

# **LEADER STRATEGIES TO ENHANCE INSTITUTION'S COMPETITIVENESS: LEARNING FROM ISLAMIC EDUCATION INSTITUTIONS IN INDONESIA**

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## **ABSTRACT**

Islamic Education Institutions in Indonesia are currently required to have strong competitiveness if they want to survive in the global era. The growing number of educational institutions each year causes competition to become more intense; hence, the leaders of Islamic educational institutions in Indonesia must have a strategy on how to increase the competitiveness of institutions so that they can become the people's choice. This study aims to reveal the various strategies of leaders of Islamic education institutions that are able to maintain the electability of their institutions, with a focus on the competitiveness of institutions that are continuously being improved. The research was conducted at two private Islamic educational institutions, Al-Hikmah and Al-Izzah. The research was carried out using a qualitative case study type approach with a multi-site design. The results of the research show the leadership's strategic steps in increasing the competitiveness of institutions, including Benchmarking, Differentiation, Empowerment and Partnership. The various strategic steps implemented can be a reference and guideline for managers of educational institutions to make institutions that have strong competitiveness.

**Keywords:** benchmarking, differentiation, empowerment, partnership

## INTRODUCTION

Quality education means the institution's efforts to improve the quality of its input, process and output. Every educational institution has a different way from one another, especially in controlling the quality of competitive graduates. Various efforts made by schools to improve competitiveness cannot be separated from the strategic role of leaders to ensure the whole process can run according to plan and produce results as expected. According to Robbins, as quoted by Marno and Supriyatno (2008:3), leadership is the ability to influence a group toward goals. Meanwhile, James Liphon, as quoted by Purwanto (2007: 27), defined leadership as the beginning of a new structure or procedure to achieve organisational goals and objectives, or to change organisational goals and objectives.

Each leader of an Islamic educational institution seeks to be competitive by using different strategies. Strategy is a long-term plan that is developed in detail in the form of operational tactics accompanied by measurable targets and steps (Mulyasa, 2011: 217). Strategy is an action plan that aligns organisational resources and commitment to achieve superior performance. Superior means having benefits when an institution produces a product or service that is seen from its target market as better than its closest competitors.

The problem of education in the current era of globalisation is mainly related to educational output. In the era of globalisation, there has been a paradigm shift regarding the advantages of a country, from comparative advantage to competitive advantage. Comparative advantage rests on the wealth of natural resources, while competitive advantage rests on quality human resources (Kuntowijoyo, 2001: 122). The problems in education in Indonesia, especially those faced by institutions in the growth and development phase, are low scores in the aspects of physical

facilities, teacher quality, teacher welfare, student achievement, opportunities for educational equity and the relevance of education to needs. On the other hand, the cost of education is becoming increasingly expensive (Bilqis, 2005: 38).

To overcome these problems, Islamic educational institutions must change their orientation from focusing only on output to focusing on input, process and output, with a continuous quality improvement approach (Umiarso & Zazin, 2011: 120). A quality institution will increase its competitiveness to the global level. In this context, it takes a leader who has the ability to formulate a strategy so that the goals to be achieved can be realised optimally (Mulyasa, 2003: 117). A successful leader must also possess critical and strategic thinking skills, which is a determinant of organisational success in the context of the contemporary era (Tyson & Jackson, 1992: 85). Because, currently man-power is defeated by man-mind (Mas'ud, 2003).

There are several Islamic educational institutions in Indonesia, where leaders have the ability to think strategically, so that institutions are able to increase competitiveness amidst the many choices of institutions, two of which are the Al-Hikmah educational foundation and the Al-Izzah Educational Foundation. Uniquely, the two institutions are both private Islamic educational institutions that are developing very rapidly and are in demand by the public, with their own market although in different types, namely Islamic boarding schools and non-Islamic boarding schools. This condition deserves to be explored regarding the strategy of the leaders of the two institutions in increasing the competitiveness of institutions in increasingly high competition.

## **METHODS**

This study uses a qualitative approach with a multi-site design. Research describes a particular setting, object or event in detail and depth. Multi-site study is research that aims to intensively study certain social units, which include individuals, groups, institutions and communities (Rianto, 2001: 24). The main

characteristic of a multi-site study is when the researcher examines two or more subjects, settings or data locations (Bogdan & Biklen, 2002: 62). Data are collected from a natural setting as a direct data source. As a multi-site study, the steps to be taken in this research are:

- a. Collecting data at the first site, YLPI Al-Hikmah Surabaya, Indonesia. This research was conducted to the level of data saturation, while categorisation was also carried out into themes to find thematic conceptions regarding various data related to the research focus.
- b. Conduct observations at the second site, LPI Al-Izzah Batu, Indonesia. The purpose of this research is to obtain findings on various matters related to the focus of the research.

Based on the findings from the two institutions, a comparative analysis was then carried out to obtain an abstraction about leadership in the two institutions in increasing school competitiveness. In this case, a modified analysis is carried out as a way of discovering or developing a theory and testing it.

Data collection uses in-depth interviews, participatory observation and documentation techniques. The data analysis technique uses single-site data analysis, which begins by examining all the data have has been collected from various techniques that have been implemented and recorded by researchers in field notes. Then, it is followed by cross-site data analysis aimed at comparing and integrating the findings obtained from each research site. In general, the cross-site data analysis process includes the following activities: 1) formulating a proposition based on the findings of the first site and then continuing with the second site; 2) compare and integrate provisional theoretical findings from the two research sites and 3) formulate theoretical conclusions based on cross-site analysis as the final findings of the two research cases. The data validity test technique uses the principles of Credibility, Transferability, Dependability and Confirmability.

## FINDING AND DISCUSSIONS

Competitiveness means strength and the word *competitiveness* means achieving more than others, or being different from others in terms of quality, or having certain advantages (Joewono, 2006: 23). This means that competitiveness can be defined as the power to try to be superior in certain things that are done by a person, group or certain institution.

Changes in the environment and the needs of the community who use educational institution graduates require directors of educational institutions to be able to face increasingly complex and competitive organisational competition. To support competitiveness, it is necessary to have continuous changes that are certainly not easy. In daily activities, strategy issues are very urgent issues, which will become the basis for decision making, after the goals to be achieved have been outlined. This happens in every organisations or institution, where it is inseparable from the determination of the strategy, what is different is whether the strategy is right, running well, efficiently and effectively, or fulfilling all the elements that need to be considered in terms of its implementation. The strategies that have been adopted in the two Islamic educational institutions are benchmarking, differentiation, empowerment and partnership.

### ***Benchmarking Strategy***

Benchmarking is an activity in which an institution conducts continuous self-evaluation, by comparing itself with other best institutions, in order to be able to identify, adopt and apply significantly better practices. The practices that have been carried out by the best institutions are used as benchmarks or normative performance standards by institutions that wish to improve their performance (Jaedun, 2011: 7-8).

The results of research at Al-Hikmah show that there is a benchmarking strategy that is carried out with the principle of institutional openness to change and input. Institutions are always looking for the best and getting better, and open minded by learning from anyone, even international. The institution also

always tries to innovate in every program it develops because it adheres to the principle “innovate or die”. Besides that, the institution also conducts internal evaluations so that weaknesses can be identified and anticipates them by making follow-up programs to improve it.

Meanwhile, at Al-Izzah, the benchmarking strategy is carried out by adhering to modern management principles, by always opening up room for improvement in every planned program. The ability to measure one’s own position by conducting evaluations, both internally and externally, so that the institution survives and is competitive. Benchmarking takes place continuously and there are targets every year.

The activities carried out at Al-Hikmah and Al-Izzah appear to be in line with the theory of benchmarking activity steps, which include self-assessment, comparison, analysis and adaptation, planned and implemented, feedback, and evaluation (Jaedun, 2011: 9-10). The main goal of benchmarking is to understand and evaluate current processes or products in order to find ways or best practices to improve processes and product quality. Benchmarking can be done for production processes, products, services and systems within an organisation. Thus, benchmarking can explain what is happening behind the performance of both the processes and products being compared. If applied properly, benchmarking can assist an organisation in improving its organisational performance or production process.

### ***Differentiation Strategy***

Research has found that the quality of Al-Hikmah School according to customers is generally very good. Customer perception of Al-Hikmah School is a school that has superior quality. One indicator of this quality can be seen from the education costs that must be paid by customers relatively to obtain the learning process at Al-Hikmah School. The cost of education is relatively expensive when compared to other schools. Despite the high costs, it is followed by the quality of teaching whose performance can be accounted for.

In terms of aspects of the educational curriculum, Al-Hikmah School applies a combination of the national education curriculum and the Al-Hikmah School's distinctive curriculum, which is believed to be the best compared to other schools. Teachers and teaching staff at Al-Hikmah school also have a higher standard compared to other similar Islamic schools. Educational facilities and infrastructure at Al-Hikmah School are also recognised as one of the best compared to the rest of the private schools and public schools. This situation proves that YLPI Al-Hikmah has different values from other schools. In other words, to become an institution that has competitiveness, one of the strategies pursued by Al-Hikmah is a differentiation strategy.

According to Kazmi's theory, differentiation strategy is the process of creating different offers and being able to differentiate organisations through a number of available tools, to add significant value to these offers. Kazmi also stated that there are several important variables that can influence organisations to differentiate their product offerings from competitors, including product differentiation, service differentiation, personnel differentiation and image differentiation (Kazmi, 2021: 122).

Why do customers of education services choose educational service products compared to other service products? Because educational service products offer better *attributes* than other service products. These attributes can be in the form of: the cost of educational services, the ease of use of educational services, the status of educational services, recognition of the good name of the school or a number of other attributes that are of interest to customers of education services.

Related to ideas to innovate educational products and processes, Al-Hikmah's resources are rich with ideas for innovating. In order to create a good innovation, the Al-Hikmah foundation provides three things: first, giving the widest possible opportunity for all parties at Al-Hikmah School to innovate; secondly, giving great trust to innovate products and learning processes; and thirdly, the foundation fully provides assistance and guidance to all parties concerned with innovation issues. The

potential and ideas for innovation at Al-Hikmah School are included in the extraordinary category, so that many Al-Hikmah graduates are accepted at top schools and the best state universities in Indonesia.

Some of the ideas and innovations that have emerged in educational products and processes at the Al-Hikmah Foundation include the latest BCCT products for KB-TK, the application of PMRI (Indonesian Realistic Mathematical Education) in elementary schools, the implementation of International Based School Pilots (RSBI) at Al-Hikmah Middle School, and the application of lesson plans using the logic developed by Prof. Muh Nur (Professor of UNESA) at all levels of education starting from the KB-TK, SD, SMP and SMA Al-Hikmah levels.

The case study at LPI Al-Hikmah found that the mission findings are to present an educational institution that is able to synergise the needs of the world and the brotherhood. Al-Hikmah wants to produce graduates who have good academic achievements supported by noble morals. Al-Hikmah students are not only intellectually intelligent but they are individuals with noble character.

Meanwhile, at LPI Al-Izzah, the differentiation strategy is seen in the pattern of professional modern management. Such a management system is almost never found in Islamic boarding schools (boarding). The public's image of Islamic Education Institutions, especially Islamic boarding schools, is often identified with second-class, undeveloped, slum and other negative images. The low interest of the upper middle class in sending their children to school, seen from a functional perspective—a theory that holds that society is a unified and interdependent system—indicates two things that are mutually correlated; first, related to internal institutional problems and second, related to parental choice of education.



Al-Izzah carries a mission of positive change in the management of an Islamic education institution. Management of Al-Izzah always refers to the concept of modern management, especially in the field of education. However, every management process still pays attention to Islamic rules, norms and values. In this case, the implementation of educational activities at Al-Izzah requires maximum implementation of all basic management functions, planning, doing, controlling and evaluating.

Furthermore, the differentiation strategy at Al-Izzah is also visible in terms of structuring the right curriculum, by conducting an in-depth study of the energy of the verses in the Qur'an, which will lead students to grow and develop according to their nature. This means that the various added values offered by Al-Izzah are actually believed to be able to present solutions to this nation's problems, one of which is reflected in various programs aimed at building student character. This can be seen from the school program, especially the development of school culture. This program started with an in-depth study that found specific advantages that could hardly be imitated by other institutions, one of which was the special (distinctive) character of its graduates.

The differentiation strategy implemented by the two institutions is in line with the generic competitive strategy theory put forward by Michael E. Porter. According to him, when tackling competitive forces, there are three generic strategic approaches that will potentially succeed in outperforming other companies in the same industry, one of which is differentiation strategy, creating something new that is perceived by the entire industry as unique (Porter, 1987: 33). This strategy is a strategy to capture opportunities by focusing on the uniqueness of the company's products and services (Echdar, 2013: 89). In the differentiation strategy, the skills and resources normally required are; 1) strong marketing skills; 2) product engineering, creative skills and strong skills in basic research; 3) company reputation for quality or technology pioneering; 4) long tradition in the industry or a unique combination of skills acquired from business others; and 5) close cooperation with distribution channels (Porter, 1987: 37).

### ***Empowerment Strategy***

In the case of Al-Hikmah and Al-Izzah, the two directors believed that the empowerment strategy was important. Empowerment of an educational institution is closely related to intelligence to innovate, by trying to empower its human resources. The sustainability of educational institutions depends on the ability to innovate. Thus, every leader of an educational institution should be able to bring innovation. Innovation is a new invention that is different from existing or previously known. An innovative leader will always try to make improvements, presenting something new or unique that is different from what has already existed. Innovative is also an important attitude to be built in Al-Hikmah and Al-Izzah.

According to Blanchard et al. (2013: 65-67), there are three keys to enabling employees that all must use in the change process. Without all three, some elements of the employee empowerment effort will fail and the whole process will not be successful. The three keys are dynamic, which are share information with all employees, use boundaries to build independence and replace the hierarchical mindset with independent teams.

In the findings at Al-Hikmah, the position of human resources in an organisation occupies a very important role, because human resources (HR) is the executor and core of every strategic planning process to be made and implemented. HR is the key to success in the formulation and implementation of strategic planning within the organisation. In this study, HR relates to the stakeholders involved in Al-Hikmah, such as teachers, employees, students, parents and school committees.

The capability of the teachers in the teaching and learning process at Al-Hikmah is generally good. A very strict teacher selection process makes the quality of teachers or teaching staff at Al-Hikmah good. The selection of teaching staff begins with administrative selection and interviews with prospective teachers, including moral performance and communication skills. Selection is also carried out by means of psychological test and teaching

practice tests. All teaching staff at Al-Hikmah have bachelor's degrees (S-1) and some are currently completing their study programs at S-2.

The teaching capability at Al-Hikmah School can be seen from the application of teaching standardization, which consists of three assessment criteria: 1) character and personality are the main foundations that every teacher and teaching staff must have; 2) basic teaching competencies from a contemporary aspect; and 3) the carrying capacity, which includes the teacher's enthusiasm and willingness to continue learning. The institution provides the widest possible opportunity for teachers to continue learning and provides opportunities to establish communication with communities outside Al-Hikmah.

Al-Hikmah plays a role in developing Islamic education by providing training for teachers and principals. One of the results that can be seen is the development of effective classroom management. Classroom management provides knowledge and skills for teachers to manage character-based classes. It is not enough for students to know only information and subject matter, they also need good social interaction skills.

In addition to an adequate education and training system, teaching staff or teachers at Al-Hikmah School are provided with a reward system for teachers or teaching staff who excel. There are two forms of rewards: service-based rewards and performance-based rewards. For the reward system in general, Al-Hikmah School provides a relatively higher standard salary or take-home pay compared to other schools. The next reward system is the provision of training and upgrading costs for teachers and teaching staff. The upgrading costs that must be incurred by the foundation to improve the quality of HR are quite expensive and not every school is currently able to provide similar upgrading costs for their teachers and teaching staff. The Al-Hikmah Foundation also provides transportation facilities for the mobility of teachers and staff. Medical facilities and health insurance are also a concern as part of the reward system. For teachers and staff who have served for more than 15 years, a

housing allowance is provided. Al-Hikmah also provides old age benefits including work accident insurance, death benefits and old age savings.

Furthermore, the empowerment strategy at Al-Izzah is mostly carried out with structured activities. This training is known as the regeneration program. One important step to improve the quality of education at Al-Izzah is to improve the quality of HR. They are teachers, *murabbiyah* (caregivers) and employees who are directly in contact with the students. They become the spearhead of the educational process. The character of the graduates is actually a reflection of the quality of existing HR. Therefore, efforts to strengthen the understanding and practice of Islamic values in every HR at Al-Izzah are carried out with professional strategies and planning, and sticking to the principles taught by Islam.

The Cadreization System developed by Al-Izzah is integral and comprehensive. This system is taken from the book of Allah, the sunnah of the Prophet, the story of the prophet, the story of the companions and the consensus of the clergy. The hope is that this endeavour will be able to solve educational problems in a comprehensive manner so that it no longer requires another system. What the Cadreization System wants to achieve is the changes that occur in every employee at Al-Izzah towards the goodness of faith, worship and morality.

In addition, the Al-Izzah school also continuously measures and evaluates the performance of HR. The Al-Izzah employee performance evaluation program is a process of collecting, analysing and reporting employee performance data to achieve performance standards, targets and expectations set by the institution. Al-Izzah's performance evaluation system seeks to combine the standards set by the institution and the flexibility of employee performance. With clear standards and freedom to be creative and take initiative, employee performance will be more effective and maximised. The main objectives of this teacher performance evaluation system are:

1. Improving student achievement and school services.
2. Improving the quality of learning and services by increasing employee performance accountability.
3. Assist employees in achieving the goals and standards set by the school.
4. Providing data and learning development materials and services through evaluating and developing employee professionalism.
5. Increasing awareness and sense of responsibility between employees and the evaluation team to be able to work together in increasing self-capacity, learning effectiveness, service and employee performance in general.
6. As a measuring tool to determine reward or punishment on employee performance over a certain period of time.

### ***Partnership Strategy***

Etymologically, partnership comes from the root word *partner*. *Partner* can be interpreted as a mate or an ally. Thus, a partnership can be interpreted as a form of alliance between two or more parties that form a bond of cooperation in a field, to obtain better results (Direktorat Pembinaan Kursus dan Kelembagaan, 2010).

Al-Izzah Partnership is carried out with educational institutions, the community and the business world. Some of the objectives are to build public awareness of the existence of Islamic educational institutions, foster interest and increase community participation in the development of Islamic educational institutions, and establish partnerships with the business and business world. Partnerships are carried out with partners with same level of education and one level above, as well as CSR programs for local residents.

Meanwhile, at Al-Hikmah, the partnership is carried out in two parts: a partnership with same level of education and a partnership with a level above. This collaboration is carried out to improve the quality of learning, and the quality of the system built and developed by Al-Hikmah. These findings are in line with expert opinion that suggests several objectives to be achieved when developing a partnership network, including 1) Increasing

Community Participation; 2) Quality Improvement and Relevance; 3) Synergising Programs; 4) Dissemination, Promotion and Publication; 5) Increased Access; 6) Public Image; and 7) Institutional Capacity and Capability Strengthening (Wibowo, 1996: 13-15).

## CONCLUSION

The results of the research show the findings of four strategies implemented by the leaders of educational institutions in Indonesia to increase competitiveness, including benchmarking, differentiation, empowerment and partnerships. It has been proven that these institutions are capable of achieving and becoming the people's choice. These findings provide implications for the development of strategic management theories in the educational environment, so that they can become references and guidelines for managers of Islamic educational institutions to make their institutions more competitive.

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