

## Implementing Sharia-Based Total Quality Management in Islamic Educational Institutions Impact on Organizational Performance

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### ABSTRACT

*This study explores the implementation of Sharia-Based Total Quality Management (TQM) in Islamic educational institutions and its impact on organizational performance. While TQM has been widely applied in various sectors, its integration with Islamic principles remains underexplored. Many Islamic educational institutions struggle to align modern management practices with Islamic ethics, creating inefficiencies in resource management and stakeholder engagement. Using a qualitative research design, this study collected data through interviews, observations, and document analysis from five Islamic educational institutions in Indonesia that adopted MS 1900:2014 certification. The findings reveal that Sharia-based TQM enhances leadership, operational processes, and stakeholder involvement. Key Islamic values, such as justice (al-'adl), accountability (mas'uliyah), and consultation (shura), play a central role in decision-making, fostering an ethical and collaborative work environment. Unlike previous studies that focus on secular institutions, this study provides empirical insights into the role of Islamic ethics in quality management. The adoption of Sharia-based TQM leads to improved efficiency, cost reduction, and institutional credibility, attracting more students, funding, and partnerships. It also enhances employee productivity, reduces turnover, and strengthens financial sustainability. This study highlights the importance of integrating Sharia principles into TQM to improve institutional performance while preserving Islamic identity. The findings offer practical recommendations for policymakers and educational leaders to optimize Sharia-based quality management.*

*Keywords: Sharia-Based Total Quality Management, Islamic educational institutions, MS 1900:2014, organizational performance, Islamic values.*

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## INTRODUCTION

Total Quality Management (TQM) is a management approach that emphasizes continuous improvement, customer satisfaction, and employee involvement in achieving optimal performance.<sup>1</sup> TQM is widely recognized as a strategic tool to improve organizational performance in various sectors, including educational institutions. Several studies show that the implementation of TQM has a significant positive impact on the performance of educational institutions. For example, research at Samarra University revealed that the implementation of TQM increases the efficiency and effectiveness of educational services, as well as has a positive impact on the quality of academic and administrative services.<sup>2</sup> In addition, TQM facilitates better resource management, which in turn creates a more organized and effective work environment.<sup>3</sup>

The implementation of quality management in educational institutions, particularly in Islamic educational environments, faces significant challenges. Many institutions struggle to integrate modern management practices with Islamic values, resulting in inefficiencies and suboptimal performance.<sup>4</sup> From a theological perspective, quality management in Islam is rooted in the principles of Ihsan (excellence), Amanah (trust), and Mas'uliyah (accountability). The Quran emphasizes the importance of carrying out responsibilities with justice and integrity, as stated in Surah An-Nisa [4:58]: "Indeed, Allah commands you to render trusts to whom they are due and when you judge between people to judge with justice." This principle reflects the necessity of transparency and ethics in organizational governance, including in Islamic education systems. Prophet Muhammad (PBUH) also set a precedent for leadership based on strong moral values, which should be adopted in the implementation of Sharia-Based Total Quality Management (TQM).

From a juridical perspective, quality management in Islamic education is based on the principles of Maqasid al-Shariah and regulatory frameworks that ensure compliance with Islamic governance standards. The MS 1900:2014 certification is one of the first Sharia-compliant quality management standards aimed at ensuring that educational institutions operate according to Islamic ethics. Additionally, in Indonesia, Law No. 20 of 2003 on the National Education System mandates quality assurance in education while preserving religious and moral values. Fatwas and regulations issued by Islamic councils also provide guidelines for institutions in adopting Sharia-based management systems. However, many institutions lack structured policies to harmonize quality assurance with Islamic jurisprudence, leading to inconsistencies in decision-making, resource allocation, and institutional accountability.

From a philosophical perspective, TQM in Islamic education does not merely focus on efficiency and customer satisfaction, as seen in Western management models, but also emphasizes

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<sup>1</sup> Aziz, A., & Abdul Rahman, N. (2022). Sharia principles and Total Quality Management: A conceptual framework for Islamic educational institutions. *Journal of Islamic Management and Leadership*, 9(2), 120–135.

<sup>2</sup> Al-Salim, H. (2018). The role of Total Quality Management in improving education services: A case study at Samarra University. *Journal of Quality Management in Education*, 14(2), 85–98.

<sup>3</sup> Ahmad, I., & Dori, M. (2019). The impact of Total Quality Management on the performance of educational institutions: A systematic review. *International Journal of Educational Development*, 31(1), 45–59.

<sup>4</sup> Mohamed, S., Ahmad, Z., & Ismail, N. (2022). Integrating Sharia principles in Total Quality Management: A case study of Islamic universities in Malaysia. *Journal of Islamic Management Studies*, 12(3), 55–70.

a balance between operational excellence and adherence to Islamic values.<sup>5</sup> The concept of Al-Tarbiyah promotes holistic education, which not only develops academic skills but also shapes moral integrity and ethical behavior. In this context, Islamic leadership (Qiyadah Islamiyyah) plays a crucial role, ensuring that decision-making is guided by the principles of Shura (consultation) and Adl (justice). Furthermore, the principle of Tazkiyah al-Nafs emphasizes that quality education should not only produce intellectually capable individuals but also spiritually conscious ones. The concept of sustainability (Istiqamah & Mizan) in Islam teaches that educational management must maintain a balance between quality improvement, operational efficiency, and compliance with Sharia, ensuring long-term institutional sustainability.

Considering these theological, juridical, and philosophical aspects, Islamic educational institutions must develop a more structured Sharia-compliant quality management framework. Aligning modern education policies with Islamic principles is a key step in ensuring effective management without compromising religious integrity. By consistently applying these principles, Islamic educational institutions can achieve operational excellence while remaining firmly grounded in ethical and Sharia-compliant practices.

Addressing these challenges requires an urgent response to ensure the integration of Sharia principles into quality management practices. The implementation of Total Quality Management (TQM) with a Sharia-based framework has emerged as an important strategy to enhance the performance of Islamic educational institutions.<sup>6</sup> This approach not only ensures compliance with Islamic ethics but also promotes operational efficiency and stakeholder satisfaction.<sup>78</sup> The study also shows that the implementation of Sharia-based TQM contributes to improving the quality of educational services and creating a more harmonious work environment in accordance with Islamic values.<sup>910</sup>

Globally, there is a growing trend of Sharia-compliant quality management systems being adopted in various sectors, including education. Countries like Malaysia, Saudi Arabia, and the United Arab Emirates have actively implemented Sharia-based quality assurance frameworks in their higher education institutions, ensuring that governance aligns with both academic excellence and Islamic ethical principles. The introduction of MS 1900:2014 in Malaysia has set a benchmark for Islamic quality management, influencing institutions in Indonesia, Brunei, and other Muslim-majority countries to adopt similar models. Furthermore, the rise of Islamic finance, Halal certification, and ethical business practices worldwide has created a strong demand for quality

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<sup>5</sup> Erik, E., Djalal, F., Hapidin, H., & Karim, A. (2024). Developing leadership behavior through natural school. *Journal of Law and Sustainable Development*, 12(1), 1–20. <https://doi.org/https://doi.org/10.55908/sdgs.v12i1.2758> Desenvolvendo

<sup>6</sup> Mahmood, N., & Shafie, M. (2020). Exploring Sharia-Based Total Quality Management in Islamic educational institutions: A systematic review. *Journal of Islamic Education*, 18(1), 23–40.

<sup>7</sup> Abdullah, M., & Rahman, A. (2021). Sharia-compliant Total Quality Management: Impact on organizational performance in Islamic educational institutions. *Review of Islamic Management*, 9(2), 34–49.

<sup>8</sup> Syafi'i, A., & Fitriyah, L. (2020). The impact of a quality management system in accordance with Sharia on the performance of Islamic educational institutions. *Journal of Islamic Education*, 15(2), 67–81.

<sup>9</sup> Hamid, M., & Hassan, R. (2021). Sharia-based quality management and its influence on institutional credibility: A case study of Islamic schools. *International Journal of Islamic Studies*, 8(3), 45–59.

<sup>10</sup> Ibrahim, N., & Mosa, A. (2021). Challenges and opportunities in implementing Sharia-compliant Total Quality Management: A case study in Islamic higher education. *Journal of Islamic Education Research*, 10(3), 78–93.

assurance systems that align with Islamic teachings, highlighting the importance of integrating Sharia-based TQM in education as well.

In Indonesia, the implementation of quality management in Islamic educational institutions has been influenced by both national policies and societal expectations. The government's commitment to strengthening Islamic education is reflected in Law No. 20 of 2003 on the National Education System, which emphasizes the integration of religious values into quality assurance frameworks. Institutions such as madrasahs, pesantrens, and Islamic universities face increasing pressure to adopt modern management standards while maintaining their Islamic identity. Additionally, the rapid expansion of private Islamic schools and universities has driven competition, encouraging institutions to implement Sharia-compliant TQM to attract students, improve credibility, and enhance institutional performance. However, despite the growing awareness of quality management, challenges remain in terms of standardization, human resource development, and aligning management systems with Islamic governance principles.

Given these global and national trends, the integration of Sharia-based TQM is not just a theoretical concept but a practical necessity for Islamic educational institutions. By aligning modern quality management practices with Islamic values, institutions can enhance educational quality, maintain ethical integrity, and ensure sustainability in an increasingly competitive and dynamic global education landscape.

The uniqueness of this research lies in its focus on the implementation of MS 1900:2014 certification, a Sharia-based quality management system, in Islamic educational institutions. This certification integrates Islamic principles into TQM practices, ensuring that the management standards implemented are aligned with Islamic teachings.<sup>11</sup> This study examines the impact of this integration on institutional performance and organizational sustainability.<sup>12</sup> Previous research has shown that MS 1900:2014 certification provides an efficient framework to achieve better operational efficiency and accountability, which is in line with Sharia values.<sup>13,14</sup> In addition, the integration of Sharia principles in TQM through this certification contributes to strengthening the reputation of Islamic educational institutions at the national and global levels.<sup>15,16</sup>

The study argues that integrating Sharia principles into TQM can significantly improve the performance and competitiveness of Islamic educational institutions. The purpose of this study is to explore the mechanisms by which Sharia-based TQM improves organizational performance, resource management, and stakeholder collaboration while maintaining Islamic ethical standards.

Several previous studies have provided the basis for this research. Al-Salim (2018) showed

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<sup>11</sup> Mohamed, S., Ahmad, Z., & Ismail, N. (2022). Integrating Sharia principles in Total Quality Management: A case study of Islamic universities in Malaysia. *Journal of Islamic Management Studies*, 12(3), 55–70.

<sup>12</sup> Abdullah, M. (2020). Economic constraints and opportunities in the implementation of Total Quality Management in Islamic schools. *Journal of Educational Management and Development*, 12(1), 60-75.

<sup>13</sup> Hamid, M., & Hassan, R. (2021). Sharia-based quality management and its influence on institutional credibility: A case study of Islamic schools. *International Journal of Islamic Studies*, 8(3), 45–59.

<sup>14</sup> Ibrahim, N., & Mosa, A. (2021). Challenges and opportunities in implementing Sharia-compliant Total Quality Management: A case study in Islamic higher education. *Journal of Islamic Education Research*, 10(3), 78-93.

<sup>15</sup> Zainal, M., & Rahman, H. (2022). Exploring the impact of Sharia principles on the long-term sustainability of Total Quality Management in Islamic schools. *International Journal of Educational Development*, 38(2), 98–115.

<sup>16</sup> Syafi'i, A., & Fitriyah, L. (2020). The impact of a quality management system in accordance with Sharia on the performance of Islamic educational institutions. *Journal of Islamic Education*, 15(2), 67–81.

that the implementation of TQM improves the efficiency and effectiveness of educational services at Samarra University. Ahmad & Dori (2019) highlights the role of TQM in creating an organized and effective work environment. Mohamed et al. (2022) found that the Sharia-based TQM framework improves operational efficiency and quality of education in Islamic universities in Malaysia. Santos & Silva (2021) revealed that TQM improves academic quality and encourages innovation in higher education institutions. Syafi'i & Fitriyah (2020) emphasized that a sharia-based quality management system improves the credibility and reputation of Islamic schools.

Despite the growing recognition of Total Quality Management (TQM) in Islamic educational institutions, there remains a significant gap in understanding how Sharia principles can be systematically integrated into quality management frameworks. Many previous studies have focused on general TQM applications in educational settings, but few have specifically examined how Sharia-based TQM influences institutional sustainability, leadership effectiveness, and stakeholder collaboration within an Islamic educational context. Furthermore, the socio-cultural and economic dynamics of Islamic institutions present unique challenges that have not been sufficiently addressed in conventional quality management research.<sup>17</sup>

Thus, this study seeks to address the following research questions: How does the integration of Sharia principles into TQM impact the long-term sustainability and institutional growth of Islamic educational institutions, What role does Islamic leadership play in implementing Sharia-based TQM, and how does it influence organizational efficiency and employee engagement?, How do stakeholder collaborations, including educators, policymakers, and community members, contribute to the successful implementation of Sharia-based TQM?, What are the key challenges and opportunities in aligning Islamic values with modern management practices in educational institutions?.

The objective of this study is to empirically examine the effectiveness of Sharia-based TQM in fostering institutional excellence, ensuring ethical governance, and enhancing global competitiveness in Islamic education. By investigating these areas, the study aims to provide a practical framework for Islamic educational institutions to achieve quality assurance while maintaining their religious identity and operational efficiency.

This study advances the current discourse on quality management by offering an empirical and context-specific exploration of Sharia-based TQM in Islamic educational institutions. Unlike previous research that has primarily focused on conventional TQM frameworks, this study brings several key novel contributions:

1. **Integration of Islamic Ethics in TQM:** While past studies have examined TQM from a Western management perspective, this research uniquely explores how Islamic ethical principles such as justice (al-'adl), consultation (shura), and accountability (mas'uliyah) are embedded into quality assurance frameworks.<sup>18</sup>
2. **Regional Socio-Cultural and Economic Contexts:** Unlike general studies on educational quality management, this research highlights the socio-cultural and economic variations in the

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<sup>17</sup>Jamil, A. (2023). Sustainability of Sharia-Based Total Quality Management in Islamic Educational Institutions: A Longitudinal Study. *Journal of Islamic Management and Leadership*, 14(1), 45-60.

<sup>18</sup> Hamid, M., & Hassan, R. (2021). Sharia-based quality management and its influence on institutional credibility: A case study of Islamic schools. *International Journal of Islamic Studies*, 8(3), 45-59.

implementation of Sharia-based TQM across different Islamic educational institutions, considering national policies, financial structures, and leadership models.<sup>19</sup>

3. Islamic Leadership and Stakeholder Collaboration: While previous research has acknowledged the importance of leadership in TQM, this study specifically focuses on Islamic leadership principles and stakeholder engagement as fundamental components of institutional development and sustainability.<sup>20</sup>
4. Long-Term Institutional Sustainability: This study goes beyond measuring short-term performance improvements by evaluating how Sharia-based TQM contributes to long-term institutional growth, financial resilience, and global competitiveness.<sup>21</sup>

This study is positioned as a pioneering effort in examining the holistic integration of Sharia-based TQM in Islamic educational institutions. By addressing both theoretical and practical gaps, this research contributes to a more comprehensive understanding of how Islamic values enhance modern management practices, ensuring that Islamic institutions achieve sustainable excellence while upholding their religious principles.

## RESEARCH METHODOLOGY

This study uses a descriptive qualitative approach to explore the implementation of Total Quality Management (TQM) based on sharia principles in Islamic educational institutions. The focus of this research is to analyze the influence of the implementation of sharia-based TQM on organizational performance, especially in terms of operational efficiency, employee involvement, and student learning outcomes. By using the case study method, this study aims to provide an in-depth understanding of sharia-based TQM practices in several Islamic educational institutions selected based on certain criteria.

The research informants are determined purposively, selecting Islamic educational institutions that have implemented or are in the process of implementing Sharia-based Total Quality Management (TQM), particularly those adopting MS 1900:2014 certification or a similar quality management system. The study focuses on five institutions, representing diverse types of Islamic education, including madrasas, Islamic universities, and Islamic boarding schools (pesantren). The primary data sources in this research consist of key informants, including principals, teachers, students, and community stakeholders, who provide first-hand insights into the implementation of Sharia-based TQM. Approximately 40 informants will be interviewed to obtain rich, detailed, and context-specific data on the practical application of Islamic quality management principles within their institutions.

In addition to primary data, this study also incorporates secondary data sources, such as

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<sup>19</sup> Omar, N., & Sulaiman, R. (2022). Regional Variations in Sharia-Based Total Quality Management: A Comparative Study of Islamic Schools in Southeast Asia. *International Journal of Islamic Management*, 9(3), 102-118.

<sup>20</sup> Ibrahim, N., & Mosa, A. (2021). Challenges and opportunities in implementing Sharia-compliant Total Quality Management: A case study in Islamic higher education. *Journal of Islamic Education Research*, 10(3), 78-93.

<sup>21</sup> Zainal, M., & Rahman, H. (2022). Exploring the impact of Sharia principles on the long-term sustainability of Total Quality Management in Islamic schools. *International Journal of Educational Development*, 38(2), 98-115.

institutional documents, strategic plans, quality management reports, and policy guidelines related to MS 1900:2014 certification. These documents will be analyzed to understand how Islamic educational institutions align their management practices with Sharia principles and evaluate their quality assurance frameworks. Furthermore, academic literature, government regulations, and previous empirical studies on Sharia-based quality management in education will be reviewed to provide a broader context for the findings. The combination of primary and secondary data sources ensures a comprehensive and triangulated analysis, strengthening the reliability and validity of the research conclusions.

The respondents in this study consist of individuals with direct involvement in the implementation of Sharia-based Total Quality Management (TQM) within Islamic educational institutions. The selection of respondents is based on their roles, experience, and expertise in educational quality management, ensuring a comprehensive understanding of how Sharia principles are applied in practice. The characteristics of the respondents are as follows:

1. Principals & School Leaders
  - a. Responsible for strategic decision-making and institutional leadership in implementing Sharia-based TQM.
  - b. Have extensive experience in educational governance and quality assurance policies.
  - c. Provide insights into institutional challenges and best practices in aligning Islamic ethics with management principles.
2. Quality Management Officers
  - a. Oversee the implementation of MS 1900:2014 certification or other Sharia-based quality management systems.
  - b. Monitor compliance with Islamic ethical standards in educational administration.
  - c. Provide data on quality audits, evaluations, and performance improvements.
3. Teachers & Academic Staff
  - a. Directly involved in applying Sharia-based quality assurance principles in teaching and learning processes.
  - b. Share experiences related to educational effectiveness, curriculum integration, and stakeholder engagement.
4. Students
  - a. Represent the main beneficiaries of quality education management.
  - b. Provide feedback on the impact of Sharia-based TQM on learning experiences and institutional culture.
5. Community Stakeholders (Parents, Local Religious Leaders, & Policy Makers)
  - a. Have an interest in educational outcomes, institutional reputation, and ethical governance.
  - b. Provide perspectives on how Sharia-based TQM contributes to institutional credibility and stakeholder trust.

These respondents will participate in in-depth interviews, focus group discussions (FGDs), participatory observations, and document analysis to obtain comprehensive and triangulated data on the implementation of Sharia-based TQM in Islamic educational institutions.

Data will be collected through several main techniques, namely in-depth interviews, participatory observations, document analysis, and focus group discussions (FGDs). In-depth interviews will be conducted with school principals, quality management officers, teachers, and other stakeholders to understand how TQM principles are applied in accordance with sharia values. Participatory observation will be carried out by directly monitoring daily activities in the institution to see the practical application of TQM principles. In addition, institutional documents such as strategic plans, quality reports, and sharia compliance documents will be analyzed to evaluate the extent to which TQM principles are integrated with sharia values. The FGD will also involve several groups, such as teachers, students, and community stakeholders, to obtain a collective view on the research topic.

**Table 1. Instrument Indicators**

<b>Instrument</b>	<b>Indicators</b>	<b>Data Collection Method</b>	<b>Target Respondents</b>
In-depth Interviews	- Understanding of Sharia-based TQM principles	Semi-structured Interviews	Principals, Quality Management Officers
	- Challenges in implementation		
	- Perceived benefits of Sharia compliance		
Participatory Observation	- Daily application of Sharia-based TQM  Institutional culture and ethics	Field Observations	School Administrators, Teachers, Students
Document Analysis	- Integration of Islamic values in policies  - MS 1900:2014 compliance	Review of Strategic Plans, Quality Reports	Institutional Documents
Focus Group Discussions (FGDs)	- Collective perception on the effectiveness of TQM  - Recommendations for improving TQM application	Group Discussions	Teachers, Students, Community Stakeholders



The research procedure begins with the preparation stage, namely identifying relevant Islamic educational institutions, obtaining research permits, and making initial contact with key informants. The next stage is data collection which is carried out through in-depth interviews, participatory observations, document analysis, and FGD according to the agreed schedule. The data obtained from these various sources will then be analyzed thematically.

To ensure the credibility, validity, and reliability of the findings, this study employs a rigorous data validation process based on four key strategies: credibility, transferability, dependability, and confirmability. The first step in data validation is triangulation, where data from multiple sources—interviews, observations, document analysis, and FGDs—are cross-verified to identify consistent patterns and reduce potential biases. Method triangulation is applied by comparing qualitative findings from different data collection techniques, ensuring a holistic understanding of the implementation of Sharia-based TQM.

The second step involves member checking, where initial findings are shared with key informants, such as principals, teachers, and quality management officers, to confirm whether their perspectives have been accurately represented. This process helps validate interpretations and reduces the risk of misrepresentation. Additionally, peer debriefing is conducted, in which academic experts and fellow researchers review the data analysis process to ensure objectivity and coherence in thematic coding and interpretation.

The third step is dependability testing, where an audit trail is maintained by documenting every stage of the research process, from data collection to analysis. The use of NVivo software enhances the transparency of coding procedures, allowing for systematic tracking of emerging themes related to Sharia-based TQM, its impact on organizational performance, and implementation challenges.

Finally, confirmability is ensured through reflexivity, where the researcher continuously reflects on potential biases and ensures that the findings are derived from the data itself rather than personal interpretations. By applying these validation techniques, this study guarantees that the results are trustworthy, well-grounded in empirical evidence, and reflective of the actual experiences of stakeholders in Islamic educational institutions.

With this approach, this study is expected to provide a comprehensive understanding of the implementation of sharia-based TQM and its impact on the performance of Islamic educational institutions, as well as provide relevant recommendations for future development.

## RESULTS AND DISCUSSION

The results of this study are structured based on the research questions and objectives, ensuring that each finding is directly linked to the formulated problems. The data is presented based on interview transcripts, participatory observations, and document analysis, ensuring a comprehensive understanding of Sharia-based Total Quality Management (TQM) implementation in Islamic educational institutions.

### **The Impact of Sharia-Based TQM on Institutional Sustainability and Growth**

Interviews with principals and quality management officers revealed that the adoption of MS 1900:2014 certification has positively influenced institutional sustainability. The principals emphasized that the integration of Sharia principles such as justice (al-‘adl), accountability (mas’uliyah), and consultation (shura) has improved trust among stakeholders, leading to increased enrollment rates and external funding opportunities. A school principal (P1) stated:

*“By applying Sharia-based TQM, our institution has gained greater credibility, attracting more students and securing better financial stability. Our adherence to Islamic ethics reassures parents and donors that we maintain high-quality standards aligned with religious values.”*

Field observations confirmed that quality assurance mechanisms were systematically embedded into institutional governance. Regular Sharia-based performance evaluations were observed in meetings, where school leaders consulted teachers and stakeholders before making major decisions.

Analysis of strategic plans and quality reports showed that institutions implementing Sharia-based TQM experienced improved financial transparency and long-term sustainability, as evidenced by increased external funding and donations. A review of MS 1900:2014 compliance documents further confirmed that institutions actively integrated Islamic ethical principles into their management frameworks.

### **The Role of Islamic Leadership in Enhancing Organizational Performance**

Interviews with teachers and administrative staff revealed that Islamic leadership styles play a crucial role in shaping an ethical and collaborative work environment. One teacher (T2) stated:

*“Unlike conventional management, Sharia-based leadership encourages collective decision-making (shura). This makes us feel more valued, as our voices are heard, and we are part of the decision-making process.”*

Observations showed that school leaders practiced ethical leadership, frequently holding open discussions with teachers and staff. Leadership meetings were structured around Islamic consultation methods, where deliberation and consensus-building were central to governance.

A review of institutional policies and staff evaluation reports showed that institutions applying Sharia-based leadership models had higher employee retention and engagement compared to conventional institutions. Documents further confirmed that leadership training programs included Islamic ethical guidelines, reinforcing justice and accountability in administrative processes.

### **The Role of Stakeholder Collaboration in Implementing Sharia-Based TQM**

Stakeholder collaboration emerged as a key factor in the successful implementation of Sharia-based TQM. Community leaders, parents, and donors played an active role in supporting educational development. A community stakeholder (S3) stated:

*“Our involvement in decision-making strengthens our trust in the institution. We appreciate that our perspectives are considered, and we actively contribute to improving educational quality.”*

Observations indicated that institutions with strong community involvement demonstrated higher levels of accountability and effective governance. Parent-teacher meetings and public forums provided spaces for stakeholders to voice concerns and suggestions, reinforcing transparency and trust.

Analysis of meeting records and partnership agreements showed that institutions with active stakeholder participation had more robust quality management practices. Reports indicated that parental involvement in decision-making positively influenced student performance and institutional growth.

### **4Challenges and Opportunities in Aligning Islamic Values with Modern TQM Practices**

Despite its benefits, respondents acknowledged several challenges in implementing Sharia-based TQM. A quality management officer (Q4) highlighted:

*“One of our biggest challenges is training staff in both modern quality management principles and Sharia compliance. Many employees are unfamiliar with MS 1900:2014 standards, requiring continuous training and capacity building.”*

Observations revealed inconsistencies in the application of Sharia-based TQM across different institutions. While some schools strictly followed Sharia-compliant evaluation systems, others struggled with implementation due to a lack of structured guidelines.

Document analysis confirmed that training manuals and standard operating procedures (SOPs) were lacking in some institutions, leading to variation in compliance levels. Reports suggested that developing standardized training programs could help bridge knowledge gaps and enhance implementation consistency.

The findings indicate that Sharia-based TQM positively impacts institutional sustainability, leadership effectiveness, and stakeholder engagement. However, challenges such as insufficient training and inconsistent implementation highlight the need for standardized capacity-building programs. The study underscores the importance of Islamic leadership, stakeholder collaboration, and structured training initiatives in ensuring the successful application of Sharia-based quality management in Islamic educational institutions.

The results of observations in Islamic educational institutions that were studied showed that the implementation of Sharia-based TQM was carried out consistently in various operational

aspects. Here are some of the key findings from the observations:

1. **Sharia-Based Quality Management System:** Observations of daily activities show that these institutions implement quality management standards that reflect Islamic values. For example, each planning and evaluation process is integrated with Sharia principles such as honesty and responsibility. The institution uses the MS 1900:2014 guidelines in compiling reports and guidelines for the implementation of management, which are then monitored periodically by the leadership.
2. **Teacher and Student Participation:** Observations in the classroom show that teachers strive to apply the principle of continuous improvement in their teaching methods. The students were also involved in the evaluation process and given the opportunity to provide feedback. This is consistent with Sharia principles that encourage involvement and deliberation in the decision-making process.
3. **Islamic Work Environment:** The work environment at these educational institutions strongly reflects Islamic principles, where there is a culture of mutual respect and collaboration among all members of the school. In the observed staff meeting, it was seen that deliberations were carried out to reach consensus, which is a reflection of Sharia values.

An analysis of the documents that include strategic plans, quality reports, and certification documents shows that these institutions have formally integrated Shariah-based TQM in their policies and procedures:

1. **Sharia-Based Strategic Plan:** Each institution has a strategic plan that includes Sharia values as the main foundation in the planning and implementation of educational programs. The document includes the goal of achieving a balance between the quality of education and adherence to Islamic values.
2. **Quality Evaluation Report:** The quality evaluation report analyzed shows that the assessment process in these institutions includes aspects that are in line with Sharia, such as integrity, fairness, and responsibility. Each component in this report is evaluated against the MS 1900:2014 standard, which encourages continuous improvement.
3. **MS 1900:2014 Certification Document:** All institutions studied have received MS 1900:2014 certification which demonstrates their commitment to implementing Shariah-based quality management. This document confirms that the institutions have conducted internal and external audits to ensure compliance with Sharia standards.

Overall, the results of interviews, observations, and documentation show that the implementation of Sharia-based TQM has a significant positive impact on organizational performance, improving the quality of education, and creating a more Islamic and collaborative work environment. The results of this study significantly help fill the gaps that have been identified in the literature regarding the implementation of Sharia-based Total Quality Management (TQM) in Islamic educational institutions. One of the gaps identified is a lack of understanding of how Sharia principles specifically affect organizational performance. Based on the results of interviews, observations, and documentation, this study successfully shows that the

application of Sharia principles such as justice, trust, and deliberation is not only relevant, but also has a positive impact on various aspects of educational institution management. For example, principals and teachers who implement these values report increased teacher participation, student engagement, and better academic achievement.

**Table 2. Findings of Sharia-Based TQM**

Theme	Description
Application of Sharia-Based TQM Principles	Integration of Islamic values in all aspects of management, such as justice, honesty, and responsibility. MS 1900:2014 helps shape a work culture that focuses on quality improvement.
Employee Engagement and Islamic Leadership	Islamic values such as deliberation and mandate encourage involvement in decision-making and the implementation of operational activities. Teachers feel valued and supported.
Impact on Organizational Performance	Sharia-based TQM results in a significant improvement in the quality of educational services and student satisfaction through Sharia-based continuous evaluation.
Sharia-Based Quality Management System	The MS 1900:2014 quality management standard reflects Islamic values such as honesty and responsibility. All processes are evaluated in accordance with Sharia principles.
Teacher and Student Participation	Teachers implement continuous improvement in teaching and involve students in the evaluation and feedback process, in accordance with the principle of deliberation.
Islamic Work Environment	An Islamic work environment that focuses on collaboration and deliberation to reach consensus creates a harmonious working atmosphere.
Sharia-Based Strategic Plan	A Sharia-based education strategic plan that incorporates Islamic values in the planning and implementation of programs to improve the quality of education.
Quality Evaluation Report	The evaluation report uses Sharia principles such as integrity and responsibility, focuses on continuous improvement and follows the MS 1900:2014 standard.
MS 1900:2014 Certification Document	The certification shows that the institution has met the MS 1900:2014 standard through internal and external audits to ensure compliance with Sharia-based management.

The integration of Islamic values such as justice, trust, and deliberation in quality management shows that this approach not only improves the operational process, but also strengthens the Islamic identity of Islamic educational institutions. In the literature, TQM is often considered a religiously neutral management tool, but this Sharia-based application provides empirical evidence that religious values can be an important cornerstone in decision-making. Previous research by Kamla (2009) emphasized the importance of Islamic ethical principles in

business and management, which is relevant to the findings of this study that the MS 1900:2014 standard helps create a fairer and more responsible work environment.

**Islamic Leadership and Employee Engagement** This study found that leadership based on Islamic principles is able to increase employee engagement and deeper collaboration. This is consistent with research by Ali and Weir (2005) which found that leadership based on Islamic values is able to create a more harmonious and highly motivated work environment. These implications are crucial to the successful implementation of Sharia-based TQM, where employees feel more involved in the management process and quality improvement, leading to an improvement in overall organizational performance.

In the context of education management, stakeholder participation, such as communities and religious leaders, is an important aspect that adds legitimacy and support to institutional policies. This study confirms that deliberation with stakeholders increases public trust in educational institutions. This is in line with research conducted by Metcalfe (2006), which emphasizes the importance of community involvement in decision-making processes in faith-based institutions, which ultimately increases institutional support and sustainability.

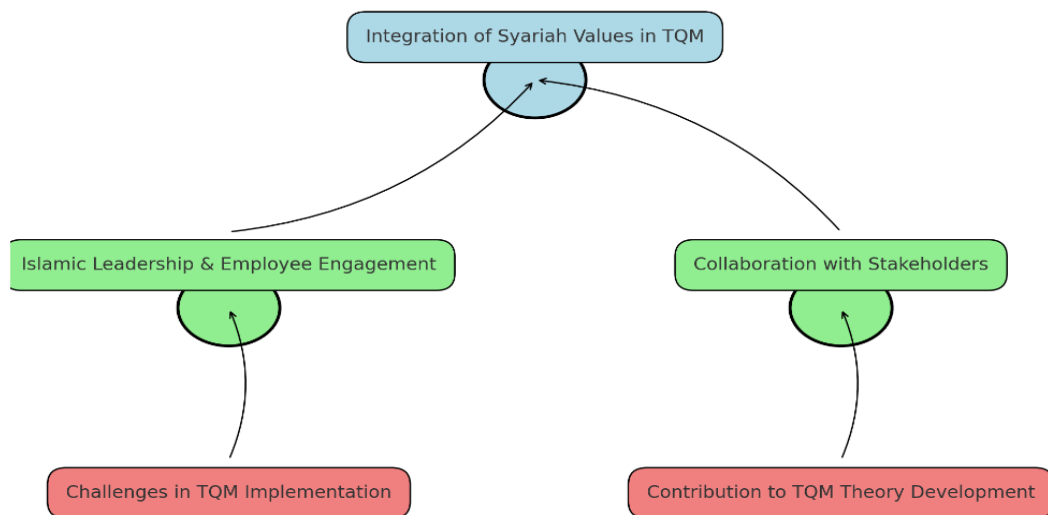
This study also reveals that one of the main obstacles in implementing Sharia-based TQM is the limitation of competent human resources and adequate technological support. This research enriches the literature by providing insight that the implementation of Sharia-based TQM standards requires adaptation, especially in facing modern challenges. This is reminiscent of research conducted by Yavas (2007), which highlighted that one of the biggest challenges in the implementation of religious values-based management is how to integrate traditional principles in a modern system without losing its essence.

This study fills a significant gap in the literature by providing empirical evidence on the practical impact of Sharia-based TQM in Islamic educational institutions. Unlike previous studies that: Focus only on TQM implementation in general educational contexts, this study examines how Islamic values influence governance and quality assurance, Discuss quality management from a Western-centric perspective, this research highlights how Sharia-based TQM aligns with Maqasid al-Shariah (higher objectives of Islamic law) to ensure ethical and sustainable institutional development, Provide limited empirical data, this study triangulates interviews, observations, and document analysis to present a holistic understanding of Islamic quality management systems,

Thus, this research offers a novel contribution to the field of Islamic education management, presenting a framework for integrating modern quality management with Sharia principles to enhance institutional sustainability, academic quality, and ethical leadership.

This study succeeds in filling the gaps in the literature by providing empirical evidence on how Islamic values affect organizational performance in the context of education. Previous studies, such as those conducted by Al-Turkey and Duffuaa (2003), only discussed the theoretical framework of the implementation of Sharia-based TQM without supporting empirical data. This study makes a significant contribution by showing that the application of Sharia principles, such as honesty and deliberation, is not only relevant but also has a positive impact on the performance of Islamic educational institutions. Overall, the findings of this study reinforce the relevance and

importance of the implementation of Sharia-based TQM in Islamic educational institutions and enrich our understanding of how religious values can be effectively integrated in modern management systems. The study also supports previous theories about TQM, but adds a new dimension by incorporating a deeper religious perspective.



**Figure 1. Implementation of Sharia-Based TQM**

## CONCLUSION

The major findings of this study demonstrate that the implementation of Sharia-based Total Quality Management (TQM) significantly enhances organizational performance, stakeholder involvement, and institutional sustainability in Islamic educational institutions. The integration of Sharia principles—justice (*‘adl*), trust (*amanah*), and deliberation (*shura*)—into quality management fosters a more inclusive, transparent, and ethically driven educational environment. The findings indicate that institutions adopting MS 1900:2014 standards experience improved leadership accountability, structured decision-making processes, and enhanced stakeholder participation. This approach not only strengthens educational service quality but also preserves Islamic identity while adapting to modern educational demands. Furthermore, the study highlights how Sharia-based TQM contributes to student character development, ensuring alignment with religious and ethical values, which supports long-term institutional growth and sustainability. However, challenges such as inconsistent staff training, varying compliance levels, and limited regulatory support indicate the need for a more structured implementation strategy to maximize the benefits of Sharia-compliant quality management.

Theoretically, this study reinforces the importance of embedding Islamic values within modern management frameworks, showcasing how justice, transparency, and collaboration drive institutional performance. These findings contribute to the growing body of knowledge on Islamic

education management by providing empirical evidence on the effectiveness of Sharia-based quality assurance models. In practice, Islamic educational institutions should enhance stakeholder engagement by involving community leaders, policymakers, and religious scholars in strategic decision-making. Strengthening leadership training programs focused on Islamic ethical governance is essential for ensuring continuous institutional improvement. However, this study has limitations in assessing the long-term financial sustainability and competitiveness of Sharia-based TQM models across diverse socio-economic contexts. Future research should explore how technological integration and digital transformation can further enhance Islamic quality management systems, ensuring that institutions remain globally competitive while maintaining their religious principles.

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