

Values-Embedded Quality Assurance and Competitive Advantage in Faith-Based Higher Education

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ABSTRACT

This study examines the academic quality assurance model implemented at Universitas Nahdlatul Ulama Surabaya (UNUSA) and its impact on the institution's competitive advantage. Using a qualitative case study approach, data were collected through in-depth interviews with university leaders, quality assurance officers, and faculty members, supplemented by document analysis and observation. The research applies Total Quality Management (TQM) theory and Porter's Competitive Advantage framework, integrated with the Islamic values of Ahlul Sunnah Wal Jama'ah An-Nahdliyah (Aswaja). Findings reveal that UNUSA's quality assurance model operates through three interconnected dimensions: (1) academic quality policy grounded in the institution's vision, mission, and Aswaja values; (2) a systematic PPEPP cycle (Setting, Implementation, Evaluation, Control, and Improvement of Standards) that governs all academic processes; and (3) measurable impacts manifested in attaining 'Unggul' (Excellent) national accreditation from BAN-PT within only ten years of establishment, ranking first among all Nahdlatul Ulama universities in Indonesia, and entry into four international rankings including QS Asia University Rankings 2026. The study concludes that the integration of Islamic ideological values into a structured quality management system constitutes a distinctive and transferable model for faith-based higher education institutions seeking sustainable competitive advantage.

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1. Introduction

Higher education institutions globally face mounting pressure to demonstrate academic quality while simultaneously building competitive distinction. In Indonesia, this challenge is compounded by the country's persistently low standing in international education indices. UNESCO data consistently place Indonesia among the lower-ranking nations in the Asia-Pacific region, while PISA assessments conducted by the OECD confirm that Indonesian learners underperform relative to regional peers across literacy, numeracy, and science domains (Sachs et al., 2019; OECD, 2022). The Education Index from the Human Development Reports further situates Indonesia at seventh place within ASEAN, with a score of 0.622, trailing Singapore (0.832), Malaysia (0.719), and Brunei Darussalam (0.704).

Within this landscape, Islamic higher education institutions particularly those affiliated with Nahdlatul Ulama (NU), the world's largest Muslim mass organization face a dual mandate. They are expected to meet national quality standards as prescribed by Permendikbudristek No. 53 of 2023 on the Higher Education Quality Assurance System, while simultaneously fulfilling the mission of producing graduates who embody the distinctive values of Ahlul-sunnah Wal Jama'ah An-Nahdliyah (Aswaja). This ideological dimension encompassing *tawassuth* (moderation), *tawazun* (balance), *tasamuh* (tolerance), and *i'tidal* (justice) is not merely additive but constitutive of institutional identity (Abdul Rozaq et al., 2020; Subandi et al., 2020). This normative-institutional integration echoes Dina et al. (2023) and Ismail et al. (2023), who find that strategic management of academic and quality culture in Indonesian Islamic educational institutions is most effective when explicitly anchored in organizational identity rather than treated as an external administrative requirement. (Mustajib; Roikhanatus, 2021)

Universitas Nahdlatul Ulama Surabaya (UNUSA) represents a remarkable case in this regard. Established in 2013, UNUSA attained the highest national accreditation grade ('Unggul'/Excellent) from the National Accreditation Board for Higher Education (BAN-PT) in 2023 within a mere decade of its founding. It ranked first among all Nahdlatul Ulama universities in Indonesia according to the Internal Quality Assurance System (SPMI) and External Quality Assurance System (SPME) assessments reported at the LPTNU National Working Meeting. By 2025–2026, the institution had entered four international rankings simultaneously: Webometrics (48th nationally), Scimago Institutions Rankings (72nd in Indonesia), Times Higher Education Impact Rankings (1501+), and QS Asia University Rankings 2026 (1201–1300 in Asia) making it the first and only NU university to appear in both SIR and QS rankings concurrently.

Despite this trajectory, there remains a significant gap in the literature. Prior research on quality assurance in Islamic higher education tends either to focus on compliance-based approaches (Budi Rizka et al., 2024; Meisuri et al., 2024) or to treat quality and competitive advantage as separate domains (Fariz et al., 2022; Javed & Alenezi, 2023). Dian et al. (2023) similarly show that competitive advantage in Indonesian educational institutions is cultivated through leadership commitment and sustained inter-institutional partnership rather than through isolated quality initiatives. Bibliometric analyses confirm that Scopus-indexed research on Islamic higher education quality remains comparatively scarce, underscoring the novelty of this focus (Machali & Suhendro, 2022). No study, to date, has systematically examined how an Islamic values-based quality assurance model generates measurable competitive advantage in a single, rapidly ascending institution. This article addresses that gap by investigating UNUSA's model through three analytical lenses: academic quality policy, quality assurance processes, and institutional impact on competitive positioning.

The research questions guiding this study are: (1) How is academic quality policy formulated and implemented at UNUSA in ways that strengthen competitive advantage? (2) What processes constitute the academic quality assurance cycle at UNUSA? (3) What impacts has the quality assurance model produced on UNUSA's institutional competitiveness?

Quality assurance (QA) in higher education denotes the systematic processes through which institutions ensure that their educational offerings meet defined standards and continuously improve (Al Maraghi et al., 2024; Kayyali, 2023). Elliot (as cited in Ariani, 2003) defines quality assurance as a set of planned, systematic actions necessary to provide adequate confidence that a product or service satisfies stipulated quality requirements. In the context of Indonesian higher education, the Higher Education Quality Assurance System (SPM Dikti) is legally grounded in Law No. 12 of 2012 on Higher Education and operationalized through Permendikbudristek No. 53 of 2023, which mandates a cyclical process of

Standard Setting, Implementation, Evaluation, Control, and Improvement (PPEPP). Fadhli (2020) identifies seven internal and eight external quality assurance components that Indonesian higher education institutions must integrate to sustain this cycle, underscoring the structural complexity of SPMI implementation.

The components of academic quality assurance input, process, output, and outcome have been systematically identified by Srikanthan and Dalrymple (2002) and Becket and Brookes (2008). Input quality encompasses faculty qualifications, curriculum design, and physical infrastructure. Process quality addresses pedagogical methods, academic assessment, and student support services. Output quality refers to learning outcomes and graduation rates, while outcome quality captures graduate employability, alumni networks, and institutional reputation. This four-component model provides the theoretical scaffolding for the present study. Sarrico (2022) cautions that performance measurement within this framework can function simultaneously as an administrative burden, a source of inspiration, and a driver of innovation, depending on whether institutions internalize rather than merely comply with quality indicators.

Total Quality Management (TQM), as articulated by Deming (1986), Juran (1999), and Crosby (2004), constitutes the grand theoretical framework for this study. TQM emphasizes continuous improvement (*kaizen*), stakeholder-centricity, process-based management, and evidence-based decision-making (Nasution, 2010; Sallis, 2006). In higher education settings, TQM has been operationalized through Juran's Quality Trilogy quality planning, quality control, and quality improvement and through Deming's PDCA (Plan-Do-Check-Act) cycle, which shares structural parallels with Indonesia's PPEPP model. Empirical evidence corroborates TQM's organizational value in higher education: Texeira-Quirós et al. (2022) demonstrate that TQM adoption, together with innovation and internationalization, significantly enhances the organizational performance of higher education institutions. A three-decade literature review by Jasti et al. (2022) further identifies unclear customer identification and inconsistent accreditation frameworks as persistent barriers to effective TQM implementation, a challenge UNUSA's PPEPP-aligned model directly addresses through explicit stakeholder definitions.

Critically, TQM in Islamic higher education must be integrated with normative values. The concept of *ihsan* (excellence in action, derived from Q. 28:77) provides theological grounding for continuous quality improvement, while *amanah* (trustworthiness) undergirds institutional accountability. The Qur'anic injunction to act optimally in all endeavors (Q. 16:90) aligns structurally with TQM's commitment to process excellence (Murata, 2012).

Porter's (1990) theory of competitive advantage posits that sustained institutional superiority derives from differentiation, cost leadership, or focused market positioning; a systematic review by Hart and Rodgers (2024) confirms that in higher education this advantage is most consistently achieved through distinctive institutional identity and differentiated stakeholder value rather than through scale or price competition. In higher education, Miotto et al. (2020) demonstrate that institutional reputation and legitimacy are key drivers of sustainable competitive advantage. Nadtochiy et al. (2021) identify academic quality, research productivity, human resource development, infrastructure, and responsiveness to global trends as the principal determinants of university competitiveness. For faith-based institutions, a distinctive ideological identity functions as an additional differentiator that cannot be readily replicated by secular competitors (Abdul Rozaq et al., 2020).

Javed and Alenezi (2023) argue that sustainable quality assurance requires key performance indicators, robust data management, and long-range planning. Fariz et al. (2022) specifically demonstrate that quality improvement strategies focusing on faculty competence, industry-aligned curricula, and efficient academic governance enhance competitive standing in the East Java higher education market the geographic context directly relevant to this study.

Nahdlatul Ulama universities carry a dual institutional mandate: fulfilling national higher education standards while perpetuating the *Aswaja* tradition. Subandi et al. (2020) show that quality management in NU-affiliated institutions is structured around *Tridharma* (teaching, research, community service), with *Aswaja* values integrated at the curricular and co curricular levels. Sulistyaningrum et al. (2024) confirm that NU universities embedding Islamic moderate values into their quality policies tend to demonstrate stronger stakeholder trust and competitive positioning.

2. Research Method

This study employs a qualitative case study design (Creswell, 2016), deliberately selected to provide contextually rich, particularistic insight into UNUSA's quality assurance model. The case study approach is appropriate because the research question concerns a 'how' phenomenon embedded in its institutional context conditions that cannot be disentangled from the unit of analysis (Yin, 1987). The single-site focus on UNUSA is justified by the institution's exceptional trajectory and its status as the top-ranked NU university in Indonesia, making it an information-rich case for understanding effective quality assurance in faith-based higher education.

UNUSA is located at Jl. Raya Jemursari No. 51–57, Surabaya, East Java, Indonesia. Founded in 2013 under the auspices of the Nahdlatul Ulama educational body (LPTNU), it operates 20 study programs across multiple faculties. Key institutional milestones include: BAN-PT 'Unggul' accreditation (2023, SK No. 946/SK/BAN-PT/Ak/PT/XI/2023); ranking seventh among Indonesian private universities in Webometrics 2024; and entry into QS Asia University Rankings 2026 (1201–1300). These achievements provide the comparative baseline against which quality assurance processes are examined.

Purposive sampling was employed to select information-rich participants (Bogdan & Biklen, 1997). A total of 5 key informants at UNUSA were interviewed: the Rector; the Vice-Rector for Academic Affairs, Student Affairs, Alumni, and Digital Transformation; the Chair of the Quality Assurance and Internal Oversight Board (LPMPI); the Head of Academic Quality Division (LPMI); and the Dean of the Faculty of Islamic Education and Humanities (FTIK). Participants were selected on the basis of their direct involvement in quality policy formulation and implementation.

Three complementary data collection techniques were employed, following Bogdan and Biklen (1997): (1) semi-structured in-depth interviews (audio-recorded and transcribed verbatim), conducted from August to December 2025; (2) non-participant observation of quality assurance activities including Academic Internal Audit (AMI) meetings and standard-setting forums; and (3) systematic document analysis encompassing SPMI policy documents, quality manuals, standard operating procedures, AMI reports, monitoring and evaluation reports, accreditation certificates, tracer study data, MoU/MoA agreements, and institutional rankings data.

Data were analyzed through the three-component interactive model of Miles, Huberman, and Saldana (2014): data condensation (selection, simplification, and abstraction of field notes, transcripts, and documents); data display (organized visual presentation to enable pattern recognition); and conclusion drawing/verification (provisional and final interpretive claims subjected to iterative cross-checking). Member checking was conducted with all informants to confirm that emerging interpretations accurately represented their accounts. Triangulation was applied across data sources (interview, observation, document) and informant roles to enhance credibility.

Credibility was established through prolonged engagement at UNUSA (August–December 2025), persistent observation, triangulation of sources and methods, member checks, and peer debriefing. Transferability was addressed through thick description of the institutional context. Dependability and confirmability were ensured through an audit trail comprising all raw data, analytic memos, and draft reports (Lincoln & Guba, as cited in Majid, 2017).

3. Research Results

3.1 Academic Quality Policy at UNUSA

UNUSA's academic quality policy is architecturally grounded in its institutional vision: 'To become a prominent and excellent higher education institution in ASEAN, entrepreneurial in spirit and Islamic in character.' This vision operationalizes through a six-fold mission encompassing academic, research, community service, professional development, good university governance, and Aswaja cultural dimensions. Interview data reveal that the Rector positions this duality between national regulatory compliance and NU ideological commitment not as a tension but as a synergistic design:

"We do not treat Aswaja values as an add-on to quality assurance. They are the foundation. When we set our quality standards for curriculum, for faculty conduct, for student formation we begin from tawassuth and tasamuh. The national standards give us the floor; our identity gives us the ceiling." (Rector, UNUSA, personal communication, October 2025)

The quality policy is formally encoded in five key document clusters: the SPMI Policy Document, the Quality Manual, Academic Quality Standards, Standard Operating Procedures (SOPs), and the Rector's Decrees on quality. These documents collectively define quality in terms of four attributes: (a) conformance to national SN Dikti standards; (b) fitness for the needs of students, industry, and society; (c) integration of Aswaja values into academic and character formation processes; and (d) continuous exceeding of minimum standards.

Three key elements characterize UNUSA's quality policy formulation. First, visionary-participatory leadership: the Rector and Vice-Rector for Academic Affairs lead a consultative process involving LPMPI, faculty deans, and program heads in quality standard-setting, ensuring institutional buy-in across organizational levels. Second, normative integration: Aswaja values (tawassuth, tawazun, tasamuh, i'tidal) are explicitly embedded in the Academic Quality Standards document and are operationalized in course syllabi, faculty performance indicators, and student character assessment rubrics. Third, strategic alignment: quality targets are synchronized with the Institutional Development Master Plan (RIP), ensuring that quality assurance directly drives competitive positioning rather than operating as a compliance function.

3.2 Academic Quality Assurance Processes

UNUSA's quality assurance processes are structured around the five-stage PPEPP cycle mandated by Permendikbudristek No. 53 of 2023, operationalized through LPMPI and its academic division.

Stage 1, Standard Setting (Penetapan): Academic quality standards are co-developed by LPMPI, the Vice-Rector for Academic Affairs, and faculty representatives. Standards encompass both SN Dikti requirements and institutional-specific standards that explicitly integrate Aswaja dimensions (e.g., a standard for 'Islamic character development' operationalized through compulsory Aswaja-based courses and extracurricular religious formation). The standard-setting process begins with benchmarking against accreditation criteria and international ranking indicators, ensuring that internal standards are aspirational rather than merely compliant.

Stage 2, Implementation (Pelaksanaan): Academic standards are cascaded through faculty and program levels via the internal quality assurance units (GJM/UJM). The Vice-Rector for Academic Affairs described the implementation architecture:

"We built a quality cascade: from university standards to faculty standards to program learning outcomes. Every syllabus, every assessment rubric, every research supervision protocol must be traceable back to the standards. We audit this traceability, not just the outputs." (Vice-Rector for Academic Affairs, personal communication, September 2025)

Student-centered learning, blended learning modalities, and the integration of local wisdom and NU spiritual values characterize the pedagogical approach. Faculty development programs mandatory training in active learning pedagogy, research methodology, and Aswaja studies are embedded within the implementation phase.

Stage 3, Evaluation (Evaluasi): Evaluation is conducted through multiple mechanisms operating at different timescales: weekly monitoring of attendance and teaching schedules; monthly tracking of research and community service activities; semester-end student satisfaction surveys; and annual program-level self-evaluation reports. The Academic Internal Audit (AMI), conducted biannually, constitutes the most rigorous evaluation instrument. The AMI Chair of LPMPI described its function:

"AMI is not a policing exercise. It is a mirror we hold up to ourselves. The auditors go into each program with the standards and ask: where are you against your own targets? Where the gap is large, we diagnose the cause together." (Chair, LPMPI, personal communication, October 2025)

Stage 4, Control (Pengendalian): AMI findings are reviewed in a management review meeting (rapat tinjauan manajemen) attended by the Rector, Vice-Rectors, Deans, and LPMPI. Non-conformances are classified by severity, root causes are identified, and corrective action responsibilities are assigned with defined timelines. Data-driven decision-making (speak with data) is a stated behavioral norm, reinforced by the institutional information system that aggregates real-time academic performance data.

Stage 5, Improvement (Peningkatan): The PPEPP cycle generates kaizen (continuous quality improvement) by setting each new cycle's standards above the previous cycle's achievements. UNUSA's approach to improvement is proactive rather than remedial: rather than waiting for accreditation cycles to trigger improvement, the institution employs rolling targets aligned with international ranking criteria. The Head of the Academic Quality Division noted:

"After achieving Unggul accreditation, we immediately set our sights on SIR and QS. We analyzed what those rankings measure and worked backwards into our quality standards. This is continuous improvement as a competitive strategy, not just a quality management obligation." (Head of Academic Quality Division, LPMI, personal communication, November 2025)

3.3 Impact of Academic Quality Assurance on Competitive Advantage

The impacts of UNUSA's quality assurance model on institutional competitive advantage are observable across four dimensions.

Institutional Reputation and Accreditation: The attainment of BAN-PT 'Unggul' accreditation in 2023, ten years after establishment, is the most visible impact. Of 4,523 higher education institutions in Indonesia, only 80 hold this designation; in East Java, only 15, of which 8 are private universities. UNUSA's accreditation trajectory from its founding to the highest national rating in a single decade—is unprecedented among NU universities. More than 50% of its 20 study programs hold 'Unggul' program-level accreditation, and several have obtained international accreditation.

International Positioning: By 2025–2026, UNUSA appeared in four international rankings: Webometrics (48th nationally), Scimago Institutions Rankings/SIR (72nd in Indonesia), Times Higher Education Impact Rankings (1501+), and QS Asia University Rankings 2026 (1201–1300). This multi ranking presence distinguishes UNUSA from all other NU-affiliated universities and from the vast majority of Indonesian private universities.

Graduate Quality and Employability: Tracer study data indicate high rates of graduate employment within six months of graduation, with stakeholder satisfaction surveys reflecting positive assessments of graduates' technical competence and professional ethics. The Dean of FTIK attributed this to the dual formation model:

"Our graduates are known for two things: professional competence and Islamic character. Employers in health, education, and business sectors recognize this combination. The Aswaja formation is not soft content—it produces honest, collaborative, and resilient professionals." (Dean, FTIK, personal communication, November 2025)

Institutional Growth Indicators: Student enrollment has grown consistently since UNUSA's founding, with accelerating growth following the 'Unggul' designation. MoU/MoA data document an expanding network of national and international collaborative partners. UNUSA ranked first among all NU universities in Indonesia in LPTNU's national SPMI/SPME ranking, presented at the National Working Meeting (Rakornas) in Bandung, attended by the Minister of Research, Technology, and Higher Education.

4. Discussion

4.1 Academic Quality Policy: Values-Embedded Policy as a Strategic Architecture

The finding that UNUSA's quality policy is architecturally grounded in Aswaja values not as supplementary guidelines but as foundational axioms from which operational standards are derived reveals a qualitatively distinct policy logic. Rather than appending ideological commitments to a pre-existing quality framework, UNUSA reverse-engineers its quality standards from its normative identity. The tripartite quality definition identified in the documents conformance to national standards, fitness for stakeholder needs, and embodiment of Aswaja character represents an integrative conception that transcends conventional binary framings of compliance versus aspiration. The Rector's articulation that 'national standards give us the floor; our identity gives us the ceiling' epitomizes this integrative logic and suggests a policy architecture in which ideological commitment functions as an upward aspiration mechanism, driving standards beyond minimum regulatory thresholds.

This finding stands in contrast to the majority of quality assurance studies in Indonesian higher education, which predominantly frame quality policy as a compliance function driven by accreditation requirements (Budi Rizka et al., 2024; Meisuri et al., 2024). Gariato's (2022) study of Universitas Muhammadiyah Metro Lampung documents systematic SPMI implementation but does not identify values integration as a quality driver. Iskarim (2022) identifies two paradigms compliance-based and goal based at IAIN Pekalongan but treats them as sequential developmental stages rather than as simultaneously operative dimensions. Similarly, Syafaruddin et al. (2021) and Taj et al. (2024) document strategic planning and quality management initiatives at Islamic educational institutions that remain largely procedural, treating quality culture as a planning outcome rather than as an identity-derived standard-setting principle. The present finding suggests a third paradigm: values-integrated policy, in which ideological identity structures quality definition from the outset. Among international studies, Kayyali (2023) acknowledges that institutional context shapes quality frameworks but does not extend this observation to faith-based value integration. Al Maraghi et al. (2024) similarly highlight the importance of collaboration and internal ownership in quality policy without addressing the constitutive role of normative values.

The finding is broadly consistent with Sallis's (2006) argument that quality in education must be defined relationally with reference to the institution's purposes and its stakeholders rather than as an absolute standard. However, it extends Sallis's framework by demonstrating that for faith-based institutions, normative identity itself constitutes a primary stakeholder purpose, not merely a contextual modifier. Juran's (1999) concept of quality as 'fitness for use' is substantiated but significantly enriched: UNUSA's policy defines 'use' to include the perpetuation of Aswaja culture and NU organizational continuity uses that have no analogue in secular quality theory. TQM's principle of stakeholder-centricity (Deming, 1986) is operationalized at UNUSA in a manner that positions the NU organization itself as a strategic stakeholder, a conceptual extension not anticipated in canonical TQM literature.

The values-embedded policy architecture at UNUSA can be explained by three intersecting mechanisms. First, institutional founding logic: UNUSA was established explicitly as an extension of NU's educational mission, meaning that Aswaja values were constitutive rather than imported, shaping the institution's identity architecture from inception. Second, leadership agency: the current Rector and Vice-Rector for Academic Affairs have consistently championed the proposition that quality and Islamic character are not competing but mutually reinforcing objectives, creating a normative discourse that permeates policy documents and leadership communications. Third, institutional learning from accreditation: UNUSA's intensive preparation for BAN-PT 'Unggul' accreditation required detailed self-study that surfaced the distinctive value-added of Aswaja integration learning that was subsequently codified in formal policy documents as a deliberate competitive differentiator.

This finding contributes to quality assurance theory by proposing the concept of normative policy integration the deliberate embedding of institutional identity values into the foundational architecture of quality standards, such that values function as standard-setting principles rather than aspirational rhetoric. This concept extends Srikanthan and Dalrymple's (2002) holistic quality model by adding a normative-identity dimension to the input-process-output-outcome framework, and it enriches Becket and Brookes's (2008) call for context-sensitive quality definitions by specifying the mechanism through which faith-based context is institutionalized into formal quality systems.

For NU university leaders and LPTNU, the finding recommends explicit codification of Aswaja values within SPMI policy documents specifically in quality standard statements, faculty performance indicators, and curriculum learning outcomes rather than maintaining them as parallel cultural programmes. Quality assurance officers should be trained not only in accreditation criteria but in the philosophical grounding of Aswaja, enabling them to translate normative commitments into measurable quality indicators. For the Indonesian Ministry of Education, Culture, Research, and Technology, the UNUSA case suggests value for developing a supplementary accreditation criterion for faith-based universities that recognizes ideological formation quality alongside conventional academic performance metrics.

4.2 Academic Quality Assurance Processes: The PPEPP Cycle as a Proactive Competitive Mechanism

The finding that UNUSA implements the PPEPP cycle with high fidelity across all five stages and, critically, that it operationalizes the Improvement (Peningkatan) stage as a proactive competitive

strategy rather than a reactive corrective reveals a sophisticated reconfiguration of a regulatory mandate into a strategic management tool. The quality cascade architecture described by the Vice-Rector for Academic Affairs, in which traceability from university standards to program learning outcomes is audited (not merely asserted), indicates a level of implementation depth that substantially exceeds compliance-oriented SPMI systems documented in existing literature. Furthermore, the benchmarking of internal standards against international ranking criteria prior to each new PPEPP cycle demonstrates a forward looking quality leadership orientation rarely documented in Indonesian private university contexts.

Gariato (2022) documents PPEPP implementation at Universitas Muhammadiyah Metro Lampung as systematic and internally consistent, but primarily oriented toward accreditation preparation. The key distinction from UNUSA is the absence of proactive international benchmarking in the Improvement stage. Khamrayev et al. (2023) identify data-driven decision-making and management commitment as critical success factors for internal quality assurance both of which are strongly present at UNUSA and are corroborated by the 'speak with data' behavioral norm enforced through the institutional information system. Javed and Alenezi (2023), in their international case study, emphasize that sustainable QA requires KPI-calibrated evaluation and long-range planning horizons; UNUSA's rolling target mechanism, calibrated to international ranking criteria, directly embodies this prescription and provides the first empirical instance of this approach in an Indonesian NU-affiliated institution.

UNUSA's PPEPP implementation exhibits strong structural alignment with Deming's (1986) PDCA cycle: the standard-setting and implementation stages map onto Plan-Do, while evaluation and control correspond to Check-Act. However, the PPEPP model extends PDCA by institutionalizing improvement as a formally mandated fifth stage with its own documentation requirements a structural feature that addresses the well-documented tendency of PDCA implementations to stall at the Act stage (Sallis, 2006). Juran's (1999) Quality Trilogy is fully instantiated: quality planning occurs in standard-setting, quality control in the AMI and management review, and quality improvement in the proactive recalibration of targets. The AMI's diagnostic orientation described by the LPMPI Chair as 'a mirror, not a policing exercise' aligns with Kaizen's ethos of internally motivated improvement (Nasution, 2010), contrasting with compliance-audit models that function primarily as external accountability mechanisms.

Three mechanisms explain the depth and proactivity of UNUSA's PPEPP implementation. First, the young institution effect: having been founded in 2013, UNUSA built its quality management architecture without the institutional inertia characteristic of older universities, enabling the design of systems that were modern, integrated, and data-enabled from the outset. Second, competitive urgency: the need to demonstrate legitimacy rapidly as a new private NU university competing against established institutions created organizational motivation to implement quality systems with exceptional rigor. This urgency was channeled productively by visionary leadership into a permanent competitive growth orientation rather than dissipating after initial accreditation success. Third, digital infrastructure: the institutional information system that aggregates real-time academic performance data removes friction from evaluation and control stages, making data-driven management review operationally feasible at scale.

The finding advances quality assurance theory by distinguishing between compliance-oriented PPEPP implementation (in which improvement targets are set by regulatory floors) and competitiveness-oriented PPEPP implementation (in which improvement targets are set by international benchmarks). This distinction constitutes a meaningful theoretical elaboration of the PPEPP framework, suggesting that the same regulatory structure can generate qualitatively different institutional behaviors depending on the strategic orientation of leadership. The concept of proactive quality cycling continuous improvement driven by aspirational rather than corrective logic represents a contribution to both TQM theory and Indonesian higher education quality management scholarship.

Quality assurance practitioners in NU universities should distinguish clearly between minimum-compliance and aspirational-improvement modes of PPEPP operation and consciously design their Improvement stage targets to reference international benchmarks, particularly ranking criteria from QS, THE, and Scimago. LPTNU should develop a shared digital quality monitoring platform that enables real-time data aggregation across member universities, replicating the data infrastructure that enables evidence-based management at UNUSA. For accreditation bodies, the finding suggests value in creating a

higher-tier recognition category for universities that demonstrate proactive kaizen orientation moving beyond 'Unggul' as an endpoint toward 'Unggul Plus' as a dynamically maintained standard.

4.3 Institutional Impact: Quality Assurance as a Generator of Multi-Dimensional Competitive Advantage

The four-dimensional competitive impact documented at UNUSA reputational (BAN-PT 'Unggul' accreditation), international (multi-ranking presence), graduate quality (employability and character), and growth (enrollment and partnerships) constitutes a comprehensive competitive advantage profile that is unusual for a twelve-year-old private university in a middle-income country context. Critically, these competitive gains are not sequential achievements but concurrent outcomes of a single integrated quality system, suggesting that UNUSA's model operates as a synergistic competitive engine rather than a linear causal chain. The graduate quality dimension is particularly noteworthy: the employer recognition of 'professional competence and Islamic character' as a distinguishing graduate profile indicates that Aswaja values integration in the curriculum produces labor market differentiation a competitive outcome not predicted by secular quality assurance models.

The reputational and accreditation findings are consistent with Miotto et al. (2020), who demonstrate that reputation and legitimacy are key drivers of sustained competitive advantage in higher education. However, UNUSA's trajectory extends this finding by demonstrating that reputation-building can occur at an exceptionally accelerated pace when quality assurance systems are strategically aligned with international benchmarks from inception. Fariz et al. (2022), studying East Java higher education competitiveness, identify faculty competence and industry aligned curricula as key competitive drivers both of which are present at UNUSA within the PPEPP framework but do not account for the additional competitive dimension of ideological formation. Javed and Alenezi (2023) project that sustainable QA produces long-term competitive benefits; UNUSA empirically validates this projection within a compressed timeframe, providing the most time-efficient trajectory documented in the post-2020 QA literature. This aligns with international evidence that rigorous accreditation and evaluation processes meaningfully drive institutional performance: Gutiérrez et al. (2023) show that sustained government accreditation regimes elevate research output in developing-country universities, while Iqbal et al. (2025) demonstrate that academic accreditation mediates the relationship between quality management initiatives and institutional performance gains.

The multi dimensional competitive impact substantiates Porter's (1990) theory of competitive advantage through differentiation: UNUSA occupies a distinctive position in the East Java higher education market by combining national quality credentials (Unggul accreditation), international visibility (four rankings), and an inimitable ideological profile (Aswaja formation). This constitutes a textbook differentiation strategy that simultaneously serves multiple market segments students seeking religious formation, employers seeking professionally competent and ethically grounded graduates, and international partners seeking credentialed institutions. Porter's framework, however, does not anticipate ideological differentiation as a distinct competitive mechanism, representing a point of productive divergence: the present study suggests that for faith-based institutions, ideological capital constitutes a fourth strategic resource alongside differentiation, cost leadership, and focus.

Three mechanisms explain the breadth and pace of UNUSA's competitive impact. First, strategic resource concentration: as a young institution, UNUSA was able to concentrate leadership attention and resource investment on a limited set of high-leverage quality initiatives Unggul accreditation preparation, ranking-calibrated research output, and Aswaja curriculum integration without the competing legacy priorities that constrain older institutions. Second, institutional legitimacy acceleration: the BAN-PT Unggul designation served as a legitimacy signal that triggered a virtuous cycle attracting higher-quality faculty, stronger student cohorts, and more prestigious institutional partners, each of which further elevated the institution's standing in subsequent ranking assessments. Third, values-based talent magnetism: the Aswaja identity enables UNUSA to attract faculty and students who are intrinsically aligned with the institutional mission, reducing the alignment costs that secular institutions incur in character formation programs.

This finding contributes a new conceptual construct: ideological capital as a competitive asset in faith-based higher education. Ideological capital refers to the accumulated institutional credibility, community trust, and graduate differentiation that accrues when an institution consistently operationalizes

its normative identity through rigorous academic quality processes. Unlike financial or infrastructural capital, ideological capital is path-dependent and inimitable; it cannot be acquired by secular competitors through investment alone, making it a theoretically robust source of sustained competitive advantage in Porter's (1990) sense. This construct bridges resource-based view theory (Barney, 1991; Kero & Bogale, 2023) and institutional legitimacy theory (Miotto et al., 2020), with the quality assurance system serving as the operational mechanism through which ideological capital is created, maintained, and leveraged.

For NU university leaders, the finding highlights that the fastest path to competitive distinction is not imitation of secular research universities but the deepening and systematic operationalization of ideological distinctiveness through rigorous quality management. LPTNU should develop institution-specific competitive advantage profiles for each PTNU member, identifying the unique combination of academic strengths and Aswaja formation capabilities that constitutes each institution's differentiated value proposition. For national education policymakers, UNUSA's trajectory suggests that dedicated capacity-building programmes for faith-based private universities focused on linking quality assurance to international competitiveness could yield systemic improvements in Indonesia's higher education standing, contributing directly to SDG 4 (Quality Education) objectives.

4.4 Toward an Integrated Faith-Based Quality Assurance Model

Across all three thematic discussions, a coherent theoretical synthesis emerges. UNUSA's model demonstrates that sustainable competitive advantage in faith-based higher education is generated through the simultaneous operation of three interlocking mechanisms: (1) normative policy integration, in which Aswaja values structure quality definitions and standard-setting; (2) proactive quality cycling, in which the PPEPP cycle is oriented toward international benchmarks rather than regulatory minimums; and (3) ideological capital accumulation, in which systematic operationalization of values produces inimitable competitive differentiation.

This synthesis challenges two dominant assumptions in the quality assurance literature. First, it refutes the claim implicit in compliance-oriented QA frameworks (Durdas et al., 2023; Khamrayev et al., 2023) that ideological commitments inevitably create friction with quality management imperatives. At UNUSA, they function as its engine. Second, it challenges the assumption that rapid competitive rise in higher education requires the replication of research university models. UNUSA's ascent is built on differentiation, not imitation, suggesting that identity clarity is itself a strategic resource.

A limitation of this synthesis is that the causal architecture proposed here values policy producing quality processes producing competitive outcomes; this is inferred from cross-sectional qualitative data rather than confirmed through longitudinal tracking. Future research should employ mixed-method longitudinal designs that trace the specific pathways through which quality investments translate into competitive indicators over time. Comparative multi-site studies across NU universities at different developmental stages would also enable systematic identification of which elements of the UNUSA model are institutionally idiosyncratic versus broadly transferable within the PTNU system.

5. Conclusion

This study investigated UNUSA's academic quality assurance model through the lenses of TQM theory, Porter's competitive advantage framework, and Islamic values of Ahlussunnah Wal Jama'ah. Three principal findings emerge. First, UNUSA's academic quality policy is characterized by the deliberate integration of Aswaja values *tawassuth*, *tawazun*, *tasamuh*, and *i'tidal* into formal quality standards and accreditation-aligned strategic targets, constituting a contextually distinctive policy architecture. Second, the PPEPP quality cycle at UNUSA is implemented with high fidelity, supported by a biannual Academic Internal Audit, data-driven management review, and proactive standard elevation beyond minimum compliance. Third, the model has produced measurable competitive outcomes: 'Unggul' accreditation, first ranking among NU universities nationally, and simultaneous entry into four international university rankings within a decade of establishment.

The theoretical contribution of this study is the articulation of an integrative model of faith-based quality assurance that treats ideological identity not as a constraint on competitive quality management but as its normative foundation. This model academic quality policy grounded in institutional values, implemented through a rigorous PPEPP cycle, and generating multi-dimensional competitive advantage

offers a replicable template for other faith-based higher education institutions seeking to navigate the dual imperatives of quality compliance and distinctive institutional identity.

For practitioners, the study recommends that NU university leaders explicitly embed Aswaja values in quality standard documentation rather than treating them as parallel to formal quality systems, and that LPTNU develop a shared quality benchmarking framework calibrated to international ranking criteria to accelerate competitive development across the NU university network.

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