

# Operational Analysis in Improving the Performance of Educational Institutions with the Total Quality Management (TQM) Model: at The Al-Ghuraba Foundation, Dompu Regency, West Nusa Tenggara

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## ABSTRACT

*This study analyzes the operational management functions, challenges, and TQM implementation at the Al-Ghuraba Foundation in Dompu to formulate strategies for performance improvement. Utilizing a qualitative case study approach, data were gathered through interviews, observations, and documentation. The findings indicate that operational management has evolved into strategic management through SWOT and SMART analyses, despite facing hurdles such as manual administrative systems. Key challenges include financial vulnerability due to a heavy reliance on School Operational Assistance (BOS) funds, high teacher turnover, and administrative burnout. The implementation of TQM highlights a Service Quality Paradox, where the institution's moral assurance compensates for its physical limitations. Consequently, this study proposes an Integrated TQM and Entrepreneurial Management model to synergize educational quality with financial independence.*

## ABSTRAK

Studi ini menganalisis fungsi manajemen operasional, tantangan, dan implementasi TQM di Yayasan Al-Ghuraba di Dompu untuk merumuskan strategi peningkatan kinerja. Dengan menggunakan pendekatan studi kasus kualitatif, data dikumpulkan melalui wawancara, observasi, dan dokumentasi. Temuan menunjukkan bahwa manajemen operasional telah berkembang menjadi manajemen strategis melalui analisis SWOT dan SMART, meskipun menghadapi kendala seperti sistem administrasi manual. Tantangan utama meliputi kerentanan keuangan karena ketergantungan yang besar pada dana Bantuan Operasional Sekolah (BOS), tingginya tingkat pergantian guru, dan kelelahan administrasi. Implementasi TQM menyoroti Paradoks Kualitas Layanan, di mana jaminan moral lembaga mengkompensasi keterbatasan fisiknya. Akibatnya, studi ini mengusulkan model Manajemen TQM dan Kewirausahaan Terintegrasi untuk menyinergikan kualitas pendidikan dengan kemandirian finansial.



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## INTRODUCTION

Operational management plays a crucial role in both business and non-profit social institutions, such as educational organizations. At the Al-Ghuraba Foundation in Dompu Regency, effective operational management is a vital instrument for ensuring educational activities run smoothly despite resource constraints. As an institution implementing a tuition-free policy, the foundation faces the complex challenge of balancing educational quality standards with severe financial limitations, relying heavily on School Operational Assistance (BOS) funds. Effective operational management—encompassing program planning, human resource management, infrastructure supervision, and service quality evaluation—must be executed transparently and accountably to achieve national education objectives.

Globally, educational institutions are pressured to adopt modern management practices to remain competitive and meet dynamic societal needs. However, many private educational

institutions in regional areas lag behind, remaining trapped in traditional management paradigms. The phenomenon of administrative burdens and high educator turnover rates frequently hinder organizational performance. This condition is worsened by technological gaps and inadequate infrastructure, necessitating a radical yet locally adaptive management transformation.

Therefore, implementing Total Quality Management (TQM) is highly relevant as a strategic approach for continuous improvement oriented toward customer satisfaction. Previous studies demonstrate that TQM implementation positively impacts educational quality. Nevertheless, literature connecting TQM with the operational realities of financially vulnerable non-profit institutions remains limited. Most studies focus on economically established institutions, ignoring the unique dynamics of tuition-free foundations that must survive while maintaining quality.

This gap establishes the urgency of researching the Al-Ghuraba Foundation, which faces a paradox between its idealistic social-religious vision and operational funding limitations. To address this gap, this study specifically seeks to answer the following research questions:

1. How does the Al-Ghuraba Foundation implement operational management functions and TQM principles under severe financial constraints?
2. What are the primary operational challenges hindering the foundation's organizational performance?
3. How can the foundation formulate effective strategies to improve performance and achieve institutional independence?

Consequently, this research offers two main contributions to the existing educational management literature and practical application:

1. Conceptualizing the Service Quality Paradox. This study conceptualizes this paradox within the context of tuition-free schools, demonstrating how strong non-physical aspects (such as educator dedication and moral values) can effectively compensate for physical and financial deficiencies.
2. Proposing a TQM-Entrepreneurial Integration Model: This research formulates a novel, locally adaptive management model specifically designed for financially vulnerable non-profit institutions. By integrating TQM principles with an entrepreneurial spirit, the model provides a practical framework to achieve long-term sustainability and independence.

## RESEARCH METHOD

This study utilizes a qualitative approach with a case study method. The research was conducted at the Al-Ghuraba Foundation in Dompu Regency, West Nusa Tenggara (NTB), during the period of November to January 2026. The research subjects were determined through a purposive sampling technique, involving a total of 14 informants. The composition of these informants consisted of 1 Foundation Chairman, 1 Madrasah Principal, 4 educators (teachers), 2 administrative staff, 3 students, and 3 parents/guardians. Data collection was carried out through in-depth interviews, participatory observation of operational activities and infrastructure, and a documentation study of strategic records such as the Madrasah Activity and Budget Plan (RKAM) and the Quality Assurance Team Decree.

Data analysis employed an interactive model consisting of data condensation, data display, and conclusion drawing. Specifically, the analytical stages began with the open coding process of interview transcripts and field notes, followed by grouping them into categories.

These categories were then synthesized into the central themes of the research, which include operational transformation, financial vulnerability, human resource (HR) turnover, the administrative trap, and the service quality paradox. Finally, the validity of the data was rigorously tested using source and technique triangulation to ensure methodological credibility.

## RESULTS

Operational management at the Al-Ghuraba Foundation does not merely execute administrative routines; rather, it has adopted the principles of Total Quality Management (TQM) as a cycle of continuous improvement. Based on field findings, the operational practices of this institution are outlined as follows:

### *Strategic and Operational*

**Planning Practices** The foundation implements a separation of power among the Patrons (*Pembina*), Management Board (*Pengurus*), and Supervisors (*Pengawas*) to avoid overlapping authority. Operational planning is no longer intuition-based but rather data-driven (fact-based management) utilizing SWOT analysis and the SMART method. Programs are designed realistically by balancing student need assessments with the institution's internal capacity.

### *Implementation and Educational*

**Management** There is a clear delegation of authority formalized through Decree Letters (SK); the foundation focuses on macro policies, while the school executes the technicalities of learning. To navigate funding limitations, asset management is conducted through a strict 8-step cycle. The consistency of service quality is also maintained through the implementation of Standard Operating Procedures (SOPs) in the areas of administration, curriculum, and student affairs.

### *Performance Evaluation and Continuous*

**Improvement** Performance evaluation adopts a 360-degree multidimensional approach (cognitive, affective/character, and school climate). The evaluation paradigm has shifted from merely being punitive to focusing on human resource capacity building (developmental). Evaluation results and financial track records are used extensively as the basis for decision-making and planning for the subsequent year (Continuous Improvement).

### **Operational Challenges (Financial, HR, and Technology)**

The institution's operational effectiveness still faces three main obstacles:

- a. **Technology & HR:** The gap in digital infrastructure and the high turnover rate of competent educators.
- b. **Communication & Regulation:** Uncertainty regarding central policy changes and internal communication barriers that often affect the accuracy of planning.
- c. **Financial Vulnerability:** High reliance on government subsidy funds (BOS) makes cash flow vulnerable, where disbursement delays directly impact the school's daily operations.

### *TQM Implementation Patterns at the Al-Ghuraba*

**Foundation** TQM principles have permeated through a strong service orientation (customer focus) and staff inclusion (total involvement) in decision-making. Quality standards are secured through the institutionalization of the Internal Quality Assurance System (SPMI) employing the PPEPP cycle (Establishment, Implementation, Evaluation, Control, and Improvement). Moving forward, the foundation is challenged to respond to customer

expectations (students and parents) by balancing the excellence of teacher competency (soft component) with facility modernization and digitalization (hard component).

## DISCUSSION

### *The process of implementing operational management at the Al-Ghuraba Foundation, Dompu Regency*

Research result show that the management process operations at the Al- Ghuraba Foundation has experience transformation significant from pattern intuitive going to management more strategic systematic. Transformation This can mapped to in three function main management :

#### *Operational Planning*

Planning process at Al- Ghuraba Foundation No Again walk in a way incidental, but rather has adopt approach management strategic. The Foundation implements SWOT analysis as step beginning mapping condition institution before preparation of work programs. This ensure that planning own runway strong empirical evidence. In addition, the determination of objective annual start use SMART principle (Specific, Measurable, Achievable, Relevant, Time-bound), which mitigates risk over - planning abstract or utopian.

In preparation Plan Madrasah Activities and Budget (RKAM) for the Year 2025 Budget, looks clear priority management in core learning activities. Analysis document show allocation budget the biggest allocated for operational Activity Study Teaching (KBM) is Rp. 12,600,000 and human resource development through KKG/MGMP is Rp. 950,000. Table 1 below This illustrate distribution focus planning budget said. This is prove commitment foundation for put quality learning as core business that is not may disturbed even in the middle limited funds.

**Table 1. Analysis Component Planning in RKAM 2025**

| <b>Component Planning</b>   | <b>Allocation Budget</b>          | <b>Analysis Management Focus</b>                                      |
|-----------------------------|-----------------------------------|---|
| Human Resources Development | Rp. 950,000 (KKG/MGMP)            | Focus on improvement quality teacher pedagogy (Capacity Building)     |
| KBM Operations              | Rp. 12,600,000 (Learning Process) | Allocation largest, priority on core services (Core Business).        |
| Infrastructure              | Rp. 732,000 (Maintenance Chair)   | Focus on comfort physical and maintenance assets (Asset Maintenance). |
| Management                  | Rp. 900,000 (Work Meeting)        | Focus on coordination and evaluation periodically.                    |

*Source : Processed Data from RKAM Al- Ghuraba Foundation, 2025*

Apart from the aspect financial planning also includes involvement stakeholders interests. The Foundation carries out needs assessment with see need student as Primary customers and engage Committee School in program development. However, the challenges internal communication still identified, where the flow information from the operational level (teachers) to the strategic level (foundation) sometimes blocked, causing uncertainty information that influences accuracy long-term program planning short.

#### *Operational Implementation*

At the stage implementation, transformation management marked with formalization structure organization and clarity delegation authority. The Foundation applies principle separation separation of powers, where the Foundation acts as steering committee and

Madrasah as executing agency. Leadership foundation give autonomy to Head of Madrasah for manage operational daily, including issuance of an internal Decree (SK) for distribution teachers duties.

Implementation operational strengthened with The formation of the Quality Assurance Team (TPM) through the Decree of the Head of Madrasah Number 030/MTs.AL-GHU/XI/2025. The structure of this TPM covers guarantor answer For various aspect standard education, starting from discipline, development teacher self, up to means infrastructure. Formalization This aim For standardize work processes and minimize ambiguity role ambiguity. Such as As seen in Table 2, the TPM structure is designed comprehensive involving element leadership to technical teachers.

**Table 2. Structure of the Quality Assurance Team (TPM) of MTs Al- Ghuraba**

| <b>Position</b>     | <b>Name / Role</b>   | <b>Main Responsibilities</b>              |
|---------------------|--|---|
| Director            | Ust. Syaban Ahmad (Chairman of the Foundation)               | Establishing Vision & Policy Strategic    |
| Person responsible  | Amirudin, S.Pd (Head of Madrasah)                            | Quality Leader / Manager Daily Operations |
| Chairman of TPM     | Sri Endang, S.Pd (Deputy Head of Curriculum)                 | Guarantor Content & Process Standards     |
| Sexy Discipline     | Herlina, S.Pd (Deputy Student Affairs)                       | Guarantor Standard Discipline Student     |
| Sexy infrastructure | Asrafik, S.AP (Deputy Head of Facilities and Infrastructure) | Guarantor Standard Infrastructure         |

Source : TPM Decree Document, 2025

Although structure has formed neat, implementation in the field face challenge heavy in the form of gap technology and limitations physical. Feasibility data room class show variation number eligibility between 60% to 85%, which becomes signal warning for management facilities. In addition, the burden manual administration that is still dominate cause inefficiency teachers time. Implementation Standard Operating Procedure (SOP) is often hit by reality lack source Power supporters, forcing teachers to do improvisation For guard continuity of teaching and learning activities.

#### *Evaluation and Supervision*

Operational management at the Al-Ghuraba Foundation currently shows significant progress. The institution has successfully transformed from a traditional, intuitive management approach into a data-driven and formally structured strategic management system. The success of this transformation is evidenced by the application of various modern managerial instruments, such as SWOT analysis and SMART principles, as well as the establishment of a Quality Assurance Team (TPM) supported by a well-planned supervision scheduling system.

One of the main pillars of this transformation is the performance evaluation mechanism, which is now professionally institutionalized and no longer incidental. In assessing the performance of its educators, the Al-Ghuraba Foundation adopts a comprehensive 360-degree approach. This method does not rely solely on a single perspective but rather integrates direct observation by superiors, examination of the completeness of administrative documents, and self-assessment by the teachers. Through this approach, the foundation is able to obtain a more holistic and objective representation of performance. The evaluation results are then effectively

utilized as a strategic foundation for decision-making, particularly regarding training programs and the career development of educators.

In addition to performance evaluation, the Al-Ghuraba Foundation also implements a highly structured academic supervision strategy. Referring to the 2025 Supervision document policy, the supervision schedule is deliberately condensed at the beginning of the semester, specifically throughout the period from August to October. This condensed schedule is not without reason; rather, it is a concrete manifestation of an early control strategy. By centralizing oversight at the beginning of the academic year, management can proactively detect various obstacles, such as the unpreparedness of teaching materials or anomalies in teaching methods. This anticipatory step ensures that any interventions and improvements can be implemented immediately before problems prolong and disrupt the teaching and learning process.

Furthermore, the supervisory function at this foundation is not limited to the academic realm. The evaluations conducted also encompass other crucial aspects, namely financial accountability and the extent to which the institution's vision and mission have been achieved. Financial reports and the track record of evaluations from previous years are extensively extracted to serve as the primary database for drafting plans in the following year. This practice affirms that the Al-Ghuraba Foundation has understood and implemented the principle of continuous improvement, where future policies are always built upon the foundation of past reflections.

Although the institution's governance has undergone commendable modernization, this operational effectiveness still faces a number of challenges. The most tangible obstacle lies in the financial aspect. Various crucial follow-up plans derived from evaluation results, such as organizing external training for teachers or urgent physical infrastructure repairs, are frequently delayed in their implementation. These delays are generally caused by the foundation's dependence on the disbursement schedule of the School Operational Assistance (BOS) funds, which directly hinders the overall pace of improving educational quality. Additionally, governance efficiency is still hampered by technical constraints, as the institution's administrative system is largely run manually.

In conclusion, the Al-Ghuraba Foundation is on the right track in building a culture of quality through systematic evaluation and supervision. However, to achieve optimal effectiveness, the modernization of the administrative system and the development of a more independent funding strategy remain crucial tasks that need to be addressed immediately.

### ***Challenges faced by the Al-Ghuraba Foundation in implementing educational operations***

The foundation faces three fundamental challenges that are mutually related and inhibiting optimization performance institution:

#### ***Vulnerability Financial Vulnerability***

The most critical challenge is dependence absolute on the Aid fund Operational School (BOS) as source income main. Because the foundation apply policy free school, no There is income from student tuition fees. Analysis proof disbursement of funds shows that the administrative process disbursement often late, such as in the 3rd and 4th quarter of 2025 which is new processed in October. This is create gap cash flow gap during months, paralyzing operational daily and postpone teacher honorarium payments. Phenomenon resource dependence This put foundation in position vulnerable, where stability operational dictated entirely by bureaucracy disbursement of external funds.

Condition This exacerbated by the absence of business units significant productivity as buffer. Without diversification source funding, planning strategic that has been arranged neat often fail executed solely Because problem liquidity management risk finance Not yet running optimally in mitigate this delay in funds, forcing foundation often looking for bridging funds of a nature incidental and not sustainable.

#### *Human Resources Management*

The foundation faces the stepping stone phenomenon, where madrasas are used as place look for experiences by young teachers before they move to public schools or other sectors that are more promising in a way economy. Based on RKAM data, the average teacher honorarium is around Rp. 175,000 per month, a figure far below standard need life worthy. Referring to Herzbergs Two Factor Theory (1966), the vision preaching foundation act as motivator intrinsic, but inability fulfil factor hygiene causes dissatisfaction work and desire high turnover intention.

The height level this HR turnover bother consistency quality education. Investment training provided foundation become vain when the teacher who has competent choose out. The foundation is trapped in cycle recruiting and training new teachers in a way continuously, which results disappearance asset intellectual institutions and disruption of the learning process student consequence change style teaching too much often.

#### *Gap Technology*

Domination system manual administration creates inefficiency massive operations or called as a trap administrative trap. Teachers are burdened by tasks clerical like writing manual lesson plans, recapitulation mark physical, and complicated BOS reports, which take up time and energy. As a result, there is fatigue administrative burnout, where the teachers focus is diverted from innovation classroom learning become just fulfillment obligation document bureaucracy.

Absence system Integrated data management (Integrated Management Information System) also hampers taking decision Data-driven decision making information from operational to strategic often late or no accurate, make function evaluation and control become weak. In the era of education 4.0, the lag this digital infrastructure become threat Serious for relevance competence graduate of foundation in the future.

#### ***Analysis of the application of Total Quality Management (TQM) principles in improving operational performance at the Al-Ghuraba Foundation***

Implementation principle Total Quality Management (TQM) at the Al- Ghuraba Foundation show dynamics unique that reflects adaptation draft quality in limitations :

#### *Focus on Customers*

Implementation principle This disclose A phenomenon interesting so-called paradox Quality of Service. Based on interview, parents express high satisfaction to service school although they realize limitations facility Tangibles The foundation succeeded compensate lack infrastructure building with superiority in dimensions Empathy (personal attention from teachers) and Assurance (education morals guarantee). In the context of education religion - based, customer trust external more built on similarities spiritual values and moral integrity of educators than luxury facilities (Zamroni, 2020).

Focus on internal customers (teachers) still become point weak. Minimal welfare shows that need internal customers not yet fulfilled with Good. Sallis (2014) emphasizes that impossible give service externally prime consistent If internal customers do not satisfied. Inequality This become risk term long for sustainability satisfaction guardian if teacher turnover continues continues.

#### *Repair Continuous Improvement*

Spirit Kaizen or repair sustainable has institutionalized through formation of the Quality Assurance Team (TPM) and cycle supervision scheduled academic schedule. The busy supervision schedule at the beginning of the semester (August-October) shows effort systematic for improve the learning process in a way proactive. The foundation does not wait results exam end for do evaluation, but rather monitor the process (process orientation) for improvement Can done quick.

Despite Thus, efforts repair This often cut off by obstacles funding. Teacher training programs or repair TPM recommended means often delayed its realization Because wait disbursement of BOS funds. The PDCA cycle becomes No smooth at the stage Act, create stagnation quality in the period certain. In addition, the burden manual administration creates the teachers energy is exhausted for recording quality, not essence improvement quality That Alone.

#### *Leadership*

Leadership style applied is empowering leadership combined with spiritual values. Leadership foundation give autonomy technical to Head of Madrasah and avoid micromanagement, according to with principle delegation authority in TQM. Structure clear organization separate role strategic foundation and operations of the madrasah, enabling taking more decisions fast at school level.

Commitment management is also visible from transparency budget in the RKAM. Even though funds are limited, the leadership brave open details allocation of funds, building trust among staff. However, leadership face exam heavy in maintain loyalty staff in the middle lack of incentive financial. Leadership sued for capable transform motivation transactional teacher becomes motivation transformational worth worship for guard Spirit Work team.

#### *Problems Prevention*

The foundation implements principle prevention problem with Enough good in aspects academic and student affairs. Supervision device early learning year is step preventive for prevent failure of the teaching process in the classroom. Likewise, the enforcement of discipline strict students by the Section TPM discipline is effort prevent moral degradation of character students. The philosophy of do with Correct since do it right the first time is seen in the effort preparation This.

Principle prevention the problem is very weak in aspect management risk finance. Delays upload condition BOS disbursement which causes cash shortage is proof failure system preventive administrative. The foundation has not yet own mechanism mitigation risk adequate liquidity, so that problem recurring finances Keep going happened and disturbed stability operational.

Implementation of TQM at the Al- Ghuraba Foundation succeed build culture quality based strong values, especially in aspect satisfaction customer through approach supportive

character and leadership. However, the implementation This Not yet supported by infrastructure adequate management, so that principle repair sustainability and prevention problem Not yet running optimally technical.

### *Strategies that the Al-Ghuraba Foundation can implement to increase effectiveness, efficiency and accountability in the provision of education*

Based on analysis conditions and challenges, a comprehensive strategy is formulated for increase performance foundation :

#### *Effectiveness Strategy*

For increase effectiveness, foundation must strengthen Niche Strategy with make moral and character excellence as mark sell main (Unique Selling Point). Remembering limitations physical, foundation No need compete head-to-head with public schools in facilities, but rather dominate in guarantee Moral Assurance This strategy must supported with implementation Management Knowledge Management. Teaching materials and methods the best teacher must be documented digitally so that assets intellectual No is lost moment happen teacher change, guarding stability quality learning. In addition, planning must strict data - driven planning For ensure every program that is compiled truly close gap existing quality.

#### *Efficiency Strategy*

Improvement efficiency focused on low-cost digital transformation low and management entrepreneurship. The foundation needs to adopt free platforms like Google Workspace for migrate manual to digital administration. This will cut thousands of hours of work administrative, reducing teacher burnout, and increase data accuracy. On the other hand, HR efficiency is carried out through redistribution burden proportional work and elimination double excessive position. Collaboration strategy source power with other institutions also need maximized For use facility laboratory or library together, reduce burden investment assets.

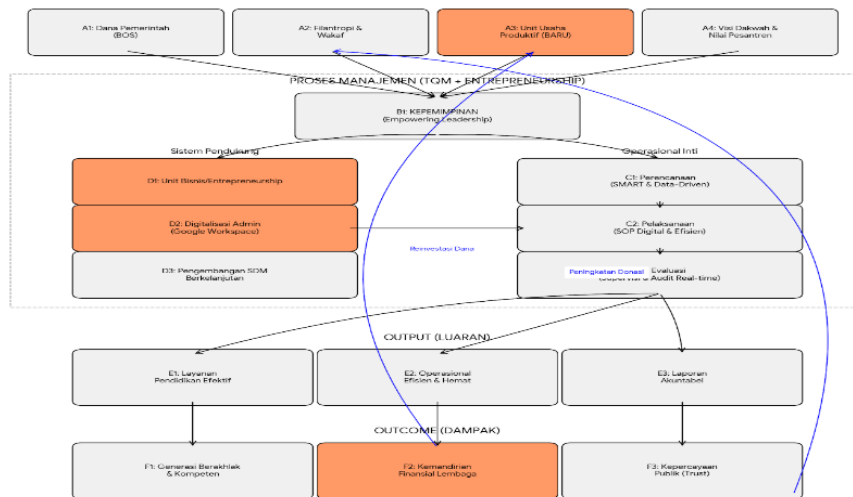
#### *Accountability Strategy*

Accountability improved through transparency finance real-time and reporting based Evidence-Based Reporting. The foundation needs to apply dashboard finance simple that can internally accessible for monitor cash flow and prevent delay BOS administration. Report accountability No may only containing number receipt, but must serve impact qualitative use of funds for performance students. Mechanism bait feedback loop from parents and the community must institutionalized formally to strengthen control social and caring trust public trust which becomes social capital main foundation.

These three strategies boils down to one objective big: transition from management endure life (survival mode) towards management sustainable growth. Effectiveness focus on strengthening core values, efficiency focus on modernization tool work and accountability focus on strengthening trust stakeholders interest.

#### *Proposed Model Framework*

As solution integrative on problem vulnerability financial constraints quality, research This proposed an Integrated TQM & Entrepreneurial Management model. This model synergize principles of Total Quality Management with Spirit Entrepreneurship For create independence institution.



**Figure 1 Design Integrated TQM & Entrepreneurial Management Model Framework**

Source : Authors analysis, 2025

Framework Work This started from diversification Input (A), where the foundation No Again only rely on government funds (A1), but in a way active integrating Productive Business Units (A3) such as agribusiness or cooperative Islamic boarding school. Synergy between financial inputs independent and values vision preaching (A4) becomes material burn main. In the stage Process (C), Empowering Leadership (B1) orchestrates Business Units (D1) to generate profits which are then invested return For Digitalization Administration (D2) and Human Resource Development (D3). This is supported by independent funding and digital systems. allows core functions of Planning, Implementation, and Evaluation walk fluent without obstacle liquidity.

This model produce Output in the form of service effective education (E1), efficient operations (E2), and reporting accountable (E3). In term length, Outcomes achieved is creation generation morality (F1), independence financial institutions (F2), and trust high public (F3). Key sustainability of this model located in two cycles bait reverse : cycle reinvestment of profits for increase business capital, and cycle trust public that increases potential endowments and donations public.

### ***The Service Quality Paradox in Tuition-Free Education***

In evaluating the implementation of Total Quality Management (TQM) at the Al-Ghuraba Foundation, this study identifies a unique phenomenon termed the "Service Quality Paradox". According to the SERVQUAL framework developed by Parasuraman et al. (1988), service quality is measured across five dimensions: tangibles, reliability, responsiveness, assurance, and empathy. In standard organizational settings, a severe deficiency in *tangibles* – such as the 60% to 85% classroom viability rate observed at the foundation – would inevitably result in low customer satisfaction. However, the paradox occurs because the foundation successfully compensates for these physical inadequacies with exceptional *assurance* (guarantees of students' moral and character development) and *empathy* (personalized attention from teachers). This aligns with Zamroni's (2020) assertion that within religious-based educational contexts, public trust is built more heavily on shared spiritual values and the moral integrity of educators rather than on luxurious facilities.

Nevertheless, viewed through the comprehensive lens of TQM, this paradox presents a

latent risk. Sallis (2014) emphasizes that successful TQM implementation relies on satisfying both external customers (students and parents) and internal customers (teachers and staff). While external customers express high satisfaction, internal customers experience profound dissatisfaction due to extremely low honorariums and exhausting manual administrative burdens. Drawing on Herzberg's Two-Factor Theory (1966), the idealistic vision of the foundation provides intrinsic motivation, but the severe lack of hygiene factors (adequate salary and working conditions) drives high turnover intentions. Consequently, the Service Quality Paradox is temporary; without resolving the internal customer dissatisfaction, the external service quality will inevitably decline as competent teachers leave the institution.

### *Integrated TQM and Entrepreneurial Management Model*

A major finding of this study is that the continuous improvement cycle (Kaizen) intrinsic to TQM is frequently paralyzed at the 'Act' stage due to severe funding bottlenecks. The foundation's absolute reliance on School Operational Assistance (BOS) funds creates a resource dependence that halts daily operations whenever administrative disbursement delays occur. To address this systemic vulnerability, this study proposes the Integrated TQM & Entrepreneurial Management Model. As Caldwell and Spinks (1988) argue in their framework of the self-managing school, educational institutions require a baseline of financial autonomy to effectively execute strategic and operational plans.

This proposed model synthesizes Deming's (1986) principles of quality management with entrepreneurial agility. It mandates the creation of productive business units such as local agribusiness utilizing *waqf* land or a boarding school cooperative to serve as an independent financial buffer. The profits generated from these entrepreneurial units are strategically reinvested into two critical TQM enablers: (1) low-cost digital transformation (to eliminate the administrative trap and reduce teacher burnout) and (2) human resource development (to improve teacher welfare and retention).

By integrating entrepreneurial revenue streams into the TQM framework, the institution can ensure that its core operational functions proceed smoothly without liquidity constraints. This synergy between economic independence, technological efficiency, and moral values enables the foundation to transition from a vulnerable "survival mode" to a state of sustainable organizational growth.

## **CONCLUSIONS**

The implementation of operational management at the Al-Ghuraba Foundation has successfully transitioned toward a strategic approach, evidenced by data-driven planning (utilizing SWOT and SMART analyses) and the establishment of formal organizational structures like the Quality Assurance Team (TPM). This transformation demonstrates a strong institutional commitment to abandoning traditional management patterns. However, overall institutional performance remains significantly hampered by severe financial vulnerability due to an absolute dependence on School Operational Assistance (BOS) funds, high teacher turnover, and massive inefficiencies caused by a manual administrative system.

The application of TQM principles at the foundation revealed a unique phenomenon termed the "Service Quality Paradox." The institution successfully generates high external customer satisfaction by compensating for inadequate physical facilities (tangibles) with exceptional moral guarantees (assurance) and personalized teacher attention (empathy). Nevertheless, this paradox is temporary and precarious. Driven by unfulfilled hygiene factors –

specifically low honorariums and exhausting administrative burdens—profound internal customer (teacher) dissatisfaction threatens long-term sustainability. Without immediate intervention to improve teacher welfare, external service quality will inevitably decline as competent educators leave the institution.

To overcome this quality stagnation and resource dependence, the foundation must execute a radical transition from purely administrative management to an Integrated TQM and Entrepreneurial Management Model. This strategy mandates the establishment of productive, locally-based business units such as agribusiness utilizing *waqf* land—to serve as an independent financial buffer against delayed government funding. Achieving this economic independence is an absolute prerequisite for sustaining teacher quality and welfare programs, ensuring that the TQM continuous improvement cycle is no longer paralyzed by liquidity constraints.

Furthermore, the profits generated from these entrepreneurial units must be strategically reinvested into a low-cost digital transformation, adopting free cloud-based management platforms to eliminate administrative inefficiencies. This must be coupled with strengthening active resource-sharing partnerships with the School Committee and the local community. By synergizing economic independence, technological efficiency, and strong moral values, the Al-Ghuraba Foundation will be able to break its chain of vulnerability, transitioning from a fragile "survival mode" to a state of sustainable organizational growth and independent educational quality.

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