



A Values-Based Strategic Decision-Making Model in Community Islamic Educational Institutions

(A Case Study of SD Islam Al Ittihad)

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Abstract. This study aims to develop a values-based strategic decision-making model within community-based Islamic educational institutions. Using SD Islam Al Ittihad as a case study, this research explores how Islamic values can guide institutional decisions to sustain educational quality without external debt. The research employs a qualitative case study approach with data collection through interviews, observation, and documentation. Data were analyzed using a triangulation method and supported by SWOT analysis through EFAS and IFAS matrices. The strategic decision-making process was further examined using Mintzberg's and Kepner-Tregoe's frameworks. The findings show that decision-making grounded in Islamic values enables educational institutions to achieve sustainability through strategic intuition, leadership commitment, and value-based planning. This research contributes a conceptual framework for Islamic educational leaders and policymakers seeking to integrate faith-driven values in governance and strategic planning. Further studies are suggested to test this model across various community-based schools to assess its broader applicability.

Keywords: Community-Based Schools; Educational Institutions; Islamic Values; Strategic Decision-Making; SWOT Analysis.

1. INTRODUCTION

Strategic decision-making is a critical element in managing educational institutions, especially for schools rooted in Islamic and community-based values. Key decisions such as opening new classes, recruiting teachers, or providing tuition subsidies often face constraints of limited resources and external uncertainties. In such contexts, the institution's ability to make effective, participatory, and value-oriented decisions becomes essential to long-term sustainability.

Several previous studies have emphasized the importance of value-based leadership in managing Islamic educational institutions. Suyatno et al. (2019) highlighted that a school's culture, shaped through exemplary leadership and collaboration, fosters a positive learning environment. Similarly, Hasan and Rahim (2022) found that Islamic schools in Malaysia improve competitiveness through systematic and long-term strategic management. However, most of these studies focus on large-scale institutions, such as public madrasahs or established private schools.

There remains a lack of attention to small-scale, community-based Islamic schools that implement structured strategic decision-making processes. This gap warrants exploration, particularly in the case of SD Islam Al Ittihad, a school that has successfully operated for over a decade without incurring external debt. The institution has managed to sustain itself by integrating Islamic values, collective deliberation (*musyawarah*), and formal analysis tools such as SWOT, EFAS, and IFAS.

Based on this gap, the present study aims to: (1) describe the strategic decision-making process at SD Islam Al Ittihad; (2) analyze the school's strategic position using SWOT-EFAS-IFAS frameworks; and (3) offer a replicable value-based decision-making model for other Islamic community schools. This research contributes theoretically by integrating Islamic spirituality and modern strategic management practices and provides practical insights for small-scale Islamic educational institutions seeking sustainability without external dependency.

2. METHODS

This study employed a qualitative approach with a single case study design, focusing on SD Islam Al Ittihad as the main unit of analysis. The school was selected due to its unique characteristic as a community-based Islamic institution that has operated for over a decade without relying on external funding. Data were collected using three primary techniques: in-depth interviews, direct observations, and document analysis. The interviewees included the school principal, foundation board members, senior teachers, parents, and local community leaders. Observations were conducted during school operations to capture the environment and decision-making culture. Meanwhile, documentation included meeting minutes, financial reports, school brochures, and annual work plans.

Data triangulation was applied to ensure the credibility and validity of the findings. For analysis, this study integrated Mintzberg's strategic decision-making phases with the Kepner-Tregoe problem-solving framework. Additionally, SWOT analysis was utilized to identify internal and external factors, and further quantified using EFAS (External Factor Analysis Summary) and IFAS (Internal Factor Analysis Summary) matrices.

The final strategic positioning of the school was mapped into a SWOT matrix quadrant, indicating an aggressive strategy that maximizes strengths to capture external opportunities while maintaining financial independence.

3. RESULTS

This study found that SD Islam Al Ittihad applies a structured strategic decision-making process grounded in Islamic values and supported by community participation. The school successfully operates without external funding by prioritizing long-term sustainability and responsiveness to environmental dynamics.

The SWOT analysis identified various internal strengths and weaknesses, as well as external opportunities and threats. Internal strengths include value-based leadership, active community collaboration, and transparent financial management. External opportunities consist of community trust, growing demand for religious education, and policy support. Weaknesses are limited infrastructure and dependency on voluntary teachers, while threats include competition from public schools and economic fluctuations.

The quantitative analysis through EFAS and IFAS matrices produced the following scores:

- a. IFAS (Internal Factor Analysis Summary) score: 3.45
- b. EFAS (External Factor Analysis Summary) score: 3.1

Table 1. Summary of EFAS–IFAS Scores.

Matrix	Score
IFAS	3.45
EFAS	3.15

Based on this strategic position, the school emphasizes proactive strategies such as maintaining low operational costs, encouraging voluntary support, ensuring community engagement in decision-making, and formalizing its best practices into replicable models.

These strategic efforts align with the school's vision to remain independent, adaptive, and rooted in Islamic educational values. The results confirm that community-based Islamic schools can thrive when they apply structured and participatory strategic planning tailored to their context.

4. DISCUSSION

The results indicate that SD Islam Al Ittihad has successfully applied an aggressive strategy in strategic decision-making by leveraging its internal strengths to seize external opportunities. This positioning is consistent with Mintzberg's emergent strategy model, where strategy evolves organically from consistent patterns in organizational behavior rather than being rigidly pre-planned. The school's ability to remain financially independent while continuously adapting to environmental changes reinforces the notion that strategy is often shaped by context, leadership values, and stakeholder engagement.

The finding that value-based leadership plays a central role is aligned with the framework proposed by Suyatno et al. (2019), who emphasized that Islamic school leadership must integrate spirituality, trust, and collective wisdom (*musyawarah*) into their decision-making processes. At SD Islam Al Ittihad, such values are not only philosophical ideals but are institutionalized into operational practices, such as transparent budgeting and participatory planning.

The quantitative positioning of the school in Quadrant I of the SWOT matrix (with IFAS 3.45 and EFAS 3.15) supports the use of an aggressive strategy. According to Wheelen and Hunger (2012), institutions in this quadrant are encouraged to expand, innovate, and formalize their strengths to achieve broader impact. The school has already begun this through the development of a model for replication and structured documentation of its strategies.

Moreover, the integration of EFAS and IFAS matrices in this research contributes methodologically to the strategic management literature in Islamic education. While many Islamic schools emphasize values, few combine them with formal planning tools to ensure sustainability. This research bridges that gap by demonstrating that spiritual and managerial approaches can coexist and reinforce one another.

Overall, this study confirms that the synergy between values-based leadership, data-informed strategy, and stakeholder participation can result in an adaptive and sustainable educational institution. It offers a practical model for similar small-scale Islamic schools facing limited resources but seeking long-term independence and resilience.

5. CONCLUSION

This study concludes that SD Islam Al Ittihad has successfully implemented a strategic decision-making model based on Islamic values and community collaboration. Through the application of SWOT, EFAS, and IFAS analyses, the school was positioned in Quadrant I (aggressive strategy), indicating its ability to utilize internal strengths to seize external opportunities. Key elements contributing to its sustainability include value-based leadership, financial independence, participatory governance, and formal strategic replication. These findings reinforce the potential of small, community-based Islamic schools to remain independent and impactful through structured yet value-driven decision-making.

6. SUGGESTIONS

Future research may explore the implementation of this model in different educational settings or use comparative approaches to evaluate its replicability. Policymakers and educational practitioners are encouraged to adopt hybrid strategies that combine spiritual principles with data-driven management tools. Small Islamic schools in particular may benefit from documentation, transparency, and community involvement as a foundation for sustainable development.

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