



The Application of Sharia Economic Principles in Educational Financial Management: A Review of Applications, Problems, and Solutions

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Received: 05, 2025. Revised: 06, 2025. Accepted: 07, 2025. Published: 07, 2025

ABSTRACT

Financial management in Islamic educational institutions continues to face challenges related to transparency, accountability, and compliance with Sharia principles. These conditions indicate the need for a more comprehensive approach to implementing values of justice, sustainability, and financial integrity. This study aims to analyze the application of Sharia economic principles in educational financial management and identify practical steps and implementation challenges. The research employs a systematic literature review of studies published between 2020 and 2024 that are relevant to Sharia-based financial management in educational institutions. The findings show that institutions applying Sharia principles tend to demonstrate more structured, transparent, and value-oriented financial systems. The study also reveals that human resource competence, leadership commitment, and external support are key factors influencing the successful implementation of Sharia principles. Additionally, the research identifies a gap between theoretical understanding and practical application, highlighting the need for clearer operational guidelines. The study concludes that an implementable model is essential to bridge Sharia principles with the practical demands of educational financial management. The main contribution lies in providing an applicative framework that can serve as a reference for Islamic educational institutions in strengthening Sharia-based financial governance.

Keywords: Islamic Economics, Educational Financial Management, Accountability, Transparency, Sharia Governance.

ABSTRAK

Pengelolaan keuangan pada lembaga pendidikan Islam masih menghadapi berbagai persoalan terkait transparansi, akuntabilitas, dan kesesuaian dengan prinsip-prinsip syariah. Kondisi tersebut menunjukkan perlunya pendekatan yang lebih komprehensif dalam menerapkan nilai keadilan, keberlanjutan, dan integritas finansial. Penelitian ini bertujuan untuk menganalisis penerapan prinsip ekonomi syariah dalam manajemen keuangan pendidikan serta mengidentifikasi langkah aplikatif dan tantangan implementasinya. Metode yang digunakan adalah studi literatur sistematis terhadap penelitian terbitan 2020–2024 yang relevan dengan praktik manajemen keuangan syariah di lembaga pendidikan. Hasil penelitian menunjukkan bahwa lembaga pendidikan yang menerapkan prinsip syariah cenderung memiliki sistem keuangan yang lebih terstruktur, transparan, dan berorientasi pada keberkahan. Selain itu, ditemukan bahwa kompetensi sumber daya manusia, komitmen kepemimpinan, dan dukungan eksternal menjadi faktor kunci dalam keberhasilan penerapan prinsip syariah. Penelitian ini juga mengidentifikasi adanya kesenjangan antara pemahaman teoretis dan penerapan praktis yang masih membutuhkan panduan operasional yang jelas. Kesimpulan penelitian menegaskan pentingnya model implementatif yang dapat menjembatani prinsip syariah dengan kebutuhan manajemen keuangan pendidikan. Kontribusi penelitian ini terletak pada penyusunan kerangka aplikatif yang dapat digunakan sebagai acuan bagi lembaga pendidikan dalam memperkuat tata kelola keuangan berbasis syariah.

Kata Kunci: Ekonomi Syariah, Manajemen Keuangan Pendidikan, Akuntabilitas, Transparansi, Tata Kelola Syariah.

INTRODUCTION

Sharia economics offers an alternative paradigm in financial management for educational institutions, based on the principles of justice, transparency, and sustainability.¹ These principles reject the practices of *riba* (usury/interest), *maisir* (speculation), and *gharar* (uncertainty), and emphasize ethical and responsible fund management. In the context of educational institutions, the application of these values reflects an effort to create a financial system that is not only efficient but also oriented toward blessing (*barakah*) and social justice.²

Sharia financial management plays a crucial role in realizing integrity in the governance of educational institutions. According to Jinan, Syapiuddin, and Nasri (2024),³ the application of Sharia principles in the financial management of Islamic schools can increase accountability, transparency, and public trust in the educational institution. This principle also supports the proportional distribution of funds and ensures that resources are allocated according to strategic educational needs.⁴

However, the majority of Islamic educational institutions in Indonesia still use a conventional financial system that is not fully aligned with Sharia values.⁵ Research by Anas et al. (2024) found that audit practices and financial reporting in Islamic schools are still weak in the aspect of Sharia accountability, due to limited human resource capacity and the absence of a structured guidance model.⁶ This condition indicates the need to strengthen the financial system based on Sharia values to ensure both efficiency and *barakah* in the management of education funds.

Various studies have examined financial management in Islamic educational institutions. For instance, Najihah & Muhammad (2021) analyzed the concept of financial management from the perspective of the Qur'an and Hadith, emphasizing *amanah* (trustworthiness) and accountability in fund management.⁷ Rijal (2024) investigated financial

¹ Muhammad Fahim Khan, *Essays in Islamic Economics* (Islamic Foundation, 1995), <https://ixtheo.de/Record/180492969>; M. Umer Chapra, *Islam and the Economic Challenge* (International Institute of Islamic Thought (IIIT), 1992), [https://books.google.com/books?hl=id&lr=&id=H_s9CgAAQBAJ&oi=fnd&pg=PP1&dq=Chapra,+M.+U.++\(1992\).+Islam+and+the+Economic+Challenge.+The+Islamic+Foundation.&ots=0tmhTvOlKd&sig=aGxqkdj2i8vPLrQJCgOFoTpJpBA](https://books.google.com/books?hl=id&lr=&id=H_s9CgAAQBAJ&oi=fnd&pg=PP1&dq=Chapra,+M.+U.++(1992).+Islam+and+the+Economic+Challenge.+The+Islamic+Foundation.&ots=0tmhTvOlKd&sig=aGxqkdj2i8vPLrQJCgOFoTpJpBA).

² Nafis Alam et al., *Islamic Finance* (Springer International Publishing, 2017), <https://doi.org/10.1007/978-3-319-66559-7>.

³ Muhammad Riyadlul Jinan et al., "Holistic Integration: Syariah Finance Principles in Islamic Education Management," *Jurnal Ilmiah Profesi Pendidikan* 9, no. 2 (2024): 1343–50.

⁴ Sapri Ali and Azzafa Nur Jadidah, "Peran Teknologi Dalam Optimalisasi Pengumpulan Dan Distribusi Zakat Dan Wakaf," *El-Faqih: Jurnal Pemikiran Dan Hukum Islam* 10, no. 2 (2024): 400–414.

⁵ Kamola Bayram, "Islamic Finance Education: Theoretical Developments and Practical Challenges تعليم التمويل الإسلامي: التطورات النظرية والتحديات التطبيقية," *Journal of King Abdulaziz University: Islamic Economics* 33, no. 2 (2020): 145–55.

⁶ M. Anas et al., "Financial Management Audits for School Quality Improvement in Indonesia: A Comprehensive Literature Review," *Journal of Educational Management and Instruction (JEMIN)* 4, no. 1 (2024): 174–84.

⁷ Iffatun Najihah and Suaib H. Muhammad, "Konsep Manajemen Keuangan Dalam Lembaga Pendidikan Islam Perspektif Al Qur'an Dan Hadis," *Idaarab: Jurnal Manajemen Pendidikan* 5, no. 2 (2021): 223–39, <https://doi.org/10.24252/idaarah.v5i2.21616>.

management at Dayah Jami'ah Al-Aziziyah, showing limitations in the manual system and the need for digitalization for transparency.⁸ Usman, Syaharuddin, & Maujud (2024) explored the potential of digital technology-based financial management in Islamic educational institutions as a means to increase efficiency and accountability.⁹ Tasa (2022) analyzed the relationship between financial management and education quality in private institutions, concluding that transparent and structured fund management can improve the quality of learning.¹⁰ Suroso, Untung, & Muslih (2024) also outlined the basic principles of financial management in Islamic schools, including budget planning and supervision of fund usage.¹¹

Although these studies are very valuable, a gap remains: there have been many conceptual studies on Sharia ethics and digitalization, and quality studies linking financial management and education quality, but there is no comprehensive operational model that integrates Sharia principles (without *riba*, *maisir*, *gharar*), digital technology, and an accountable reporting system into a single practical framework for Islamic educational institutions. In other words, while there is a solid theoretical understanding, the application in the daily practice of educational institutions—especially in the form of an efficient and transparent Sharia-based financial model—is still minimal. This research is present to fill this gap by formulating an applicable Sharia-based educational financial management model. Through a systematic literature review and integrative analysis, this study presents a framework for managing education funds justly, transparently, and sustainably—while simultaneously emphasizing the value of *barakah* and social justice as the foundation for the financial governance of Islamic educational institutions.

METHOD

This research uses a literature study approach (library research) to explore and analyze the principles of Sharia financial management in the context of educational institutions. This method was chosen because it allows the researcher to collect, evaluate, and synthesize various relevant information sources, such as scientific journals, books, reports, and other official documents discussing the related topic. The literature study also provides a comprehensive understanding of the development and application of Sharia economic principles in educational financial management.

The research design is descriptive-analytical, where the researcher will collect and analyze secondary data obtained from various literature sources. The secondary data used includes journal articles, books, and published research reports indexed in reputable journal databases. The sample or object of research consists of relevant literature with high credibility in the fields of Sharia economics and educational financial management.

⁸ Fikri Rijal, "Manajemen Pengembangan Dan Pengelolaan Keuangan Lembaga Pendidikan Islam Dayah Jami'ah Al-Aziziyah Batee Iliak," *Jurnal Al-Mizan* 11, no. 1 (2024): 155–66, <https://doi.org/10.54621/jiam.v11i1.918>.

⁹ Lalu Hamdi Usman et al., "Manajemen Keuangan Berbasis Teknologi Digital Di Lembaga Pendidikan Islam," *Al-Liqo: Jurnal Pendidikan Islam* 9, no. 2 (2024): 257–70, <https://doi.org/10.46963/alliqo.v9i2.2282>.

¹⁰ M. Ridwan Tasa, "Manajemen Keuangan Dan Kualitas Pendidikan Islam: Analisis Pada Lembaga Pendidikan Islam Swasta," *MODELING: Jurnal Program Studi PGMI* 9, no. 3 (2022): 814–32, <https://doi.org/10.69896/modeling.v9i3.2514>.

¹¹ Suroso Suroso et al., "Manajemen Keuangan Lembaga Pendidikan Islam," *Jurnal Manajemen Pendidikan* 9, no. 1 (2024): 1–10, <https://doi.org/10.34125/jmp.v9i1.253>.

The data collection procedure is carried out through several stages. First, the researcher will conduct a literature search using relevant keywords such as "Sharia financial management," "Sharia education," "Sharia economic principles," and "transparency in education." The search is conducted on databases such as Scopus, Sinta, Google Scholar, and other digital libraries. Second, the researcher will filter the literature found based on inclusion criteria, such as topic relevance, source credibility, and the quality of the research methodology used. Third, the researcher will collect and organize the relevant data in a systematic format to facilitate analysis.

Data analysis is performed using content analysis to identify the main themes emerging from the reviewed literature. The researcher will encode and categorize the information based on relevant themes, such as justice, transparency, and sustainability in Sharia financial management. Furthermore, the researcher will synthesize the findings from various sources to construct a coherent and comprehensive narrative about the application of Sharia financial management principles in educational institutions.

The results of this literature study are expected to provide a deeper understanding of the challenges and opportunities in implementing Sharia financial management in the education sector. Furthermore, this research will also provide practical guidance for educational institutions seeking to adopt Sharia financial principles in their fund management, thereby enhancing their transparency, accountability, and operational sustainability.

RESULTS AND DISCUSSION

Application of the Principle of Justice (Fairness) in Sharia Financial Management

The principle of justice (fairness) applied in Sharia financial management within educational institutions can enhance the transparency and accountability of fund management. The principle of justice, which emphasizes equality in resource distribution, ensures that every fund received by the educational institution is used optimally and equitably. This is reflected in the fair allocation of the budget for various operational needs, such as staff salaries, facility maintenance, and curriculum development. By applying this principle, educational institutions can avoid injustice in the use of funds and ensure that all involved parties receive appropriate benefits.¹²

Justice in Sharia financial management significantly increases stakeholder satisfaction in educational institutions. By adhering to the principles of transparency, accountability, and ethical practices, these institutions cultivate trust among students, parents, and staff, leading to a more engaged and satisfied community.¹³ Islamic educational institutions that prioritize transparent financial practices tend to receive positive feedback from stakeholders, as they feel confident that funds are managed responsibly.¹⁴ Fair financial management fosters a sense of trust, which is crucial for stakeholder satisfaction. When stakeholders believe that

¹² Yundri Akhyar, "Public Accountability in Financial Management Practice at Islamic Education Institutions: A Survey Research," *AL-ISHLAH: Jurnal Pendidikan* 16, no. 3 (2024): 4127–42.

¹³ Chusnul Chotimah et al., "Enhancing School Reputation Through Effective Stakeholder Engagement: A Qualitative Analysis at an Integrated Islamic Junior High School in Mojokerto," *SANGKEP: Jurnal Kajian Sosial Keagamaan* 7, no. 2 (2024): 290–308, <https://doi.org/10.20414/sangkep.v7i2.11166>.

¹⁴ Akhyar, "Public Accountability in Financial Management Practice at Islamic Education Institutions."

funds are used ethically, their confidence in the institution increases.¹⁵ Institutions implementing fair practices often see higher levels of engagement from stakeholders, as they feel more connected to the institution's mission and values. Although the principles of justice in Sharia financial management are beneficial, challenges such as limited financial training and the technology gap can hinder effective implementation.¹⁶

The principle of justice in educational institutions significantly enhances reputation, facilitating access to vital support from external parties such as donors and the government. A strong reputation, built on fair practices, not only attracts funding but also fosters a sustainable operational framework for long-term development. Fairness in fund allocation shows that equitable distribution can enhance the institution's reputation, especially those that have been historically marginalized.¹⁷ Implementing inclusive policies cultivates trust among diverse groups, which is important for building public confidence in educational institutions.¹⁸

Institutions that prioritize fairness are more likely to receive financial support from the government and donors, as they align with the broader social goals of equality and inclusion.¹⁹ Fair practices in educational assessment ensure transparency and equal opportunities, which can attract additional resources and support from stakeholders concerned with educational equity.²⁰ The principle of justice significantly enhances the reputation of educational institutions, facilitating their access to essential support from various stakeholders. A strong reputation, built on fair practices, not only attracts financial support but also cultivates trust and engagement among students and the community. This trust is crucial for the operational sustainability and long-term development of the institution.

Fair treatment is a key predictor of perceived legitimacy among educational institution authorities, leading to increased student engagement and reduced burnout. Procedural fairness enhances student trust in authority, which can contribute to a positive institutional reputation. This trust can facilitate external support, essential for the operational sustainability and long-term development of educational institutions.²¹

The perception of justice, especially distributive justice, positively influences an organization's reputation, which is important for securing financial and non-financial support.²² Equitable access to education promotes social mobility, which in turn contributes

¹⁵ Rizka Nur Aulia et al., "The Importance of Sharia Business Ethics in Creating a Tolerant and Peaceful Economic Environment," *Al-Kharaj: Journal of Islamic Economic and Business* 6, no. 3 (2024).

¹⁶ Akhyar, "Public Accountability in Financial Management Practice at Islamic Education Institutions."

¹⁷ Champika L. Liyanage et al., "Fairness in Higher Education Research and Innovation Funding in the UK," *Trends in Higher Education* 3, no. 4 (2024): 1031–52.

¹⁸ Taro Komatsu, "Respecting Equity, Inclusiveness, and Fairness," in *Education and Social Cohesion in a Post-Conflict and Divided Nation*, by Taro Komatsu (Springer Nature Singapore, 2024), https://doi.org/10.1007/978-981-99-6519-9_5.

¹⁹ Eleonora Misino et al., "Ensuring Fairness Stability for Disentangling Social Inequality in Access to Education: The FAIRDAS General Method," *Proceedings of the Thirty-Third International Joint Conference on Artificial Intelligence AI for Good*, IJCAI, 2024, 7412–20, <https://cris.unibo.it/handle/11585/984254>.

²⁰ Misino et al., "Ensuring Fairness Stability for Disentangling Social Inequality in Access to Education."

²¹ Frank Marcinkowski et al., "Implications of AI (Un-)Fairness in Higher Education Admissions: The Effects of Perceived AI (Un-)Fairness on Exit, Voice and Organizational Reputation," *Proceedings of the 2020 Conference on Fairness, Accountability, and Transparency*, ACM, January 27, 2020, 122–30, <https://doi.org/10.1145/3351095.3372867>.

²² Frank Marcinkowski et al., "Implications of AI (Un-)Fairness in Higher Education Admissions: The Effects

to long-term economic growth, further boosting institutional reputation.²³ While justice is critical for reputation, some argue that institutions might prioritize reputation over genuine equity, potentially leading to superficial compliance rather than meaningful change. This perspective highlights the need for a balanced approach to justice and reputation management in education. This research indicates that the application of the principle of justice strengthens the institution's reputation and increases external trust, particularly from donors and the community. This aligns with the findings of Bayram (2020),²⁴ who emphasized that Islamic educational institutions upholding financial justice tend to gain higher social legitimacy. However, this result differs from the research by Jinan et al. (2024),²⁵ who found that implementation gaps still exist in small-sized institutions due to limited resources and a lack of competence among Sharia financial managers.

Transparency and Accountability in Fund Management

Transparency and accountability are essential principles in Sharia financial management, especially within educational institutions. These principles ensure that financial transactions are recorded and accessible, fostering trust among stakeholders. The integration of these principles can significantly enhance fund management in the Islamic education environment. Regular and detailed financial reports are crucial for stakeholders to understand the use of funds.²⁶ Stakeholder Involvement in financial management is an effort to promote transparency and accountability. The power equalizing model increases transparency and accountability in educational financial management by promoting stakeholder participation and leveraging technology, ensuring clear fund management and reducing the risk of misuse or fraud through accessible financial records. On the other hand, routine audits are crucial for compliance and preventing fraud, thereby improving the quality of education. Financial audits enhance transparency and accountability in educational institutions by ensuring the meticulous recording of financial transactions, promoting the effective allocation of funds, and reducing the risk of fund misuse, thereby improving overall education quality.²⁷

Financial management accountability in educational institutions is vital for fostering trust and ensuring the effective utilization of resources. Research shows that implementing accountability measures increases transparency, which in turn attracts support from external stakeholders such as donors and the government. Accountability ensures that all parties involved in financial management are responsible for their actions, leading to better decision-making and resource allocation.²⁸ Institutions that prioritize accountability often experience

of Perceived AI (Un-)Fairness on Exit, Voice and Organizational Reputation,” *Proceedings of the 2020 Conference on Fairness, Accountability, and Transparency*, ACM, January 27, 2020, 122–30, <https://doi.org/10.1145/3351095.3372867>.

²³ C. Na and Z. XiangQian, “Study on Fair Education, Social Mobility and Long-Term Economic Growth,” *Biotechnol. Indian J* 10 (2014): 5900–5909.

²⁴ Bayram, “Islamic Finance Education.”

²⁵ Jinan et al., “Holistic Integration.”

²⁶ Akhyar, “Public Accountability in Financial Management Practice at Islamic Education Institutions.”

²⁷ Anas et al., “Financial Management Audits for School Quality Improvement in Indonesia.”

²⁸ Agrippa Madoda Dwangu and Vimbi Petrus Mahlangu, “Accountability in the Financial Management Practices of School Principals,” *International Journal of Educational Management* 35, no. 7 (2021): 1504–24, <https://doi.org/10.1108/IJEM-06-2021-0243>; Muhammad Taufiq, “Strategic Management of Dormitory Facilities in Islamic Educational Institutions: Enhancing Student Discipline and Academic Achievement,” *Nidhomiyyah: Jurnal Manajemen Pendidikan Islam* 6, no. 1 (2025): 85–94,

increased trust from external parties, which can result in higher funding and support.²⁹ While accountability is essential for effective financial management, it's also important to recognize that implementing accountability measures can be complex and may require significant resources and commitment from educational institutions.

The application of transparency and accountability in Sharia financial management can reduce the risk of fund misuse and increase the operational efficiency of educational institutions. Thus, educational institutions can use existing funds more effectively to achieve their educational goals, such as improving the quality of teaching and educational facilities.³⁰ The results of this research align with Fadilah et al. (2025),³¹ who emphasized that transparency in Islamic financial education builds institutional trust, but differ from Ahmad and Rusdianto (2020),³² who noted implementation gaps in smaller institutions. This finding also reinforces the results of the research by Sahay and Goldthwaite (2023) that transparency and organizational participation have a positive correlation with leadership legitimacy and institutional sustainability.³³

Operational Sustainability through Sharia Financial Management

The application of Sharia financial management principles can enhance the operational sustainability of educational institutions. Operational sustainability refers to the ability of an educational institution to continue operating and developing in the long term. The integration of Sharia principles, such as the prohibition of *riba* (interest/usury) and profit-sharing (*mudharabah*), can significantly improve the financial management of educational institutions. By adopting these principles, schools can reduce their reliance on conventional debt and promote ethical financial practices.³⁴ The implementation of Sharia financial management in educational institutions promotes financial stability and sustainability through mechanisms such as *zakat* (alms) and *waqf* (endowment). These funds provide a reliable source of financing, reducing the burden of interest-based debt. Additionally, the principle of risk-sharing enhances collaboration among stakeholders, including parents and the community, thereby strengthening institutional bonds.³⁵

The application of Sharia financial management in educational institutions can significantly increase operational sustainability, leading to an improvement in education quality.³⁶ By adhering to Sharia principles, institutions can ensure ethical financial practices, which fosters stability and allows for better resource allocation for curriculum development,

<https://doi.org/10.38073/nidhomiyah.v6i1.2281>.

²⁹ Akhyar, "Public Accountability in Financial Management Practice at Islamic Education Institutions."

³⁰ Jinan et al., "Holistic Integration."

³¹ Nurul Fadilah et al., "Integrasi Prinsip Good Corporate Governance Dalam Meningkatkan Efisiensi Dan Kepercayaan Publik Pada Lembaga Keuangan Syariah Di Indonesia," *Jurnal At-Tamwil: Kajian Ekonomi Syariah* 7, no. 1 (2025): 134–49, <https://doi.org/10.33367/at-tamwil.v7i1.7124>.

³² Zulfikar Ali Ahmad and Rusdianto Rusdianto, "Impact of Transparency and Accountability on Trust and Intention to Donate Cash Waqf in Islamic Microfinance Institutions," *Shirkah: Journal of Economics and Business* 5, no. 2 (2020): 197–227, <https://doi.org/10.22515/shirkah.v5i2.317>.

³³ Surabhi Sahay and Christine Goldthwaite, "Participatory Practices During Organizational Change: Rethinking Participation and Resistance," *Management Communication Quarterly* 38, no. 2 (2024): 279–306, <https://doi.org/10.1177/08933189231187883>.

³⁴ Jinan et al., "Holistic Integration."

³⁵ Ali and Jadidah, "Peran Teknologi Dalam Optimalisasi Pengumpulan Dan Distribusi Zakat Dan Wakaf."

³⁶ Jinan et al., "Holistic Integration."

teaching quality, and facility upgrades.³⁷ This ultimately enhances students' academic achievement and the institutional reputation.³⁸ These findings are consistent with the view of Omer Faruk Tekdogan et al. (2024), who affirmed that good Sharia governance creates a balance between profitability and social responsibility.³⁹ Furthermore, these results complement the research of Ubaedul Mustofa et al. (2023), who highlighted the importance of Sharia financial literacy for the sustainability of Islamic educational institutions.⁴⁰

Practical Guide for Implementing Sharia Financial Management

This research presents a comprehensive practical guide for educational institutions in implementing Sharia financial management. This guide will cover practical steps and strategies that educational institutions can adopt to apply Sharia financial principles in their daily operations. These practical steps include identifying *halal* (permissible) funding sources, managing funds according to Sharia principles, and transparent and accountable financial reporting and auditing. In addition, this guide will also include strategies to raise awareness and understanding of Sharia financial management among staff and stakeholders of the educational institution.

The literature study shows that a comprehensive practical guide is essential to help educational institutions effectively adopt and implement Sharia financial management.⁴¹ Educational institutions that have a clear practical guide tend to be more successful in adopting Sharia financial principles.⁴² This guide not only provides concrete steps that can be followed but also offers an in-depth explanation of Sharia principles and how to apply them in the context of educational financial management.⁴³ A practical guide can assist educational institutions in facing the challenges that may arise during the implementation process. These challenges may include a lack of understanding of Sharia principles, resistance to change, and limitations in resources and support from external parties. With a clear and structured guide, it is hoped that educational institutions can more easily overcome these challenges and implement Sharia financial management more effectively.⁴⁴

Practical Guide for Implementing Sharia Financial Management in Educational Institutions

The implementation of Sharia economic principles in educational financial management requires structured steps, starting with the identification of *halal* (permissible)

³⁷ Murdianto Murdianto, "Implementation of Islamic Education Management to Realize a Superior Education Institution," *At-Tarbiyah: Jurnal Pendidikan, Sosial Dan Kebudayaan* 11, no. 1 (2024): 134–43.

³⁸ Sulfiani Sulfiani et al., "Enhancing Islamic Educational Quality through Output-Based Quality Assurance: A Literature Review Perspective," *HEUTAGOGIA: Journal of Islamic Education* 3, no. 2 (2023): 155–68.

³⁹ Omer Faruk Tekdogan et al., "Critical Factors Affecting The Success Of Shari'Ah Governance: Insights From Islamic Financial Institutions," *Hamdard Islamicus* 47, no. 3 (2024), <https://doi.org/10.57144/hi.v47i3.905>.

⁴⁰ Ubaedul Mustofa et al., "Increasing Sharia Financial Literacy Through Sharia Financial Training and Assistance for Teachers," *Indonesian Journal of Devotion and Empowerment* 4, no. 2 (2022): 40–44.

⁴¹ Jinan et al., "Holistic Integration."

⁴² Alam et al., *Islamic Finance*.

⁴³ Terese Mulkern Terry, "The Islamic Finance Handbook: A Practitioner's Guide to the Global Markets: Sasikala Thiagaraja et al., Singapore: Wiley, 2014, 256 Pp., \$150.00 (Hardcover), \$98.00 (e-Book), \$120 (Kindle), ISBN 978-1-118-81441-3," *Journal of Business & Finance Librarianship* 21, no. 2 (2016): 184–85, <https://doi.org/10.1080/08963568.2016.1169908>.

⁴⁴ Santi Nailul Izaty et al., "Financial Management in the Framework of Sharia: Exploring the Basics of Financial Management Based on Islamic Teachings," *JISEF: Journal Of International Sharia Economics And Financial* 3, no. 01 (2024): 48–68.

funding sources. Educational institutions need to conduct a comprehensive audit of all funding sources to ensure their compliance with Sharia principles and establish partnerships with Sharia financial institutions to guarantee the permissibility of the funds received. This effort can be strengthened through an education strategy for financial staff regarding the importance of *halal* funding sources and their impact on the institution's operational *barakah* (blessing).

Furthermore, fund management must be carried out in accordance with Sharia principles. This can be realized through the application of a profit-sharing system (*mudharabah*) in managing investment funds and the use of the joint venture contract (*musyarakah*) for cooperation projects with external parties. To ensure the optimal application of Sharia financial principles, educational institutions need to conduct regular training for financial staff on the principles and practices of Sharia-based financial management.

In addition, transparent and accountable financial reporting and auditing are crucial aspects of maintaining the integrity of educational financial governance. Institutions need to build a financial reporting system that is easily accessible to stakeholders and conduct periodic audits to ensure compliance with Sharia principles. Supporting strategies include involving independent auditors who have an adequate understanding of Sharia audit standards. Increasing the awareness and understanding of all staff and stakeholders is also an essential element in the implementation of Sharia financial management. Institutions can hold seminars, workshops, and distribute easily understandable educational materials regarding Sharia principles, accompanied by a strategy to build an organizational culture that supports Sharia values through effective communication and active participation from all elements of the institution.

Leadership plays a central role in driving the successful implementation of Sharia financial principles. Educational institution leaders must demonstrate full commitment and serve as role models in applying Sharia principles, while also being involved in every stage of implementation and evaluation. This leadership commitment significantly influences the movement of all institutional components to consistently run Sharia-based financial governance. In addition to leadership, building an organizational culture that supports Sharia values is also important through the creation of a work environment that upholds transparency, justice, and accountability. Collaboration and active participation from all institutional members need to be continuously encouraged, for example, through an award program for staff who demonstrate adherence to Sharia principles.

Finally, support from external parties also contributes to strengthening the implementation of Sharia financial management. Educational institutions can establish partnerships with the government and Sharia financial institutions to obtain financial and non-financial support, as well as utilize various training and certification programs they provide. This strategy can be reinforced by building a broad cooperation network to ensure the success of the implementation sustainably.

Key Factors for Implementation Success

The success of implementing Sharia financial management in educational institutions is significantly influenced by the role of leadership in promoting and guiding the application of Sharia principles. Effective leadership fosters an environment conducive to compliance

with these principles, ensuring that financial practices align with Islamic values (Sharia Compliance).⁴⁵ Strong and visionary leadership is essential for creating an organizational culture that supports Sharia values and ensures that all involved parties share a common understanding of the importance of Sharia financial management.⁴⁶

Organizational culture is also a key factor in the successful implementation of Sharia financial management. A culture that supports transparency, accountability, and justice will help educational institutions adopt Sharia principles more easily. Furthermore, a strong organizational culture can encourage the active participation of all members of the educational institution, including staff, students, and parents, in the financial management process. Support from external parties, including the government and Sharia financial institutions, significantly enhances the success of implementing Sharia financial management in educational institutions. This support is realized through financial aid, training, and the provision of resources, which collectively increase these institutions' capacity to effectively adopt Sharia financial principles.⁴⁷

By identifying these key factors, this research is expected to provide practical recommendations that can help educational institutions implement Sharia financial management effectively. These recommendations will include strategies for strengthening leadership, building a supportive organizational culture, and securing support from external parties.

Main Challenges in Adopting Sharia Economic Principles

This research identifies several main challenges faced by educational institutions in adopting Sharia economic principles. One of the biggest challenges is the limited resources possessed by educational institutions. Limited resources, both financial and human, can hinder the ability of educational institutions to implement Sharia financial management effectively. The lack of funds is often a major obstacle in conducting the necessary training and education to understand and apply Sharia principles.

The lack of support from external parties is also a significant challenge. Support from the government, Sharia financial institutions, and the community is crucial for the successful implementation of Sharia financial management in educational institutions. Without adequate support, educational institutions may struggle to obtain additional resources or access to the needed training.

In addition, resistance to change is another challenge often faced by educational institutions. Changes in the financial management system can create uncertainty and concern among staff and other stakeholders. This resistance may arise due to a lack of understanding of the benefits of Sharia financial management or a fear of additional workload. Therefore,

⁴⁵ Hana Jaradat and Mohammad Salem Oudat, "Enhancing Clarity and Transparency in Islamic Financial Practices: The Role of Regulatory Influence," *Journal of Financial Reporting and Accounting*, ahead of print, January 27, 2025, <https://doi.org/10.1108/JFRA-07-2024-0479>; Suaidi Suaidi, "Bridging Institutional and Regulatory Gaps: Enhancing Sharia Compliance in Islamic Financial Institutions in Indonesia," *El-Uqud: Jurnal Kajian Hukum Ekonomi Syariah* 3, no. 1 (2025): 23–39, <https://doi.org/10.24090/eluqud.v3i1.13288>.

⁴⁶ Jinan et al., "Holistic Integration."

⁴⁷ Azzam Robbani, "Effectiveness of The Islamic Development Bank (IDB) in Promoting Development in Muslim Countries," *Afkar Journal: Islamic & Civilisation Studies* 1, no. 1 (2024): 12–26.

it is important for educational institutions to develop effective strategies to overcome this resistance, such as conducting education sessions and open dialogue with all stakeholders.

Solutions to Overcome Challenges

By understanding these challenges, we can develop more effective and efficient solutions to help educational institutions overcome these obstacles. One primary solution is to increase investment in training and education for the institution's staff. Comprehensive and regular training can help increase staff understanding and skills in implementing Sharia financial management.⁴⁸ Furthermore, educational institutions can also leverage technology to provide online training that is more flexible and affordable.⁴⁹

Developing partnerships with external parties is another solution that can help overcome resource limitations. Cooperation with the government, Sharia financial institutions, and non-profit organizations can provide access to additional resources, such as funding, training, and technical guidance. Research shows that strong partnerships with external parties can enhance the ability of educational institutions to effectively implement Sharia financial principles.⁵⁰

To overcome resistance to change, educational institutions need to adopt an inclusive and participatory change management approach. Involving all stakeholders in the planning and implementation process can help reduce fear and increase support for the change.⁵¹ Moreover, clear and transparent communication regarding the benefits of Sharia financial management can help change negative perceptions and increase acceptance among staff and other stakeholders.⁵²

CONCLUSION

The application of Sharia-based financial management principles-justice, transparency, accountability, and sustainability-plays a strategic role in strengthening the governance of Islamic educational institutions. Integrating these principles not only ensures ethical and Sharia-compliant financial practices but also enhances social legitimacy, public trust, and the institution's reputation in the eyes of stakeholders. Research findings indicate that institutions that consistently implement Sharia financial management tend to be more financially stable, provide higher-quality educational services, and foster productive relationships with parents, the community, and external partners. Thus, Sharia-based financial management serves as an essential foundation for realizing an Islamic education system that is competitive, trustworthy, and sustainable.

Despite the various benefits identified, the implementation of these principles still faces several challenges, including limited human resources, insufficient understanding of

⁴⁸ Mustofa et al., "Increasing Sharia Financial Literacy Through Sharia Financial Training and Assistance for Teachers."

⁴⁹ Edmond Kwesi Agormedah et al., "Online Learning in Higher Education during COVID-19 Pandemic: A Case of Ghana," *Journal of Educational Technology and Online Learning* 3, no. 3 (2020): 183–210, <https://doi.org/10.31681/jetol.726441>.

⁵⁰ M. Novan Fithrianto et al., "The Effect of Community Participation, Government Policy, and Sharia Financial Education on Sharia Economic Development in West Java," *West Science Social and Humanities Studies* 2, no. 07 (2024): 1166–78, <https://doi.org/10.58812/wsshs.v2i07.1084>.

⁵¹ Sahay and Goldthwaite, "Participatory Practices During Organizational Change."

⁵² Jinan et al., "Holistic Integration."

Sharia concepts, resistance to change, and a lack of continuous external support. Therefore, this study recommends strengthening human resource capacity through intensive training, developing an organizational culture that upholds Sharia values, fostering strong leadership commitment, and expanding strategic partnerships with the government and Islamic financial institutions. Through these measures, Islamic educational institutions can implement Sharia financial management models more effectively and operationally, allowing the goals of transparent, accountable, and blessed financial stewardship to be optimally achieved.

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