



Corporate Strategy Analysis in Private Islamic Higher Education Institutions: Implications for Educational Management

Fara Fariha Rodliyana*, Agus Zaenul Fitri, Sulistyorini

UIN Sayyid Ali Rahmatullah, Indonesia

Email : faraajaib@gmail.com

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ABSTRACT

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*Corresponding Author

This study aims to examine the implementation of corporate strategy in the development of Sekolah Tinggi Agama Islam (STAI) KH. Muhammad Ali Shodiq Tulungagung, focusing on strategic planning, execution stages, and the types of grand strategies adopted. Employing a qualitative descriptive approach, data were collected through semi-structured interviews, document analysis, and limited observation. Data analysis followed an interactive model, including data condensation, display, and conclusion drawing. The findings reveal that STAI KH. Muhammad Ali Shodiq Tulungagung applies corporate strategies in a contextual and integrated manner, combining selective growth and stability strategies. Key areas of focus include enhancing academic quality, improving institutional governance, and strengthening social relevance. These strategies not only support institutional competitiveness and long-term sustainability but also reflect effective educational management practices, including strategic decision-making, resource optimization, and leadership in higher education. The study highlights that integrating corporate strategy with educational management dimensions is crucial for Islamic higher education institutions to respond effectively to globalization, digitalization, and evolving quality standards.

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INTRODUCTION

The global higher education landscape is undergoing unprecedented transformation, driven by rapid technological advancements, globalization, and increasing public accountability. Universities are no longer mere centers of knowledge transmission; they are now strategic organizations that must manage resources effectively to remain competitive and sustainable (Bryson, 2004). This evolution has significant societal implications, as higher education institutions

(HEIs) are tasked with producing graduates who can contribute to economic development, social cohesion, and community well-being. The challenge is particularly pronounced for Islamic higher education institutions, which must simultaneously uphold religious values and respond to global educational standards. Effective management and strategic planning are therefore essential to align institutional missions with societal needs while fostering academic excellence and social relevance. This issue underscores the importance of examining corporate strategies in educational institutions as they adapt to a rapidly changing environment. Without such strategic foresight, universities risk stagnation, decreased competitiveness, and reduced social impact, highlighting the relevance of this research.

In Indonesia, private Islamic higher education institutions face complex challenges that threaten their sustainability and effectiveness. STAI KH. Muhammad Ali Shodiq Tulungagung, as a representative of these institutions, is confronted with limited financial resources, rising competition with other universities, and increasingly stringent accreditation regulations (Hill & Jones, 2001). The pressure to digitalize academic services, enhance faculty competencies, and improve the quality of research and community service activities demands a comprehensive and strategic approach to institutional management. These issues are compounded by the need to balance religious education with market-relevant skills, thereby ensuring graduates' employability and social contribution. Such challenges reveal a gap in systematic strategic planning and implementation within private Islamic HEIs, making it difficult for them to achieve long-term sustainability (Kusumawati et al., 2025; Najiburohman et al., 2025). Understanding how corporate strategies can be effectively applied in these institutions is critical, as it directly impacts institutional governance, quality assurance, and the ability to adapt to external pressures. Addressing these problems is essential not only for institutional survival but also for broader societal development.

On the ground, STAI KH. Muhammad Ali Shodiq Tulungagung exhibits both potential and constraints in its institutional management. Socially, the institution plays a pivotal role in producing human resources grounded in Islamic values and local cultural wisdom, contributing positively to the Tulungagung community (Sanjani, 2023; Zuhdi et al., 2024). However, operational realities such as insufficient funding, competition from other higher education institutions, and the demand for digitalized academic services pose significant obstacles (Syafiih, 2025). Additionally, efforts to enhance the quality of the tridharma of higher education—teaching, research, and community service—require careful alignment of strategic objectives with available resources. Without an integrated corporate strategy, these efforts risk being

fragmented and ineffective. Observations indicate that strategic planning is often limited to compliance with accreditation standards rather than a proactive approach to long-term institutional development. The need for effective leadership, resource optimization, and coordinated policy implementation highlights the critical role of strategic management in transforming operational challenges into opportunities for sustainable growth and competitive advantage.

Strategic management in higher education has been extensively discussed in the literature. Scholars argue that corporate strategy provides a framework for integrating institutional vision, mission, and operational objectives across academic and administrative units (David, 2013). Studies in both global and Indonesian contexts emphasize that universities adopting adaptive strategies, such as selective growth or stability-focused approaches, are better positioned to manage resource constraints, accreditation pressures, and technological disruptions (Akdon, 2011; Zaenul Fitri, 2013). However, much of the existing research focuses on large public universities or general higher education institutions, with limited attention to private Islamic HEIs (Zaini, 2024). This creates a research gap in understanding how religiously-oriented institutions operationalize corporate strategies while maintaining educational quality, governance integrity, and social responsibility. Addressing this gap is critical to provide actionable insights for leaders in private Islamic higher education, ensuring that strategic management is contextually appropriate and socially relevant.

Previous studies highlight that implementing corporate strategies can improve institutional performance, but challenges remain in translating strategic plans into operational practices, particularly in small or mid-sized institutions (Bryson, 2004; Hill & Jones, 2001). The concept of an entrepreneurial university, which emphasizes innovation, efficiency, and public accountability, offers a promising paradigm for Islamic HEIs (Clark, 1998). Nevertheless, few studies provide empirical evidence on how private Islamic universities in Indonesia adopt this model, integrate academic, research, and community service functions, and align them with educational management principles. This limitation underscores the need for context-specific research that investigates strategic formulation, execution, and outcomes in Islamic higher education, including how these strategies strengthen governance, enhance competitiveness, and support sustainable development. Filling this gap will advance knowledge on strategic management in religiously-oriented HEIs and offer practical guidance for policymakers and institutional leaders.

This research contributes to the field by exploring corporate strategy implementation in a private Islamic higher education institution, highlighting the integration of educational management dimensions into strategic planning. Unlike prior studies that primarily focus on theoretical frameworks or large

public universities, this study examines a mid-sized Islamic HEI with unique socio-cultural and religious contexts. The novelty lies in analyzing how corporate strategies, including selective growth and stability approaches, are operationalized to improve academic quality, governance, and societal engagement. Moreover, this study addresses the gap in understanding the role of educational management in translating corporate strategy into tangible institutional outcomes. By combining insights from strategic management and educational administration, this research provides a comprehensive perspective on sustainable institutional development, competitiveness, and long-term relevance in the rapidly evolving landscape of higher education.

Based on the above discussion, this study investigates how STAI KH. Muhammad Ali Shodiq Tulungagung formulates and implements corporate strategies to strengthen institutional governance, academic quality, and social relevance. The central research problem is how strategic management practices can be contextualized for private Islamic higher education institutions to ensure sustainability, competitiveness, and societal impact. This study argues that systematic, integrated, and contextually adaptive strategic management is key to maintaining institutional existence amid global educational challenges. By examining strategy formulation, implementation stages, and the alignment with educational management principles, this research provides both theoretical contributions to the field and practical insights for institutional leaders seeking to enhance performance while preserving Islamic values and community engagement. Ultimately, it demonstrates that effective corporate strategy is a critical driver of long-term institutional sustainability in the dynamic higher education environment.

RESEARCH METHOD

This study employs a qualitative case study design to explore in depth the implementation of corporate strategy within an Islamic higher education institution. A qualitative approach is considered appropriate because it enables a holistic and contextual understanding of managerial practices, strategic decision-making processes, and organizational dynamics in educational institutions (Creswell, 2014). The case study design was selected to allow an intensive examination of a single institution, providing rich empirical insights into how corporate strategy is formulated, implemented, and evaluated within the framework of educational management. This design is particularly relevant for Islamic higher education institutions, where strategic management practices are closely intertwined with institutional values, leadership structures, and academic governance.

The research was conducted at Sekolah Tinggi Agama Islam (STAI) KH. Muhammad Ali Shodiq Tulungagung, Indonesia. This institution was purposively selected due to its strategic position as a private Islamic higher education institution facing challenges related to resource limitations, accreditation demands, digital transformation, and increasing competition in higher education. STAI KH. Muhammad Ali Shodiq Tulungagung also plays a significant social role in developing human resources grounded in Islamic values and local wisdom, making it a relevant site for examining the application of corporate strategy in educational management. Data were collected from both primary and secondary sources. Primary data were obtained through in-depth, semi-structured interviews with institutional leaders, including the chairperson, vice chairpersons, heads of study programs, and other structural officials involved in strategic planning and governance. Secondary data were derived from institutional documents such as strategic plans, operational plans, accreditation reports, and policy guidelines. Limited observations were also conducted to contextualize strategic practices within daily institutional activities.

Data analysis followed an interactive model consisting of data condensation, data display, and conclusion drawing and verification (Miles et al., 2014; Saldaña, 2016). Data condensation involved selecting, simplifying, and coding interview transcripts, observation notes, and documents to identify key themes related to corporate strategy, educational leadership, governance, and institutional competitiveness. The condensed data were then displayed in descriptive narratives and thematic matrices to facilitate pattern recognition and interpretation. Conclusions were drawn through an iterative process of verification, ensuring consistency between empirical findings and theoretical perspectives on strategic and educational management. To enhance trustworthiness, data triangulation across sources and methods was applied, and preliminary findings were discussed with key informants to confirm the accuracy of interpretations (Lincoln & Guba, 1985). This methodological rigor ensures that the study provides a credible and comprehensive analysis of corporate strategy implementation in Islamic higher education.

RESULT AND DISCUSSION

The Concept of Corporate Strategy in Private Islamic Higher Education Institutions (PTKIS)

Strategic management constitutes a comprehensive conceptual framework that explains how organizations design, implement, and evaluate long-term directions through integrated cross-functional policies (David, 2013). Within the context of higher education, strategic management extends beyond achieving competitive advantage; it also serves as a mechanism for ensuring

institutional sustainability amid external pressures such as educational globalization, digital transformation, and increasingly rigorous national accreditation standards. For Islamic higher education institutions, these pressures are further complicated by the need to preserve religious identity while responding to market-driven demands and professional governance requirements.

The findings at STAI KH. Muhammad Ali Shodiq Tulungagung indicate that corporate strategy is understood as an institutional instrument for maintaining equilibrium between Islamic academic missions and the professional management of higher education. This understanding aligns with Taufiqurrohman's assertion that strategy represents a deliberate and systematic process designed by top management through consideration of internal resources and external environmental dynamics (Taufiqurrohman, 2018). At STAI, corporate strategy is not treated as a static policy document but as an adaptive managerial guideline used to respond to the evolving needs of students, local communities, and Islamic education stakeholders.

In practice, corporate strategy at STAI KH. Muhammad Ali Shodiq Tulungagung functions as a reference framework for institutional development, particularly in academic governance, organizational management, and the strengthening of the tridharma of higher education. Strategic initiatives include reinforcing Islamic-based study programs, aligning curricula with local community needs, and improving academic service quality. This approach reflects Bryson's argument that higher education strategies should emphasize differentiation based on institutional identity and local excellence (Bryson, 2004; Fitri, 2013). From an educational management perspective, such differentiation enables institutions to optimize limited resources while maintaining academic relevance and social legitimacy.

Fred R. David emphasizes that the essence of strategic management lies in an organization's capacity to integrate human resources, finance, operations, and services into a unified framework aligned with institutional vision and mission (David, 1994). Empirical evidence from STAI demonstrates efforts to foster synergy among leadership, study programs, and supporting units in implementing strategic policies, despite persistent resource constraints. This integrative approach strengthens academic continuity and operational coherence, highlighting the critical role of leadership and coordination within educational management systems.

Hill and Jones further argue that effective strategies must balance internal

efficiency with external adaptability (Hill & Jones, 2001). At STAI KH. Muhammad Ali Shodiq Tulungagung, this balance is reflected in maintaining operational stability while gradually adopting innovations such as academic administrative digitalization and faculty quality enhancement. These practices resonate with the principles of the Balanced Scorecard, which has increasingly been adopted by higher education institutions to align strategic objectives with performance indicators (Abadi & Soltani, 2012). From a managerial standpoint, this balance ensures sustainable institutional growth without compromising educational quality.

Legally and managerially, higher education institutions can be viewed as corporate entities with distinct legal identities and governance systems (Wheelen & Hunger, 2000). In this sense, STAI KH. Muhammad Ali Shodiq Tulungagung operates as an educational corporate entity that integrates academic units, administrative systems, and student services. Consequently, corporate strategy at STAI is oriented toward strengthening academic quality, financial management, human resource development, and institutional reputation (Fitri, 2013). This reinforces the notion that effective educational management requires holistic strategic alignment across all organizational dimensions.

Akdon categorizes higher education corporate strategies into growth, stability, and retrenchment strategies (Akdon, 2011). The findings indicate that STAI KH. Muhammad Ali Shodiq Tulungagung predominantly adopts a combination of selective growth and stability strategies, emphasizing academic quality enhancement, graduate competitiveness, and internal institutional consolidation. This strategic choice reflects a contextual response to internal capacity and external challenges faced by private Islamic higher education institutions. Overall, corporate strategy at STAI represents not merely the application of strategic management theory but also a contextual adaptation aligned with the social, cultural, and religious characteristics of community-based Islamic higher education institutions (Collins & Porras, 2011; Zaenul Fitri et al., 2019).

Stages of Corporate Strategy Implementation in PTKIS

According to Fred R. David, corporate strategic management consists of four main stages: strategy formulation, strategy implementation, organizational culture development, and strategy evaluation (David, 2013). These stages are highly relevant to the management practices observed at STAI KH. Muhammad Ali Shodiq Tulungagung.

Strategy formulation at STAI is conducted through the development of institutional vision, mission, and objectives grounded in Islamic values and local community needs. This process involves institutional leaders and academic units and is supported by internal and external environmental analysis, including SWOT analysis, as recommended by David and Bryson. Such analysis enables the institution to identify internal strengths, particularly in human resources, while recognizing challenges such as inter-institutional competition and accreditation demands (Rangkuti, 2014). From an educational management perspective, this participatory formulation process strengthens institutional ownership and strategic coherence.

Strategy implementation is operationalized through policies articulated in the Strategic Plan (Renstra) and Operational Plan (Renop), proportional resource allocation, and leadership-driven mobilization of the academic community. This aligns with Wheelen and Hunger's view that effective implementation requires active involvement from all organizational components (Wheelen & Hunger, 2012). At STAI, leadership plays a pivotal role in translating strategic plans into daily academic and administrative practices, reinforcing the importance of managerial leadership in educational institutions.

Organizational culture development constitutes a distinctive element of strategy execution at STAI. The findings highlight the cultivation of a religious-academic culture emphasizing integrity, collaboration, and scholarly ethos. This supports Robbins and Judge's assertion that organizational values and norms significantly influence institutional behavior and performance (Robbins & Judge, 2017). In the context of Islamic higher education, such culture functions as a strategic asset that reinforces institutional identity and academic commitment.

Strategy evaluation is conducted through internal monitoring and evaluation mechanisms, study program performance assessments, and periodic reviews of strategic plan achievements. These practices correspond with David's concept of strategic evaluation as a reflective process enabling institutions to adjust strategies in response to environmental changes. At PTKIS, evaluation includes reviewing academic development policies, graduate employability, and accreditation outcomes from BAN-PT and LAMDIK. This evaluative process ensures strategic relevance amid technological advancements, national education policies, and global market demands (Evans, 2015).

Collectively, these four stages form an effective conceptual framework for enhancing institutional performance and competitiveness. Their implementation at STAI demonstrates how strategic management supports alignment between academic vision and corporate strategy, positioning higher education institutions as both educational and strategic entities contributing to societal development.

Grand Strategy in Islamic Higher Education Institutions (PTKIS)

Grand strategy represents the overarching policy direction established by top management to define an institution's long-term positioning (David, 2013; Wheelen & Hunger, 2012). In higher education, grand strategy serves as a macro-framework guiding academic development, operational management, and institutional reputation building. Strategic management literature classifies grand strategies into growth, stability, and retrenchment strategies, which can be applied situationally based on institutional conditions (Akdon, 2011).

At STAI KH. Muhammad Ali Shodiq Tulungagung, growth strategy is primarily oriented toward enhancing academic quality and program relevance rather than aggressive physical expansion. This approach aligns with the community-based nature of Islamic higher education institutions (Zaenul Fitri et al., 2019). Dwiyantri distinguishes growth strategies into concentration and diversification strategies (Dwiyantri, 2015). The concentration strategy at STAI focuses on strengthening core Islamic disciplines, improving faculty competencies, and advancing research and community service grounded in Islamic values. Vertical growth is pursued through curriculum refinement, learning facility optimization, and institutional capacity building, while horizontal growth is selectively implemented through the addition of programs aligned with labor market needs and resource readiness.

Diversification strategies are cautiously applied through concentric diversification, such as introducing postgraduate programs related to existing academic strengths, and conglomerate diversification through religious training, certification programs, and Islamic education consultancy services (Dwiyantri, 2015). These initiatives reflect an entrepreneurial orientation while remaining aligned with educational management principles.

Stability strategy is adopted to maintain achieved performance and ensure gradual growth consistent with institutional capacity. Wheelen and Hunger's concepts of pause with caution and no change strategy are evident in STAI's decision to consolidate internally while preserving effective academic policies (Wheelen & Hunger, 2012). This strategy minimizes risk and safeguards institutional sustainability.

Although not dominant, retrenchment strategy remains relevant as a preventive measure for efficiency management. Retrenchment options such as turnaround strategies, selective divestment, or restructuring serve as contingency mechanisms to address potential financial or academic pressures (David, 2013; Wheelen & Hunger, 2012).

Overall, STAI KH. Muhammad Ali Shodiq Tulungagung demonstrates a strategic inclination toward a combination of selective growth and stability strategies, with flexibility for restructuring when necessary. This contextualized corporate strategy considers human resource capacity, regulatory frameworks, labor market demands, and educational technology developments. Consequently, strategic corporate management functions as a critical driver for enhancing competitiveness, managerial efficiency, and long-term sustainability in Islamic higher education institutions (Akdon, 2011; Zaenul Fitri, 2013).

CONCLUSION

The most important finding of this study is that corporate strategy plays a critical role in enabling Private Islamic Higher Education Institutions (PTKIS) to align academic, financial, human resource, and governance functions within a coherent educational management framework. The study demonstrates that the effectiveness of corporate strategy at STAI KH. Muhammad Ali Shodiq Tulungagung lies in its contextual and adaptive implementation, particularly through a combination of selective growth and stability strategies. A key lesson from this research is that strategic management in Islamic higher education is not merely a technical process but a value-based managerial practice that integrates institutional identity, leadership, organizational culture, and responsiveness to external changes such as globalization and digital transformation. The success of corporate strategy is highly dependent on strong leadership commitment, cross-unit synergy, and continuous evaluation mechanisms that allow institutions to remain relevant and sustainable.

In terms of scholarly contribution, this study enriches the literature on strategic and educational management by providing empirical evidence from a private Islamic higher education context, which has received limited attention in previous research. It contributes to a deeper understanding of how corporate strategy is operationalized in religiously oriented institutions and how strategic management principles can be harmonized with Islamic educational values. Nevertheless, this research is limited to a single case study, which may restrict the generalizability of the findings. Future research is therefore recommended to adopt comparative or multi-case designs involving different types of Islamic higher education institutions, as well as mixed-method approaches, to further explore the relationship between corporate strategy, educational governance, and institutional performance across diverse contexts.

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