

# Strategic Financial Management in Islamic Early Childhood Education: Facility Development and Student Enrollment Growth

Haikal\*<sup>1</sup>, Adiyono\*<sup>2</sup>, and Jumadi Ramadani\*<sup>3</sup>

<sup>1, 2, 3</sup> *Sekolah Tinggi Ilmu Tarbiyah Ibnu Rusyd Tanab Grogot, Paser, Indonesia*  
e-mail Correspondence: [adiyono@stitibnurusyd-tgt.ac.id](mailto:adiyono@stitibnurusyd-tgt.ac.id)

Submitted: 09-01-2026

Revised : 04-04-2026

Accepted: 19-04-2026

**ABSTRACT.** This study aims to examine how strategic financial management is implemented in Islamic early childhood education and how it contributes to facility development and student enrollment growth. Grounded in a qualitative descriptive case study approach, this research has been performed at an Islamic Integrated Early Childhood Education institution (PAUD Islam Terpadu Cendekia) in Indonesia. Data for this study were derived from in-depth interviews of key institutional actors (the principal or head teacher, treasurer, representatives from the foundation, and teachers), direct observations, and analysis of financial documents of the institution. The study found the following: Financial management allows for coordinated annual planning, with project priorities on facilities determined by functions rather than aesthetics, followed by adaptive strategies to external funding uncertainties, such as delays in government assistance. When the budget is allocated, first comes teacher welfare, followed by learning-sustaining facilities and child safety, while aesthetics come last. The improvements of these facilities do not directly increase enrollment but rather work on parental trust and word-of-mouth recommendations about the institution from their previous experiences and those of others, bypassing marketing activities. This raises further challenges to the traditional assumptions in education finance which have explicitly theorized a direct link from funding to enrollment. Instead, this research shows that funding works through the intervening variable of parental trust on enrollment. In conclusion, strategic and relational financial management is extremely important in sustaining institutional quality and credibility among Islamic early childhood education providers. From here, the research contributes to the educational management science by proposing a refined conceptual model associating strategic planning, facility development, parental trust, and enrollment growth toward faith-based early childhood contexts.

**Keywords:** *Educational Management, Financial Management, Islamic Early Childhood Education, Parental Trust, Strategic Planning*

**ABSTRAK.** Penelitian ini bertujuan untuk mengkaji bagaimana manajemen keuangan strategis diimplementasikan dalam pendidikan anak usia dini Islam dan bagaimana hal itu berkontribusi pada pengembangan fasilitas dan pertumbuhan pendaftaran siswa. Berdasarkan pendekatan studi kasus deskriptif kualitatif, penelitian ini dilakukan di sebuah lembaga Pendidikan Anak Usia Dini Islam Terpadu Cendekia (PAUD Islam Terpadu Cendekia) di Indonesia. Data untuk penelitian ini diperoleh dari wawancara mendalam dengan aktor-aktor kunci kelembagaan (kepala sekolah, bendahara, perwakilan dari yayasan, dan guru), observasi langsung, dan analisis dokumen keuangan lembaga tersebut. Penelitian ini menemukan hal-hal berikut: Manajemen keuangan memungkinkan perencanaan tahunan yang terkoordinasi, dengan prioritas proyek pada fasilitas ditentukan oleh fungsi daripada estetika, diikuti oleh strategi adaptif terhadap ketidakpastian pendanaan eksternal, seperti keterlambatan bantuan pemerintah. Ketika anggaran dialokasikan, yang pertama diprioritaskan adalah kesejahteraan guru, diikuti oleh fasilitas pendukung pembelajaran dan keselamatan anak, sedangkan estetika menjadi prioritas terakhir. Perbaikan fasilitas ini tidak secara langsung meningkatkan pendaftaran tetapi lebih mengandalkan kepercayaan orang tua dan rekomendasi dari mulut ke mulut tentang lembaga tersebut berdasarkan pengalaman mereka sebelumnya dan pengalaman orang lain, tanpa melibatkan aktivitas pemasaran. Hal ini menimbulkan tantangan lebih lanjut terhadap asumsi tradisional dalam pembiayaan pendidikan yang secara

eksplisit menteorikan hubungan langsung antara pendanaan dan pendaftaran. Sebaliknya, penelitian ini menunjukkan bahwa pendanaan bekerja melalui variabel perantara berupa kepercayaan orang tua terhadap pendaftaran. Kesimpulannya, manajemen keuangan yang strategis dan relasional sangat penting dalam mempertahankan kualitas dan kredibilitas institusional di antara penyedia pendidikan anak usia dini Islam. Dari sini, penelitian ini berkontribusi pada ilmu manajemen pendidikan dengan mengusulkan model konseptual yang lebih baik yang mengaitkan perencanaan strategis, pengembangan fasilitas, kepercayaan orang tua, dan pertumbuhan pendaftaran dalam konteks pendidikan anak usia dini berbasis agama.

**Kata kunci:** *Manajemen Pendidikan, Manajemen Keuangan, Pendidikan Anak Usia Dini Islami, Kepercayaan Orang Tua, Perencanaan Strategis*

 [HTTPS://DOI.ORG/10.31538/CJOTL.V6I1.2924](https://doi.org/10.31538/CJOTL.V6I1.2924)

## INTRODUCTION

Strategic financial management appears to have gained considerable significance when it comes to governance of educational institutions, especially in early childhood education (ECE), where the greatest realms are resource constraints and increased quality demands (Omotunde et al., 2025). In Islamic early childhood education (PAUD Islam), financial management serves a diverse set of roles, which include maintaining day-to-day operations and developing facilities, increasing instructional quality, and preserving institutional credibility, among others (Omotunde et al., 2025). More specifically, this study proposes the integration of Islamic values such as amanah (trust), adl (justice), and shura (deliberation) into financial management practices in Islamic early childhood education as a conceptual contribution. This integration is expected to strengthen governance integrity and serve as a new perspective in understanding strategic financial management in the context of faith-based early childhood education (Alduaiji, 2020). The long-term impact of financial decision-making in ECE is far-reaching in terms of educational outcomes and the trust held by society, as this stage serves as the cornerstone for human development (Omotunde et al., 2025). On the contrary, the area of financial management in faith-based ECE institutions, specifically PAUD Islam, is an under-researched area within international educational management literature. Where the literature does exist, it focuses more on formal accountability and compliance rather than adaptive strategies and relational outcomes like parental trust (Ehren & Baxter, 2021). The quality of financial governance is well linked with institutional sustainability, quality of services, and stakeholder confidence (Omotunde et al., 2025). Strategic budgeting and participatory financial planning enhance school effectiveness and accountability, such as through government allocations, parental contributions, and internal entrepreneurial initiatives (Kusuma & Ubaidillah, 2024). Another factor affecting the quality of the learning environments and parental perception of ECE facilities (Aprila & Huda, 2025) correlates strongly with the optimization of financial resources through solid budget planning, accompanied by the needs assessment, cost-benefit analysis, and contingency planning (Omotunde et al., 2025).

The literature on student enrollment and financial resources in early childhood education is quite contentious and reveals critical inconsistencies that need to be investigated further. Historically, educational finance theories postulated strong positive causal relationships between funding availability and enrollment increases (Omotunde et al., 2025), however it seems that more recent studies understand this relationship as being somehow mediated by institution quality, social capital, and trust in stakeholders (Utama et al., 2024). Most importantly, quite little empirical evidence explains how early childhood institutions are perceived to strategize in response to the uncertainty of external funding, either through a delayed government funding allocation, fluctuating parental contributions, or other factors (Azizah et al., 2024). This gap is much more pronounced in an Islamic early childhood education (PAUD Islam) context, where financial management practices tend to become intertwined with religious values and governance principles that go beyond conventional administrative procedures. Very little exists in the literature regarding how PAUD

institutions build resilience through adaptive financial strategies, indicating the quite possibly complex stakeholder interrelationships through which institutional responses to funding uncertainties occur (government, parents, foundations, and community) (Aprila & Huda, 2025; Kusuma & Ubaidillah, 2024). Such questions remain unanswered and illustrate the need for qualitative, context-sensitive research, conceptualizing financial management not as a technical administrative function but in fact as a lived institutional process embedded within organizational culture, stakeholder relationships, and faith-based values (Herman, 2006).

This study, therefore, seeks to fill those gaps by investigating strategic financial management in Islamic early childhood education institutions and how such practices contribute to developing facilities, increasing student enrollment, and building parental trust. This study was conducted in PAUD Islam Terpadu Cendekia, This research was conducted at PAUD Islam Terpadu Cendekia, which was selected purposively because it has unique characteristics in financial management, particularly adaptive budgeting strategies under conditions of limited resources, strong stakeholder engagement, and its ability to maintain institutional sustainability and parental trust despite facing funding uncertainty, analyzing financial planning in institutions, budgeting practices, and interaction with many stakeholders. This study examines the relationship between three main aspects, namely collaborative financial decision-making, prioritization strategies for facility development under budget constraints, and the influence of financial management practices on parental trust and student population dynamics. The relationship between financial sustainability and institutional credibility is accepted as a basis for provision of quality early childhood education services (Omotunde et al., 2025), hence making it very much relevant to understand these dynamics in faith-based settings. To structure this article: introduction, which delineated the research context and gaps identified in literature; methodology, which describes the qualitative case study design and data collection procedures; findings, which describes the overall results of thematic analysis from field research on empirically derived procedures; discussion, which interprets those findings with reference to existing theories of organizational management, financial governance, and institutional resilience (Setiasih et al., 2023); and conclusion that highlights theoretical contributions to the understanding of faith-based educational management in practice as well as applicable implications for practitioners and policymakers seeking to strengthen ECE institutions in diverse contexts.

## **METHOD**

For the purposes of this study, an approach of qualitative research with descriptive case study design was used to explore extensively how strategic financial management is instituted and contributes to the development of facilities and the increase of student enrollment in Islamic early childhood education. Qualitative research seems particularly suitable when the aim is to understand the social processes, the meanings, and institutional practices through the points of view of the participants in their real-life contexts (Creswell & Poth, 2016). This study did not follow the tradition of hypothesis testing or statistical estimation of variable relationships but instead attempted to uncover the orientation of deliberate financial management strategies and their planning, implementation, and interpretation by key actors in an educational institution. With this focus, the intention is to capture the complexity and contextual dynamics of financial decision-making in Islamic education settings.

The study was conducted at PAUD Islam Terpadu Cendekia, which is an Islamic Integrated Early Childhood Education institution in Indonesia. However, data collection was conducted from November to December 2025 during the academic year, so researchers could observe the financial planning, implementation, and evaluation processes in a natural way. This was supposed to permit the researchers to witness financial planning, actualisation, and evaluation processes as they naturally occurred within that period. Thus, using a combination of three complementary techniques for data collection: semi-structured interviews, direct observation, and document analysis, as recommended in qualitative case study research to achieve rich and depth data, was

evidenced (Yin, 2018). Informants were selected purposively based on their direct involvement in financial management and facility utilization. Six informants participated in this study: the principal, treasurer, two foundation representatives, and two teachers. The observations focused mainly on school facilities, learning environments, and daily operational practices while those documents analyzed included annual budget plans, financial reports, and institutional records.

Data analysis followed an interactive qualitative analysis model with its three stages of data reduction, data display, and conclusion drawing, as proposed by Miles, Huberman, and Saldaña (Miles et al., 2014). Transcripts from interviews, field notes from observation, and documents have been organized, coded, and categorized systematically. The purpose is to find recurring patterns and emerging themes in financial management strategies, expenditure prioritization, facility improvement, and student enrollment growth. To further enhance the trustworthiness of the findings or evidence of the credibility, data triangulation has been employed to compare evidence from varied data sources and collection methods (Creswell & Poth, 2016). This entire analytical process will enable researchers to construct a credible and coherent interpretation of how practices of strategic financial management finally yield into institution development and increased parental confidence in Islamic early childhood education.

## **RESULT AND DISCUSSION**

### **Result**

#### **Theme 1: Sources and Organization of Financial Resources**

Data obtained from in-depth interviews with the school treasurer and principal indicate that PAUD Islam Terpadu Cendekia relies on three primary sources of funding: parental contributions, Regional School Operational Assistance (BOSDA), and Early Childhood Education Operational Assistance (BOP PAUD). This information is consistently reflected in institutional financial documents, including annual budget plans and financial reports.

As stated by the treasurer:

*“The main sources of funding come from parents, BOSDA, and BOP PAUD. These funds are used to support the school’s operational needs.” (Treasurer Interview)*

Document analysis further confirms that these funding sources are formally recorded in the institution’s annual financial planning documents, which are prepared at the beginning of each academic year.

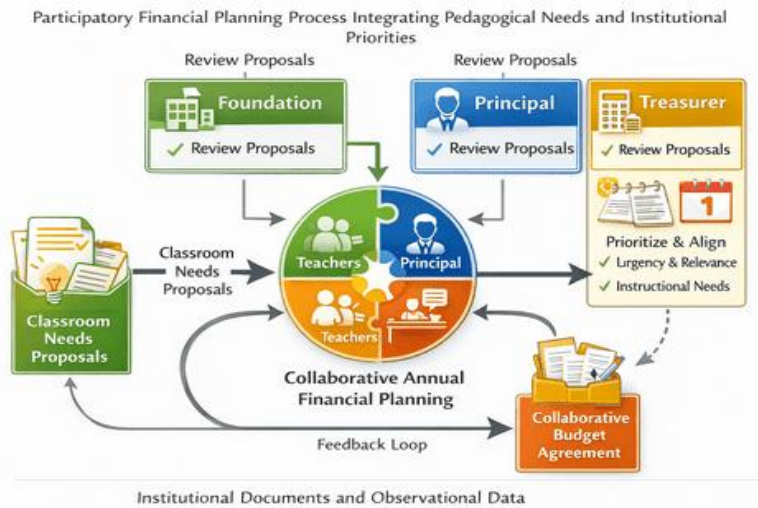
#### **Theme 2: Collaborative Annual Financial Planning**

Interview data reveal that financial planning is conducted annually and involves multiple institutional actors, including foundation representatives, the school principal, the treasurer, and teachers. Teachers are involved in proposing classroom-based needs, which are then discussed and prioritized during budgeting meetings.

The principal explained:

*“The budget plan is prepared at the beginning of every academic year. The foundation, school leadership, and teachers are involved so that the budget matches the needs of each class.” (Principal Interview)*

This practice is supported by documentary evidence in the form of meeting notes and budget planning documents, which list proposed expenditures aligned with classroom and institutional priorities.



**Figure 1** Collaborative Annual Financial Planning Model

Figure 1 depicts an annual financial planning involving bottom-up participative budgeting processes where teachers, school leadership, the treasury, and the foundation make budget decisions jointly. This serves as a starting point for teachers regarding their identification of needs based on day-to-day instructional practices in classrooms, which will then be subjected to a systematic review by the principal, treasurer, and foundation in terms of urgency, instructional relevance, financial capacity, and institutional goals. The structured circularity and feedback loop in the diagram makes it clearly evident that financial planning is an integrative and iterative exercise definitely entailing negotiation and revision as opposed to a simple administrative endpoint routine. Overall, JEPA situates an annual financial plan within a participatory governance-making process, which incorporated classroom realities into institutional strategy thereby enlarging financial relevance, transparency, and instructional responsiveness in early childhood education establishments.

### Theme 3: Priority-Based Budgeting for Institutional Sustainability

Field data indicate that although financial resources are limited, the institution applies a priority-based budgeting strategy. Interviewees consistently emphasized that teacher salaries and learning-related expenditures are prioritized to ensure the continuity of educational services.

The treasurer stated:

*“When funds are limited, we prioritize teacher welfare and essential learning needs so that teaching activities can continue properly.” (Treasurer Interview)*

This prioritization strategy is evident in financial records showing a consistent allocation of funds for teacher salaries and learning support, even during periods of delayed external funding.

Based on the empirical data presented above, the findings indicate that financial management at the Terpadu Islam Cendekia Early Childhood Education Center (PAUD Islam Terpadu Cendekia) is structured around collaborative planning and strategic prioritization. The involvement of various stakeholders in annual financial planning allows budget allocations to reflect the actual needs of the classrooms and the institution. Furthermore, the implementation of priority-based budgeting demonstrates the institution's adaptive capacity to maintain core educational functions and gradually improve facilities despite limited financial resources. However, this prioritization strategy also raises critical considerations. A consistent focus on teacher salaries and essential operational needs, while necessary to ensure the sustainability of teaching, may limit resource allocation for long-term investments such as teacher professional development, pedagogical innovation, and institutional capacity building. Over time, this condition potentially limits the institution's ability to improve teaching quality beyond basic service provision. Therefore, while

priority-based budgeting supports short-term stability, it can simultaneously pose challenges to sustaining long-term educational improvement and innovation.

This interpretation is supported by supporting evidence from interviews and institutional documents, which indicate that financial management practices are systematically structured and reflect a conscious effort to balance resource limitations with the need to maintain core educational functions.

#### **Theme 4: Budget Allocation Priorities for Facility Development**

Data obtained from direct observations and document analysis indicate that a substantial portion of the institutional budget is allocated to facility development activities aligned with the national eight PAUD standards. Institutional financial documents, including annual budget plans and expenditure reports, consistently record allocations for learning facilities, classroom maintenance, and outdoor play areas.

Observational data show that facility improvements are conducted on a yearly basis, following internal evaluations of facility conditions and available financial capacity. These improvements include the procurement of educational teaching aids, renewal of learning media, classroom repairs, and maintenance of playground equipment.

This allocation pattern is further supported by interview data. The school principal stated:

*“Every year, we allocate funds for improving facilities based on the eight PAUD standards. The improvements depend on the evaluation results and the financial capacity of the school.” (Principal Interview)*

Similarly, the treasurer emphasized:

*“Facility development is always included in the annual budget, especially for learning tools and classroom maintenance.” (Treasurer Interview)*

Documentary evidence from budget plans confirms the regular allocation of funds for facility-related expenditures across academic years.

**Table 1.** Budget Allocation Priorities and Facility Development Areas

<b>No.</b>	<b>Budget Allocation Area</b>	<b>Description of Utilization</b>	<b>Frequency</b>
1	Teacher salaries	Monthly payment to ensure educator welfare	Ongoing
2	Learning facilities	Educational tools, learning media, and teaching aids	Annual
3	Classroom maintenance	Repair and renovation of classrooms	Annual
4	Outdoor play facilities	Development and maintenance of playground areas	Annual
5	Administrative operations	Office supplies and operational costs	Ongoing

#### **Theme 5: Functional Prioritization in Facility Development**

Interview data reveal that budget allocation decisions prioritize the functional value of facilities over aesthetic considerations. Informants consistently reported that funds are directed toward facilities that directly support learning activities and child safety rather than decorative enhancements.

A teacher involved in budget planning explained:

*“We prioritize facilities that directly support learning and children’s safety. Decorative aspects are not the main concern.” (Teacher Interview)*

Observational data corroborate this statement, showing that facility improvements are primarily focused on usable learning tools, safe classroom environments, and functional play areas, rather than cosmetic upgrades.

Based on the empirical evidence presented above, the findings indicate that budget allocation at PAUD Islam Terpadu Cendekia is guided by a function-oriented prioritization strategy. Annual facility development is systematically aligned with national PAUD standards and informed by internal evaluations and financial capacity. This approach allows the institution to sustain a child-friendly, safe, and supportive learning environment despite financial constraints. Importantly, this interpretation is grounded in converging evidence from interviews, observations, and institutional documents, demonstrating that facility development is the result of deliberate financial planning rather than incidental expenditure.

### Theme 6: Financial Management Challenges and Adaptive Strategies

Data from in-depth interviews and institutional documents indicate that delays in the disbursement of Regional School Operational Assistance (BOSDA) constitute a recurring financial challenge for PAUD Islam Terpadu Cendekia. Financial records and interview accounts consistently show that delayed fund transfers disrupt the institution’s operational cash flow, particularly for routine expenditures.

The treasurer explained:

*“This year, the BOSDA funds were disbursed very late, which affected our operational planning.”*  
(Treasurer Interview)

Document analysis confirms gaps between planned and actual fund disbursement schedules, requiring the institution to adjust its expenditure timeline. In response to these constraints, interview data reveal that the institution applies a tiered financial prioritization strategy, distinguishing between short-term, medium-term, and long-term needs. Informants consistently reported that teacher salaries and essential learning activities are prioritized during periods of financial uncertainty.

As stated by the school principal:

*“When funds are delayed, we prioritize teacher salaries first so that learning activities can continue.”*  
(Principal Interview)

This prioritization is supported by financial documents showing consistent salary disbursement even when other expenditures are postponed. Based on the empirical evidence above, the findings indicate that financial management at PAUD Islam Terpadu Cendekia is characterized by adaptive strategies in response to external funding uncertainties. The use of tiered prioritization reflects managerial resilience and strategic decision-making aimed at preserving instructional continuity and institutional stability despite recurring financial challenges.



Figure 2 Functional-Oriented and Adaptive Financial Management Model

Figure 2 shows financial management that functions within facility planning in an adaptive strategy of finance under conditions of uncertainty, funding at PAUD Islam Terpadu Cendekia. One specific model constructed demonstrates budget decisions purposefully orienting grants and spending into areas that contribute to the learning quality, child safety, and instruction continuity, while not paying attention to granting nonessential and aesthetic spending at the same time. A continued delay relating to outside funding obligated a tier priority classification, with teacher salaries and activities of core learning at the highest priority. Overall, the figure portrays strategic, adaptive financial decision-making in the institution, which enables one to sustain high educational quality and organizational stability in the face of severe staff financial constraints.

### **Theme 7: Impact of Facility Improvement on Student Enrollment Growth**

Interview and observational data indicate a clear association between facility improvement and increased student enrollment. School leaders reported that improvements in learning facilities, classrooms, and play areas are readily observed by parents and influence their perceptions of institutional quality.

The school principal noted:

*“After we improved the facilities, parents were more confident and often recommended the school to others.”*  
(Principal Interview)

Observational data further show that enhanced facilities contribute to a safer and more engaging learning environment, which parents frequently mention during informal interactions with school staff. Teachers also reported that enrollment growth is largely driven by informal word-of-mouth communication among parents rather than formal promotional activities.

A teacher stated:

*“Most new students come because parents recommend the school to other parents.”* (Teacher Interview)

**Table 2.** Observed Relationship Between Facility Improvement and Student Enrollment Growth

No.	Indicator	Observed Outcome
1	Improved learning facilities	Increased parental satisfaction
2	Safer and engaging classrooms	Higher learning comfort for children
3	Facility upgrades	Positive word-of-mouth among parents
4	Institutional trust	Growth in student enrollment

Based on the empirical data presented, the findings suggest that facility improvement functions as a mediating mechanism between financial management and student enrollment growth. Rather than relying on formal marketing strategies, the institution benefits from enhanced parental trust generated through visible improvements in the learning environment. This trust translates into enrollment growth through informal social networks among parents. Importantly, this interpretation is grounded in convergent evidence from interviews and observations, demonstrating that enrollment growth is an emergent outcome of financial and facility-related decisions rather than a direct administrative target.

Further findings reveal interconnected relationships across the identified themes, suggesting a coherent financial management system rather than isolated practices. Despite repeated delays in the disbursement of external funds (Theme 6), the institution’s implementation of a tiered prioritization strategy (Theme 3) ensured that essential expenses, particularly teacher salaries and core learning needs, were met. This prioritization enabled the continued allocation of resources to the development of functional facilities (Themes 4 and 5), with investments primarily directed toward learning-supporting and safety-related infrastructure. These facility improvements, in turn,

played a crucial role in shaping parents' perceptions of the institution's quality, thus fostering parental trust. As evidenced in Theme 7, this trust served as a key mechanism driving student enrollment growth through informal word-of-mouth communication. Thus, the findings demonstrate a sequential and relational process in which adaptive financial management under constraints supported the development of functional facilities, which in turn strengthened parental trust and ultimately contributed to enrollment growth.

## **Discussion**

According to PAUD Islam Terpadu Cendekia, financial management is alloyed of joint annual planning with priority-based budgeting, which synchronizes with research advocating participatory financial planning for improved institutional accountability and sustainability of educational organizations (Babina et al., 2025). Effective financial management in early childhood education is not limited to administration alone but is a strategy for service quality and institutional credibility maintenance (Utama et al., 2024). Strong financial practices, which include transparency and efficient resource use, are significances for the sustainability of educational organizations into posterity (Grace, 2024). In addition, integrating digital tools into human resource management has, in its turn, been shown to improve efficiency and the general organizational performance of institutions in the education sector (Awad et al., 2024). This study views adaptive prioritization as one of the most essential competencies that management needs in resource-scarce organizations (Adiyono et al., 2024), instead of just regarding transparency and accountability (Prabowo & Ekanigsih, 2025).

The inclination of expenditures to prioritize teacher welfare and those related to learning indicates the greater fact that human resources are the principal assets of educational quality, especially in an environment where educator-child interaction takes precedence (Casimiro et al., 2025). Further studies show glaring differences in teacher competencies with respect to different skill areas and inadequate institutional support system (Saraya et al., 2023), culminating in the need to resourcefully use community involvement (Bidandi et al., 2021). This adaptive measure is critical for developing the resilience of an institution, as a lot of research advocates for alignment of financial planning with long-term institutional strategy, while the urgent need for adopting data-driven decision-making supported by information systems is of concern.

The research managed to find that external funding delays like BOSDA disbursement are repeated institutional operation challenges. This concurs with earlier research, which suggested that reliance on government funding might expose educational institutions to financial vulnerability (Hong, 2023). Revenue stream diversification is, therefore, crucial to minimizing the extremity of being dependent on a single financing source (Beck et al., 2008; Rofiqoh et al., 2025). This study expands on the literature by showing Islamic PAUD institutions prioritizing finances differently in a tiered manner-short-, medium, and long-term strategies-as an adaptive response to such challenges.

From an empirical viewpoint, this adaptability in behavior confirms the need for what is termed managerial agility within highly competitive educational environments (Zuroida et al., 2025). The ability to change the financial prioritization under uncertain conditions enhances institutional resilience and continuity. This supports the argument that being adaptable in leadership is a major factor determining sustainable education, especially in decentralized and competitive educational systems (Habeeb & Eyupoglu, 2024). Research has also found that scenario-based planning, sustainability-oriented budgeting, and proactive capital allocation lead to organizations being much more resilient to economic uncertainty and market volatility (Farouq & Rios, 2025).

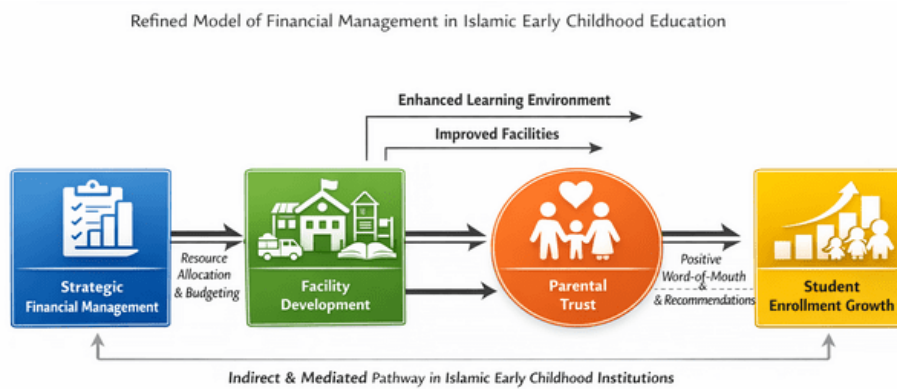
Cited researchers note that among the most significant contributions of this study is that the development of facilities is identified as mediators between effective financial management and growth in student enrollment. While previous studies had shown that adequate facilities enhance

the quality of learning (Jacoba et al., 2024) and improve student performance in different school systems, this study goes on to demonstrate that improvement in facilities works as a significant means of establishing trust among parents (Adiyono et al., 2024). In a competitive educational environment, the wisely channeled realization of financial resources toward enhancing facilities is key to sustaining the institution's attractiveness to prospective students (Doss et al., 2015). Therefore, effective financial management through prudent budgeting and resource allocation has a direct bearing on the tangible standards of institutional facilities, which subsequently influences enrollment figures.

Enrollment growth at PAUD Islam Terpadu Cendekia is derived largely from informal recommendations given by parents rather than through formal marketing tools. In this context, PAUD corroborates the social capital theory that trust and social networks are major forces in building an educational institution (Daro & Dodge, 2019). Thus, through enhancing visible institutional quality, financial management can indirectly influence enrollment by earning parental trust and positive word-of-mouth endorsement. This highlights that in early childhood education, observable improvements in facilities and service quality can play more important roles in parental trust than mere administrative openness, thereby implying that financial practice should not only be seen as technical processes but also as relational practices informed by community perceptions (Arif et al., 2024).

Featured, therefore, is parent confidence developed by continuing enhancement of facilities and services without institutionalizing formal mechanisms of transparency. This discovery adds nuance to existing theories around governance that tend to hold forward formal transparency as the main pathway to trust. Instead, in early childhood education contexts, experiential trust—this is built through observing changes, being responsive to needs, and a positive child wellbeing—would be equally if not more influential in developing parental confidence and loyalty (Edwards, 2021). For example, a study found that improvements in the quality of services and infrastructure of a school were directly associated with trust and loyalty of parents in the field of early childhood education (Alkrajji & Ameen, 2021). Likewise, institutional support, flexible learning design, and partnership with parents are essential for the successful implementation of the program and strengthening inclusive practices in early childhood education (Wijayanti et al., 2025).

This affirms and extends work arguing that stakeholder trust in educational institutions may be developed not necessarily alone from administrative openness but on how such institutions are perceived to be towards the actual quality of service and institutional commitment provided (Khayati et al., 2025). Financial conduct in an early childhood education setting should also be understood, therefore, as not only a technical process, but as a relation of practice embedded in community perception and expectation that undergirds the critical need of effective financial stewardship in buoying relationships with stakeholders over the long term (Najah & Darmiyanti, 2024). Transparency and accounting with respect to finances are public trust, especially about the management of financial and other public funds (Ajibolade & Oboh, 2017). Improvement in the administrative systems, as well as clear public communication on the use of financial management practices, will enhance public trust and satisfaction (Beshi & Kaur, 2020).



**Figure 3** Theoretical Contribution and Model Refinement of Strategic Financial Management in Islamic Early Childhood Education

Figure 3 presents the refined conceptual model of strategic financial management in Islamic early childhood education, developed based on the empirical findings of this study and their integration with established theories in educational management and finance (Riinawati et al., 2024). The model illustrates an indirect and mediated pathway linking financial management practices to student enrollment growth through facility development and parental trust. The integrated model articulated herein specifies the complicated interrelations between financial management, delivery of facilities, parent trust, and growth in student enrollment in the early childhood education sector, especially in the Islamic context. Within this view, Strategic Financial Management-with particular reference to strategic planning, flexible budgeting, and stressing core educational needs-is not merely viewed as an administrative task but rather a tool for determining the sustainability of an institution (Duncan & O’Gara, 2015). Such a view holds special implications for Islamic early childhood education, in which financial practices should be in line with core educational values and goals of the institution in the long run, indicating that strategic financial management could help promote quality learning (Alshubiri, 2020).

Facility Development works as a mediating variable indicating how the proper allocation of financial resources directly leads to an improvement in learning environment quality, including classrooms and play areas (Lubis et al., 2024). Therefore, these improvements in facility quality become very important for educational effectiveness and extremely influential in the eyes of stakeholders, especially in early childhood educational settings, where there tends to be a perception-much stronger among parents-of quality of pediatric healthcare services being linked to infrastructure (Alemu et al., 2020). Parental Trust then becomes a key element of social and relational outcomes that result from easily observable changes in the quality of the learning environment and service delivery while also maintaining service quality (Nafisah et al., 2025). This notion also finds support within social capital theory, which espouses trust and strong relational networks as the basis for institutional support and growth, especially applicable for faith-based educational institutions due to strong community ties (Kim & Yu, 2026). Consequently, Student Enrollment Growth becomes an indirect outcome, considered a parameter more stimulated by parental trust and positive word-of-mouth communication than any direct link to funds that are allocated to the school (Adiyono et al., 2023; Olalowo et al., 2024). This invalidates all traditional models of educational financing, suggesting instead that enrollment growth is mediated through signals of institutional quality and a process of social validation, thereby emphasizing strategic branding and digital promotion in reversing declining enrollment and increasing competitiveness (Iman et al., 2025). Thus, this integrated framework re-conceives financial management in its role as the initiator of trust and legitimacy within the educational management science.

## CONCLUSION

The most compelling and unexpected finding of this study is that student enrollment growth in Islamic early childhood education is not driven by the amount of financial resources available but rather through the strategic and relational management of those resources. The study specifically highlighted facility development and parental trust as crucial mediating mechanisms between financial management and enrollment growth; an observation only discerned through an in-depth qualitative exploration of actual institutional practices. While financial restrictions and untimely disbursement of external funds were recurring themes, the institution had managed to maintain educational quality and organizational stability through participatory planning, priority setting with respect to function, and adaptive financial management. However, the focus on a single case, the limited number of informants, and the restricted geographic location, in combination with the methods chosen, that is, purely qualitative, preclude any comparative case analysis or longitudinal engagement. Furthermore, the findings do not cater to variations across levels of institutions, regions, or demographics of stakeholders. Putting the above into perspective, there is a need for future research to include diversified cases, larger sample sizes, several locations, and mixed-method approaches for a more in-depth and comprehensive understanding of strategic financial management in early childhood education, so as to contribute to the formulation of more relevant and context-sensitive educational policies.

## ACKNOWLEDGMENT

The authors would like to express their sincere gratitude to the management, teachers, and staff of PAUD Islam Terpadu Cendekia for their cooperation and openness during the data collection process. Appreciation is also extended to colleagues and reviewers who provided valuable academic insights and constructive feedback that contributed to the improvement of this article.

## BIBLIOGRAPHY

- Adiyono, A., Fadhilatunnisa, A., Rahmat, N. A., & Munawarroh, N. (2023). Islamic religious education learning outcomes evaluation: Implementation of steps, concepts and solutions in public elementary school. *Al-Ishlah: Jurnal Pendidikan*, 15(4), 5208-5222. <https://doi.org/10.35445/alishlah.v15i4.4384>
- Adiyono, A., Jasiah, J., Ritonga, M., & Al-Matari, A. S. (2024). ChatGPT and active learning: A new paradigm for student participation in the classroom. In *Empowering Digital Education with ChatGPT* (pp. 189-209). Chapman and Hall/CRC. <https://www.taylorfrancis.com/chapters/edit/10.1201/9781032716350-13/chatgpt-active-learning-adiyono-adiyono-jasiah-jasiah-mahyudin-ritonga-ali-said-al-matari>
- Anwar, K., & Asrawijaya, E. (2023, September). Teacher communication and interaction with students in online learning amid Covid-19 Pandemic. In *Online Conference of Education Research International (OCERI 2023)* (pp. 3-12). Atlantis Press. [https://doi.org/10.2991/978-2-38476-108-1\\_2](https://doi.org/10.2991/978-2-38476-108-1_2)
- Ajibolade, S. O., & Oboh, C. S. (2017). A critical examination of government budgeting and public funds management in Nigeria. *International Journal of Public Leadership*, 13(4), 218-242. <https://doi.org/10.1108/IJPL-11-2016-0045>

- Alduaiji, M. H. (2020). *The Affordances and Constraints of Distributive Leadership in Effecting School Improvement in Saudi Arabian Primary Schools for Boys: A Focus Upon School Culture and Values* [Doctoral Thesis, University of Strathclyde]. <https://doi.org/10.48730/7jy3-2564>
- Alemu, A. T., Walle, A. A., & Atnafu, D. D. (2020). Quality of Pediatric Healthcare Services and Associated Factors in Felege-Hiwot Comprehensive Specialized Hospital, North-West Ethiopia: Parental Perception. *Patient Preference and Adherence*, 14, 1649–1658. <https://doi.org/10.2147/PPA.S264106>
- Alkrajji, A., & Ameen, N. (2021). The Impact of Service Quality, Trust and Satisfaction on Young Citizen Loyalty Towards Government e-Services. *Information Technology & People*, 35(4), 1239–1270. <https://doi.org/10.1108/ITP-04-2020-0229>
- Alshubiri, F. N. (2020). Analysis of Financial Sustainability Indicators of Higher Education Institutions on Foreign Direct Investment: Empirical Evidence in OECD Countries. *International Journal of Sustainability in Higher Education*, 22(1), 77–99. <https://doi.org/10.1108/IJSHE-10-2019-0306>
- Aprila, M. D., & Huda, M. I. (2025). Investing in the Future: Unveiling the Financing Architecture of Islamic Early Childhood Education at MGI Kindergarten, Handapherang, Ciamis. *Bestari*, 22(1), 12. <https://doi.org/10.36667/bestari.v22i1.1874>
- Arif, M. A. A., Hamid, M. F. A., Suyurno, S. S., & Meerangani, K. A. (2024). Integrated Management of Private Tahfiz Centers in Malaysia: Challenges and solutions. *INTERNATIONAL JOURNAL OF RESEARCH AND INNOVATION ON SOCIAL SCIENCE (IJRISS)*, 8(8), 2471–2478. <https://dx.doi.org/10.47772/IJRISS.2024.8080187>
- Awad, A., Shemais, M., & Al-Embabi, M. (2024). Driving HR Performance through Digital Transformation in Educational Directorates: A Strategic Imperative. *Problems and Perspectives in Management*, 22(4), 163–173. [https://doi.org/10.21511/ppm.22\(4\).2024.13](https://doi.org/10.21511/ppm.22(4).2024.13)
- Azizah, N. L., Naifah, N., Afrianingsih, B. I., Hamidah, M., & Ramadlan, M. A. A. (2024). Development of Arabic Language Learning in Indonesia at 19th – 21st Century. *Jurnal Al Bayan: Jurnal Jurusan Pendidikan Bahasa Arab*, 16(1), 219–238. <https://doi.org/10.24042/albayan.v16i1.22767>
- Babina, A. A., A, B. A., Popkova, Y. A., & A, II. IO. (2025). Values – The Goals of Students in Education in The Context of Modern Development of Society. *Pedagogical Education*, 6(4), 177–182. <https://journals.rcsi.science/2712-9950/article/view/375128>
- Beck, T., Demirgüç-Kunt, A., & Maksimovic, V. (2008). Financing Patterns around the World: Are Small Firms Different? *Journal of Financial Economics*, 89(3), 467–487. <https://doi.org/10.1016/j.jfineco.2007.10.005>
- Beshi, T. D., & Kaur, R. (2020). *The Mediating Role of Citizens' Satisfaction on the Relationship between Good Governance Practices and Public Trust in Ethiopian Local Government*. <https://doi.org/10.1163/21983534-00701005>
- Bidandi, F., Ambe, A. N., & Mukong, C. H. (2021). Insights and Current Debates on Community Engagement in Higher Education Institutions: Perspectives on the University of the Western Cape. *Sage Open*, 11(2), 21582440211011467. <https://doi.org/10.1177/21582440211011467>

- Casimiro, G. D. C., Panapanaan, R. M., DelaPeña, V., Tamayo, L. M., & Bezar, R. (2025). Teachers' Resources in Early Childhood Education: Challenges and Strategies. *Psychology and Education: A Multidisciplinary Journal*, 34(2), 191–203. <https://doi.org/10.70838/pemj.340205>
- Creswell, J. W., & Poth, C. N. (2016). *Qualitative Inquiry and Research Design: Choosing Among Five Approaches*. SAGE Publications.
- Daro, D., & Dodge, K. A. (2019). *Creating Community Responsibility for Child Protection: Possibilities and Challenges—PMC*. 19(2), 67–93.
- Doss, D. A., Jones, D. W., Sumrall, W., Henley, R., McElreath, D., Lackey, H., & Gokaraju, B. (2015). A Net Present Worth Analysis of Considered Academic Programs at a Private, Regional Higher Education Institution. *Journal of Interdisciplinary Studies in Education*, 4(1), 55–77. <https://ojed.org/jise/article/view/1601>
- Duncan, C. J., & O'Gara, G. M. (2015). Building Holistic and Agile Collection Development and Assessment. *Performance Measurement and Metrics*, 16(1), 62–85. <https://doi.org/10.1108/PMM-12-2014-0041>
- Edwards, S. (2021). *Exploring Parents' Understanding of Their Children's Mental Health and Wellbeing. From Experience to Discourse*. [Thesis, Newcastle University]. <http://theses.ncl.ac.uk/jspui/handle/10443/5476>
- Ehren, M., & Baxter, J. (2021). *Trust, Accountability and Capacity in Education System Reform: Global Perspectives in Comparative Education*. Routledge Taylor & Francis Group. <https://api.taylorfrancis.com/content/books/mono/download?identifierName=doi&identifierValue=10.4324/9780429344855&type=googlepdf>
- Farouq, A., & Rios, C. (2025). The Role of Strategic Financial Planning in Enhancing Organizational Resilience: A Cross-Industry Perspective. *Journal of Management and Informatics*, 4(3), 947–962. <https://doi.org/10.51903/jmi.v4i3.301>
- Grace, J. B. (2024). An Integrative Paradigm for Building Causal Knowledge. *Ecological Monograph*, 94(4), 1-27. <https://doi.org/10.1002/ecm.1628>
- Habeeb, Y. O., & Eyupoglu, S. Z. (2024). Strategic Planning, Transformational Leadership and Organization Performance: Driving Forces for Sustainability in Higher Education in Nigeria. *Sustainability*, 16(11), 4348. <https://doi.org/10.3390/su16114348>
- Herman, C. (2006). Managerialism, Fundamentalism, and the Restructuring of Faith-Based Community Schools. *Educational Theory*, 56(2), 137–158. <https://doi.org/10.1111/j.1741-5446.2006.00008.x>
- Hong, L. T. T. (2023). Research on Financial Autonomy and Financial Management in Public Higher Education. *International Journal of Business, Economics and Management*, 6(2), 112–122. <https://doi.org/10.21744/ijbem.v6n2.2126>
- Iman, N., Kurnianto, R., & Ariyanto, A. (2025). Strengthening Educational Quality through Participatory Quality Management Assistance at MTs Al-Islam Poncol, Magetan. *Mangabdi: Journal of Community Engagement in Religion, Social, and Humanities*, 2(1), 54–66. <https://doi.org/10.31958/mangabdi.v2i1.15471>

- Jacoba, F., Santos, A., Armas, K., & Gamit, A. (2024). A Comprehensive Analysis of a Science and Technology University's Alignment with the Performance Excellence Framework: A Governance Outlook Study. *Journal of Governance & Regulation*, 13(3), 213–223.
- Khayati, N., Azainil, A., & Haeruddin, H. (2025). Quality Management in Early Childhood Education at State Kindergarten Pembina Tanjung Redeb. *Dinasti International Journal of Education Management and Social Science*, 6(4), 2592–2600. <https://doi.org/10.38035/dijemss.v6i4.4241>
- Kim, J., & Yu, H. M. (2026). Asian Immigrant Parent Involvement and Their Children's Socio-Emotional and Academic Outcomes in Early Childhood: A Comparison with U.S.-Born Asian Parents. *Early Education and Development*, 37(1), 21–43. <https://doi.org/10.1080/10409289.2025.2512607>
- Kusuma, A., & Ubaidillah, K. (2024). Entrepreneurship Financing Strategy for Early Childhood Education. *ABNA Journal of Islamic Early Childhood Education*, 5(1). <https://doi.org/10.22515/abna.v5i1.8969>
- Lubis, R., Irfana, T. B., Purwatiningsih, S., Nisak, S. K., & Sari, V. P. (2024). The Management of Education Operational Grant and Its Effects on School Development. *Academy of Education Journal*, 15(2), 1299–1307. <https://doi.org/10.47200/aoej.v15i2.2432>
- Miles, M. B., Huberman, A. M., & Saldana, J. (2014). *Qualitative Data Analysis*. SAGE.
- Nafisah, S., Sunarto, S., & Mazlan, N. A. (2025). School Improvement and Stakeholder Response: Unpacking Parental Perceptions and Interest. *At Turots: Jurnal Pendidikan Islam*, 7(1) 241–252. <https://doi.org/10.51468/jpi.v7i1.838>
- Najah, H. T., & Darmiyanti, A. (2024). Peran Standar Pengelolaan PAUD dalam Meningkatkan Perkembangan Sosial Anak Usia Dini. *Transformasi Manageria: Journal of Islamic Education Management*, 4(3), 445–452. <https://doi.org/10.47467/manageria.v4i3.5600>
- Olalowo, I., Olarogba, A., & Amosun, M. (2024). Engaging Parents for Improved Schooling Outcomes of Under-8 Pupils: A Teachers' Qualitative Perception. *Educational Challenges*, 29(2), 287–300. <https://doi.org/10.34142/2709-7986.2024.29.2.19>
- Omotunde, A. D., Chiamaka, E. D., & Olasehinde, O. E. (2025). Financial Sustainability of Early Childhood Education Programs: Administrative Insights. *Global Journal of Educational Research*, 24(2), 195–204. <https://doi.org/10.4314/gjedr.v24i2.9>
- Prabowo, G., & Ekaningsih, L. A. F. (2025). Implementation of an Integrated Approach in Budget Planning for Resource Optimization in Organization. *Management Analysis Journal*, 14(1), 104–111. <https://doi.org/10.15294/maj.v14i1.21648>
- Riinawati, Noor, F., Firdausi, I., Karwanto, & Wahyudin. (2024). Strategic Financial Planning for Long-Term Sustainability in Madrasah Aliyah. *Nazhruna: Jurnal Pendidikan Islam*, 7(3), 493–511. <https://doi.org/10.31538/nzh.v7i3.1>
- Rofiqoh, L., Lusianti, D., Widodo, W., Khajar, I., Mutamimah, M., & Yusoff, R. (2025). Impact of Fathonah Transparency on Educational Financing Access. *Munaddhomah: Jurnal Manajemen Pendidikan Islam*, 6(3), 496–512. <https://doi.org/10.31538/munaddhomah.v6i3.1885>

- Saraya, A., Mardhatillah, A., & Fitriani, E. N. (2023). Educational Supervision of the Efforts Made Madrasah Family in MTS Al-Ihsan in Increasing the Professionalism of Teachers Teacher Professionalism. *Cendekia: Jurnal Pendidikan Dan Pembelajaran*, 17(1), 16–29.
- Setiasih, O., Rahayu, A. K., & Arzaqi, R. N. (2023). Effective Leadership of Kindergarten Principals in Facing the Impact of Learning Loss in Kindergartner During the Covid-19 Pandemic. *SEA-CECCEP*, 4(01), 34–42. <https://doi.org/10.70896/seacecep.v4i01.101>
- Utama, A. N. B., Syarif, A., Wulandari, B. A., & Kurniadi, R. (2024). Synergizing Early Childhood Education Management and Higher Education: A Path to Enhanced Business Sustainability. *AL-ISHLAH: Jurnal Pendidikan*, 16(4), 5265–5276. <https://doi.org/10.35445/alishlah.v16i4.5977>
- Wijayanti, A. E., Aisyah, I. S., & Tinus, A. (2025). Model of individualized learning program implementation for inclusive early childhood education. *Research and Development in Education (RaDEn)*, 5(2), 1023–1037. <https://doi.org/10.22219/raden.v5i2.42596>
- Yin, R. K. (2018). *Case study research and applications* (Vol. 6). Sage Thousand Oaks, CA.
- Zuroida, I., Lasiyono, U., & Afkar, T. (2025). Adaptive and Participatory Financial Management in Private Vocational Schools: A Case Study of SMK Muhammadiyah 1 Taman Sidoarjo. *Jurnal Manajemen Bisnis*, 12(2), 62–74. <https://doi.org/10.33096/jmb.v12i2.1250>