experts in educational management and Islamic education to ensure accurate measurement of the intended indicators.

2.5 Data Analysis Techniques

Data analysis followed the interactive model of Miles, Huberman, and Saldaña (2014), which involves data condensation, data display, and conclusion drawing. During condensation, raw data

from interviews and observations were coded according to themes such as "strategy formulation," "local excellence identification," "program implementation," "competitive advantage," "supporting factors," "inhibiting factors," "Aswaja values," "tawassuth," "tawazun," "tasamuh," "i'tidal," "amar ma'ruf nahi munkar," and "khidmah." Data display was achieved through the creation of matrices, diagrams, and narrative descriptions to visualize relationships between variables and themes. Finally, conclusions were drawn by triangulating empirical findings with theoretical frameworks and previous research, ensuring a robust theoretical synthesis that incorporates Aswaja values as an integral dimension of the analysis. Member checking was conducted with participants to verify the accuracy of interpretations and findings.

2.6 Validity and Reliability

Data validity was maintained through source and methodological triangulation, as well as member checking with the madrasah head, teachers, and community leaders. Source triangulation was achieved by comparing data from various informants (madrasah head, teachers, community leaders, and parents) to identify convergent and divergent perspectives. Methodological triangulation was achieved by comparing findings from interviews, observations, and documentation. Reliability was ensured by creating a clear "audit trail" of all raw data, transcripts, and analysis notes, allowing for procedural consistency (Creswell & Poth, 2018). By comparing the perspectives of various stakeholders, the researcher ensured that the findings on local excellence-based strategic management were not one-sided but reflected the reality of the entire institutional ecosystem.

3. RESULTS AND FINDINGS

3.1 Local Excellence-Based Strategy Formulation

The findings reveal that strategic management at the madrasah begins with a comprehensive strategy formulation process that integrates local excellence identification with institutional vision and mission development. The madrasah head (KM-01) explained:

"We start by understanding our local context—the resources, culture, traditions, and community needs. Then we align our vision and mission with this local potential. Most importantly, we ensure that everything we do is guided by Aswaja values—tawassuth, tawazun, tasamuh, and i'tidal. These values help us maintain balance, avoid extremism, and serve our community with justice and compassion. This ensures that our strategic direction is not only aspirational but also grounded in the reality of our community and our Islamic faith."

The strategy formulation process involves three main activities: (1) environmental analysis through SWOT (Strengths, Weaknesses, Opportunities, Threats) that specifically includes local resource mapping and an assessment of how Aswaja values can be integrated into strategic priorities; (2) stakeholder engagement through community consultation and participatory planning conducted in the spirit of *musyawarah* (collective deliberation), an essential practice in Aswaja

tradition; and (3) strategic priority setting that identifies local excellence-based programs as core institutional offerings and evaluates these priorities through the lens of Aswaja values.

The SWOT analysis conducted by the madrasah identified several internal strengths including integration of national and religious curriculum, committed teachers, and strong community loyalty. However, weaknesses such as limited infrastructure and technology access were also acknowledged. The local excellence analysis revealed significant opportunities: agricultural potential, religious tourism sites, cultural heritage, and community traditions that could be leveraged as unique institutional assets. The Aswaja principle of *al-muhafazhah 'ala al-qadim al-shalih wa al-akhdzu bi al-jadid al-ashlah* (preserving good traditions while embracing beneficial innovations) guided the identification process, ensuring that local cultural elements were evaluated based on their compatibility with Islamic values. A teacher (GR-01) explained:

"We mapped all the local resources in our area—from agricultural products to cultural traditions to religious sites. Then we asked ourselves: how can we integrate these into our curriculum and programs? But we also asked: how do these align with Aswaja values? Does this program promote moderation? Does it serve the community with balance and justice? This became the foundation of our local excellence-based strategy, ensuring that our competitiveness is built on Islamic ethical foundations. "

Based on this analysis, the madrasah formulated several strategic priorities: (1) developing agriculture-based skills programs integrated with science and Islamic values; (2) building religious tourism education programs utilizing local historical and spiritual sites; (3) preserving and promoting local cultural heritage through arts and language programs while ensuring alignment with Aswaja principles of moderation and Islamic authenticity; and (4) strengthening community partnerships for resource sharing and mutual support grounded in the Aswaja value of *ta'awun* (mutual cooperation). These priorities were then translated into specific programs with measurable goals and implementation timelines that reflect the Aswaja commitment to balanced development (*tawazun*) between spiritual and worldly education.

3.2 Strategy Implementation Through Local Excellence Programs

The implementation of strategic management at the madrasah is realized through the development and delivery of flagship programs based on local excellence and infused with Aswaja values. A teacher (GR-02) described:

"We don't just teach from textbooks. We bring the community into our classrooms and take our students into the community. Our students learn agriculture by actually planting and harvesting. They learn religious tourism by visiting historical sites. They learn culture by practicing traditional arts. All of this is done within the framework of Aswaja—we teach our students to be moderate, balanced, and tolerant. We show them that Islam is not separate from their culture and environment but is lived through them. "

Table 1. Local Excellence-Based Flagship Programs

Program	Local Excellence	Implementation Activities	Impact on Competitiveness	Aswaja Values Embodied
Agricultural Skills	Local agricultural potential	Farming practice, agribusiness, organic farming	Differentiated curriculum, practical skills	<i>Tawazun</i> (balance between spiritual and worldly knowledge); <i>Tawassuth</i> (moderate approach to economic development)
Religious Tourism Education	Local religious sites	Site visits, historical studies, tour guiding	Unique program offering, community engagement	<i>Amar ma 'ruf nahi munkar</i> (promoting Islamic heritage); <i>Tasamuh</i> (tolerance in teaching religious diversity)
Cultural Preservation	Local arts and traditions	Traditional arts, language preservation, cultural events	Institutional identity, community pride	Al-muhafazhah 'ala al-qadim al-shalih (preserving good traditions); <i>I'tidal</i> (justice in valuing cultural heritage)
Community Partnership Program	Local social capital	Resource sharing, collaborative projects, reciprocal support	Community trust, stakeholder engagement	<i>Ta'awun</i> (mutual cooperation); <i>Khidmah</i> (service to community)
Environmental Education	Local natural resources	Conservation, waste management, eco-tourism	Environmental awareness, institutional reputation	<i>Tawazun</i> (balance in using natural resources); <i>Amanah</i> (stewardship of the environment)
Entrepreneurship Development	Local economic potential	Small business training, product development, marketing	Graduate employability, economic contribution	<i>Tawassuth</i> (moderation in economic activities); <i>I'tidal</i> (fairness in business practices)

The implementation of these programs involves several key strategies. First, curriculum integration ensures that local excellence is embedded across subjects rather than treated as an addition. Science subjects incorporate local agricultural practices, social studies include local history and culture, and Islamic education connects with local religious traditions while maintaining Aswaja orthodoxy. Second, the Aswaja principle of *tawassuth* (moderation) guides the selection and delivery of program content, ensuring that local cultural elements are integrated without compromising Islamic teachings or promoting extremism. Third, the principle of *tasamuh* (tolerance) informs how the madrasah engages with diverse community perspectives, fostering an inclusive learning environment. Fourth, experiential learning approaches allow students to learn through direct engagement with local resources and community members. Fifth, community partnerships provide resources, expertise, and authentic learning opportunities that enhance program quality and relevance.

The madrasah also implemented a "learning community" approach where teachers, students, parents, and community members collaborate in the learning process in the spirit of *musyawarah* (collective deliberation), a core practice in Aswaja tradition. A community leader (TM-01) stated:

"We feel that this madrasah truly belongs to us. We contribute our knowledge and resources, and we see the results in our children. They learn not only from books but also from their community and their own environment. This is what Islam teaches us—that we are all responsible for one another, and that education is a collective effort for the benefit of the entire community. The madrasah has shown us that Aswaja values are not just theory but are lived and practiced in everyday life. "

Technology integration, although limited, supports program implementation through digital documentation, online sharing of local resources, and access to broader learning networks. The madrasah has developed a simple digital platform to showcase local excellence programs and share best practices with other institutions while ensuring that technology use is guided by Aswaja principles of moderation and purposeful engagement.

3.3 Strategy Evaluation and Impact on Competitiveness from an Aswaja Perspective

Strategic management evaluation at the madrasah is conducted through continuous monitoring and periodic assessment. The madrasah head (KM-01) explained:

"We evaluate our programs regularly—not just at the end of the year but throughout implementation. We look at student engagement, learning outcomes, community participation, and institutional reputation. But we also evaluate how well we are living up to Aswaja values. Are we being moderate? Are we maintaining balance? Are we serving our community with justice and compassion? This evaluation is not just about numbers but about our faithfulness to Islamic principles. This helps us make adjustments and improvements continuously."

Evaluation mechanisms include: (1) annual strategic plan review assessing progress against goals; (2) semester monitoring of program implementation and outcomes; (3) stakeholder feedback through surveys, meetings, and informal discussions conducted in the spirit of *musyawarah* (collective deliberation) ; (4) performance indicator tracking including student enrollment, academic achievement, graduate outcomes, and community satisfaction; and (5) Aswaja value assessment through observations, interviews, and community feedback on the madrasah's commitment to moderation, balance, tolerance, justice, and service.

The impact of local excellence-based strategic management infused with Aswaja values on madrasah competitiveness is significant across multiple dimensions. First, student enrollment has increased substantially as parents recognize the madrasah's unique value proposition. A parent (OT-01) shared:

"I chose this madrasah because my child gets more than just religious education. He learns practical skills, understands his culture, and connects with his community. Most importantly, he learns how to be a good Muslim—moderate, tolerant, and service-oriented."

These are the values that will help him succeed in life while remaining true to his faith. This is the kind of education I want for my child."

Second, community trust and institutional reputation have strengthened. The madrasah is now viewed as a community asset contributing to local development rather than merely an educational institution serving individual students. A community leader (TM-02) noted:

"This madrasah has become a center for community learning and development. People trust it because they see its contribution to our community's well-being. They know that the madrasah is guided by Aswaja values that respect local culture while upholding Islamic teachings. This has built a strong bond of trust and mutual respect between the madrasah and the community. "

Third, student outcomes have improved, with graduates demonstrating not only academic competence but also practical skills, cultural awareness, and community engagement grounded in Aswaja values. A teacher (GR-03) observed:

"Our graduates are more confident and capable. They can discuss agriculture, explain local culture, and connect their Islamic values to practical life. They understand that being a good Muslim means being moderate, balanced, and service-oriented. They are not extreme in their religious views nor are they indifferent to their community. This makes them more competitive in further education and employment, and more valuable to their communities. "

Fourth, institutional differentiation has been achieved through unique programs that distinguish the madrasah from competitors. The madrasah has developed a distinctive institutional identity that combines Islamic values with local excellence, creating a unique value proposition that attracts students and community support. The integration of Aswaja values has given the madrasah a clear and authentic identity that resonates with the community, as Aswaja represents the mainstream Islamic tradition in Indonesia that values both religious orthodoxy and cultural engagement.

4. DISCUSSION

The findings of this research demonstrate that local excellence-based strategic management infused with Aswaja values is a transformative approach for madrasahs to build sustainable competitiveness while preserving cultural identity and community values and maintaining fidelity to authentic Islamic teachings. This discussion examines these findings in relation to existing theoretical frameworks and empirical research, highlighting implications for madrasah leadership and institutional development from an Aswaja perspective.

The strategy formulation process identified in this research—integrating local excellence identification with vision-mission development and SWOT analysis and grounded in Aswaja values—reflects a systematic approach to strategic planning consistent with established strategic

management frameworks. However, the distinctive contribution of this research is the explicit integration of Aswaja values as the ethical foundation for strategic decision-making. The Aswaja principles of *tawassuth* (moderation), *tawazun* (balance), *tasamuh* (tolerance), and *i'tidal* (justice) provide a normative framework that guides the identification of strategic priorities and the evaluation of program options. The integration of local resource mapping into the environmental analysis stage represents an important extension of traditional SWOT analysis, which typically focuses on generic strengths and weaknesses without specific attention to local context. This finding aligns with research by Mahmud and Suratman (2020) who found that strategic management of madrasah excellence in East Kalimantan involves managing skills, religious, and student achievement programs through cooperative and competitive strategies. The identification of local agricultural potential, religious tourism sites, cultural heritage, and community traditions as strategic assets demonstrates how madrasahs can leverage their unique local resources for competitive advantage. The Aswaja principle of *al-muhafazhah 'ala al-qadim al-shalih wa al-akhdzu bi al-jadid al-ashlah* (preserving good traditions while embracing beneficial innovations) provides theological justification for this integration, allowing madrasahs to engage with local culture without compromising Islamic authenticity. Norman, Firmansyah, and Wahib (2023) also affirmed that image branding based on local wisdom can provide a unique identity easily recognized by the community and enhance madrasah competitiveness. This research extends their findings by demonstrating that Aswaja values provide a coherent ethical framework that gives meaning and legitimacy to local wisdom-based branding.

The implementation of local excellence-based programs through curriculum integration, experiential learning, and community partnerships reflects a comprehensive approach to strategy execution guided by Aswaja values. The Aswaja principle of *tawassuth* (moderation) ensures that program content and delivery methods avoid extremism in either direction—neither overly conservative nor excessively liberal. The principle of *tasamuh* (tolerance) fosters an inclusive learning environment that respects diverse perspectives while maintaining Islamic orthodoxy. The principle of *khidmah* (service) motivates community engagement and ensures that programs serve the broader social good rather than merely institutional interests. This finding is consistent with research by Ma'ruvah, Tuala, and Putra (2026) who found that strategy implementation in madrasahs is realized through flagship programs supported by human resources, infrastructure, and strong institutional culture. The "learning community" approach observed in this research, where teachers, students, parents, and community members collaborate in the learning process in the spirit of *musyawarah* (collective deliberation), is a distinctive feature of local excellence-based implementation that aligns with participatory management principles and reflects the Aswaja emphasis on collective decision-making and mutual accountability. This approach not only enhances program quality but also builds community ownership and trust, which are crucial for institutional sustainability. These findings reinforce Ilyasin and Muadin's (2025) research on the importance of learning organization leadership in creating madrasah competitive advantage and extend their work by showing how Aswaja values can strengthen learning organization culture.

The flagship programs developed by the madrasah—Agricultural Skills, Religious Tourism Education, Cultural Preservation, Community Partnership, Environmental Education, and Entrepreneurship Development—represent a portfolio of differentiated offerings that respond to various stakeholder needs and expectations while embodying Aswaja values in practice. The Agricultural Skills program reflects *tawazun* (balance) between spiritual and worldly knowledge,

recognizing that Islamic education should prepare students for both religious and economic life. The Religious Tourism Education program embodies *amar ma'ruf nahi munkar* (enjoining good and forbidding evil) by promoting Islamic heritage and spiritual values. The Cultural Preservation program demonstrates *al-muhafazhah 'ala al-qadim al-shalih* (preserving good traditions) while ensuring compatibility with Islamic teachings. The Community Partnership program exemplifies *ta'awun* (mutual cooperation) and *khidmah* (service), core Aswaja values that emphasize social responsibility. This finding supports research by Restarie et al. (2026) who found that service differentiation and school image modernization are key pillars of competitiveness for Islamic educational institutions. The integration of Islamic values with practical skills and cultural awareness in these programs creates a unique value proposition that distinguishes the madrasah from competitors. This research contributes to the literature by demonstrating that Aswaja values provide a coherent and authentic framework for developing differentiated programs that resonate with Indonesian Muslim communities. Musyafudin and Ahmadi (2020) also emphasized that management strategies attending to local issues and programs with distinction can produce higher-order thinking skills in facing the 4.0 era. This research extends their findings by showing that Aswaja-based strategic management provides a distinctive approach that avoids both uncritical modernization and rigid traditionalism.

The impact of local excellence-based strategic management infused with Aswaja values on madrasah competitiveness is significant across multiple dimensions. Increased student enrollment reflects growing parent recognition of the madrasah's unique value proposition and trust in its commitment to authentic Islamic education grounded in Aswaja principles. This finding is consistent with research showing that institutional branding and reputation management significantly influence student enrollment decisions. Strengthened community trust and institutional reputation demonstrate how local excellence-based strategies guided by Aswaja values can build social capital that supports institutional sustainability. The Aswaja emphasis on *khidmah* (service) and *ta'awun* (mutual cooperation) creates a virtuous cycle where community support reinforces institutional capacity, which in turn enhances service quality and community benefit. Improved student outcomes—including academic competence, practical skills, cultural awareness, and community engagement grounded in Aswaja values—reflect the holistic impact of local excellence-based education. This finding aligns with research showing that contextual and experiential learning approaches produce more meaningful learning outcomes. The Aswaja framework ensures that student development is balanced (*tawazun*) across cognitive, affective, and psychomotor domains, and that graduates are prepared to contribute to society as moderate, tolerant, and service-oriented Muslims. The SWOT analysis conducted by Norman et al. (2023) also showed that madrasahs can have a unique identity and become a favorite according to environmental characteristics through local wisdom-based branding. This research adds a crucial dimension by demonstrating that Aswaja values provide the ethical and theological foundation that makes local wisdom integration legitimate and meaningful in the madrasah context.

The theoretical contribution of this research lies in the development of an integrative strategic management model that systematically incorporates local excellence as a core element of madrasah competitiveness and explicitly integrates Aswaja values as the ethical foundation for strategic decision-making. This model builds on established strategic management frameworks (David & David, 2017) and competitive advantage theory (Porter, 1985) while adding a distinct Islamic ethical dimension that is particularly relevant for Islamic educational institutions in

Indonesia. By positioning Aswaja values—*tawassuth*, *tawazun*, *tasamuh*, *i'tidal*, *amar ma'ruf nahi munkar*, *ta'awun*, and *khidmah*—as guiding principles for strategy formulation, implementation, and evaluation, this model offers a comprehensive framework that addresses both institutional effectiveness and spiritual authenticity.

The Aswaja-based strategic management model proposed in this research has several distinctive features. First, it provides theological justification for engaging with local culture and community resources, resolving the tension between Islamic authenticity and local relevance. Second, it offers ethical guidelines that prevent strategic management from becoming purely instrumental or utilitarian, ensuring that institutional decisions serve broader social and spiritual purposes. Third, it creates institutional coherence by aligning strategic priorities with Islamic values, building trust and legitimacy with stakeholders who value religious authenticity. Fourth, it provides a framework for balanced development that avoids both extreme conservatism and excessive liberalism, maintaining the madrasah's Islamic identity while responding to contemporary challenges.

Furthermore, this research contributes to the literature on Islamic education by demonstrating that Aswaja values are not merely theological doctrines but practical principles that can guide institutional development and strategic management. The findings show that Aswaja values can be operationalized in educational settings through specific practices: *tawassuth* through balanced curriculum design and moderate approaches to cultural integration; *tawazun* through simultaneous attention to spiritual and worldly education; *tasamuh* through inclusive community engagement and respect for diversity; *i'tidal* through fair resource allocation and just institutional policies; *amar ma'ruf nahi munkar* through programs that promote Islamic values and discourage harmful practices; *ta'awun* through community partnerships and collaborative learning; and *khidmah* through service-oriented leadership and institutional purpose.

The practical implications of this research are significant for madrasah leaders, policymakers, and educational practitioners. First, madrasah leaders should explicitly integrate Aswaja values into their strategic planning processes, ensuring that vision, mission, and strategic priorities are grounded in Islamic ethical principles. This integration should not be symbolic but substantive, with Aswaja values informing program development, resource allocation, and performance evaluation. Second, teacher professional development should include training on how to operationalize Aswaja values in curriculum design, instructional practices, and student assessment. Third, community engagement strategies should reflect Aswaja values of *musyawarah* (collective deliberation) and *ta'awun* (mutual cooperation), building genuine partnerships based on mutual trust and shared responsibility. Fourth, institutional evaluation systems should include indicators that assess not only academic outcomes but also faithfulness to Aswaja values and community service. Fifth, policymakers should recognize and support Aswaja-based strategic management as a distinctive approach that aligns with Indonesian educational values and Muslim community expectations. Sixth, madrasah networks and associations should facilitate sharing of best practices in Aswaja-based strategic management, creating a community of practice that strengthens Islamic education across Indonesia.

However, this research has several limitations that should be acknowledged. First, as a single case study, the findings may not be fully generalizable to all madrasahs in Indonesia, particularly those in different geographic, cultural, or socio-economic contexts. Second, the research focused on a

madrasah in Lampung Province that has already demonstrated commitment to Aswaja values; madrasahs with weaker commitment to Aswaja may face different challenges and opportunities. Third, the research was conducted over a relatively short period (four months), which may not capture long-term dynamics and sustainability of the strategic management approach. Fourth, the research relied primarily on interviews, observations, and documentation, which may not fully capture the complexity of strategic management practices or the nuanced expression of Aswaja values in everyday institutional life. Fifth, the research did not include quantitative measures of competitiveness impact that could complement the qualitative findings.

Future research should address these limitations by: (1) conducting multiple case studies across diverse madrasahs and geographic contexts to identify patterns and variations in Aswaja-based strategic management; (2) employing longitudinal designs to examine the long-term impact of Aswaja-based strategic management on institutional sustainability and community outcomes; (3) developing quantitative instruments to measure Aswaja value implementation and its relationship to competitiveness indicators; (4) comparing Aswaja-based strategic management with other Islamic or secular approaches to identify distinctive advantages and challenges; (5) examining student perspectives on how Aswaja-based strategic management affects their learning experiences and outcomes; and (6) investigating the role of technology in supporting Aswaja-based strategic management in resource-constrained environments.

5. CONCLUSION

This study concludes that local excellence-based strategic management infused with Aswaja values plays a significant role in enhancing the competitiveness of madrasahs by integrating local resources, cultural values, and community potential into institutional planning and development within an Islamic ethical framework. The strategic management process encompasses systematic formulation, implementation, and evaluation through local resource mapping, stakeholder participation guided by *musyawarah*, and the development of flagship programs that reflect the unique characteristics of the surrounding community while embodying Aswaja principles of *tawassuth* (moderation), *tawazun* (balance), *tasamuh* (tolerance), *i'tidal* (justice), *amar ma'ruf nahi munkar* (enjoining good and forbidding evil), *ta'awun* (mutual cooperation), and *khidmah* (service). These initiatives have contributed to increased student enrollment, stronger community trust, improved institutional reputation, and better student learning outcomes that are balanced across spiritual, intellectual, and practical domains. The successful implementation of this approach is supported by visionary leadership rooted in Aswaja values of servant leadership (*khidmah*), committed teachers who model Aswaja values in their professional practice, active community involvement in the spirit of *ta'awun*, and adequate infrastructure, although challenges related to limited resources, digital literacy, and geographic conditions remain. Overall, the local excellence-based strategic management model grounded in Aswaja values provides an effective and sustainable framework for strengthening madrasah competitiveness while preserving Islamic values, local culture, and community identity.

Based on these findings, madrasahs should continuously strengthen local excellence-based strategic management by conducting systematic mapping of local potential and integrating it into strategic planning, curriculum development, and flagship educational programs with explicit reference to Aswaja values. Teacher capacity should be enhanced through continuous professional development focusing on experiential learning, local content integration, and digital literacy to improve both instructional quality and institutional promotion while deepening their understanding and practice of Aswaja values. Furthermore, stronger partnerships with government agencies, higher education institutions, businesses, and local communities are essential to support program implementation, expand resources, and increase institutional competitiveness in the spirit of ta'awun and khidmah. Policymakers are also encouraged to provide sustainable policy support, funding, and capacity-building initiatives that promote local excellence-based education within an Aswaja framework, recognizing that this approach aligns with Indonesian national values and Muslim community expectations. Future research should involve a larger number of madrasahs, employ mixed-methods or longitudinal designs, and examine additional variables influencing institutional competitiveness including the role of Aswaja values in shaping institutional culture, stakeholder trust, and graduate outcomes to provide more comprehensive evidence for the development of strategic management practices in Islamic educational institutions.

6. REFERENCES

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