

The Role of Teacher Quality in Improving the Competitiveness of Educational Institutions in the Era of Global Transformation at MTs Nahdlatul Muslimin Undaan Kudus

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Abstract: Global transformation requires educational institutions to continuously adapt and improve their competitiveness. One of the strategic factors in building institutional competitiveness is the quality of teachers as the spearhead of the educational process. This study uses a descriptive qualitative approach, Data were collected through in-depth interviews, participatory observation, and documentation studies, then analyzed using the Miles and Huberman model. The results of the study show that teacher quality is the most dominant factor in building the competitiveness of educational institutions at MTs Nahdlatul Muslimin Undaan Kudus. In the context of Undaan Subdistrict, Kudus Regency, there are at least five secondary educational institutions competing with each other to attract public interest. The improving of quality teachers at MTs Nahdlatul Muslimin was carried out through three main strategies: (1) improving academic qualifications through master's degree scholarships, (2) conducting regular seminars and training as a form of continuing education, and (3) providing compensation and appropriate rewards for outstanding teachers. These three strategies contribute significantly to improving teachers' pedagogical, professional, social, and personal competencies. Improving teacher quality has a direct impact on the quality of learning, student achievement, and the reputation of the institution in Undaan.

Keywords: Teacher Quality; Institutional Competitiveness; Continuous Training; Teacher Welfare; Islamic Education.

INTRODUCTION

Global transformation in the 21st century has brought fundamental changes in various sectors of life, including education. Developments in digital technology, advances in communication, and global economic integration require educational institutions to adapt quickly and continuously. Education is no longer solely focused on academic results, but also on developing human resources who are competitive, creative, and able to adapt to change. In this context, teachers play a central role as agents of change and key drivers of

educational quality (Azmi & Nisa, 2022)(Arkham & Sucipto, 2022)(Master & Email, 2024).

Teachers not only function as conveyors of knowledge, but also as agents of social transformation and learning innovators. According to (Rahmawati et al., 2024), the success of an education system is largely determined by the extent to which teachers are able to respond to social and technological changes in their environment. This is reinforced by (Taufik et al., 2025), who states that the quality of education in an institution is determined by the quality of teachers as the main actors in the learning process (Syafi et al., 2025). Qualified teachers will be able to manage their classes effectively, foster a spirit of learning among their students, and create meaningful and contextual learning experience (Chenrui, 2024).

Teacher quality conceptually consists of four competencies as described in the Minister of National Education Regulation Number 16 of 2007, namely:

1. Pedagogical competence, which is the ability to understand students, design and implement effective learning.
2. Professional competency, which is the ability to master subject matter in depth and innovatively
3. Social competency, which is the ability to build communication, cooperation, and harmonious relationships with the entire school community; and
4. Personal competency, which relates to the morality, exemplary behavior, and integrity of teachers as educators.

These four dimensions are important indicators for the realization of quality teachers, as emphasized by (Anggra Prima et al., 2025), that professional teachers will be able to create inspiring learning, foster the character of students, and encourage the reputation of educational institutions to become more competitive (Kawuryan, 2021).

This context is also highly relevant at the secondary education level in Undaan Subdistrict, Kudus Regency, which now has five secondary education institutions, each with its own characteristics and development strategies. Competition among educational institutions in this region is increasingly fierce, both in terms of new student enrollment, academic achievement, and institutional reputation. In this situation, MTs Nahdlatul Muslimin Undaan Kudus strives to strengthen its competitiveness through a strategy of improving teacher quality as its main advantage (Erlia, 2021).

As a religious-based educational institution, MTs Nahdlatul Muslimin Undaan Kudus faces a double challenge: on the one hand, maintaining Islamic character and values in education, and on the other hand, having to adapt to the demands of the times, which emphasize digital literacy, learning innovation, and a competitive learning outcome orientation. Based on initial observations, this madrasah has shown a strong commitment to improving teacher quality through internal training activities, learning innovation workshops, and academic mentoring. However, these efforts still need to be developed more systematically in order to have a significant impact on the institution's competitiveness amid competition among schools in the Undaan region (Engida & Iyasu, 2023).

According to Becker (1993) in Human Capital Theory, improving the quality of educators is a form of human resource investment that has a direct impact on organizational productivity and performance. Qualified teachers are an important asset in building the reputation of educational institutions. In line with this, Deming (1986), through his Total Quality Management (TQM) theory, emphasizes the importance of the principle of continuous improvement in the education system, where improving teacher competence must be part of a sustainable institutional quality culture (Shaoan et al., 2025).

In this context, MTs Nahdlatul Muslimin Undaan Kudus places teacher quality enhancement as a key strategy in building competitive excellence. High-quality teachers are expected to create an innovative learning environment, improve student achievement, and strengthen the madrasah's image in the community. By focusing on teacher competency development, this institution strives not only to compete with other secondary schools in the Undaan area, but also to demonstrate its existence as a superior Islamic educational institution that is adaptive to global transformation (Zawawi et al., 2024).

Therefore, this research is important to analyze the role of teacher quality in improving the competitiveness of educational institutions in the era of global transformation, with a focus on MTs Nahdlatul Muslimin Undaan Kudus as a case study. The results of this study are expected to provide an in-depth understanding of how teacher quality contributes to institutional competitiveness, the factors that support or hinder it, and effective strategies for developing teacher competencies based on the real needs of madrasahs. This research is also expected to serve as a reference for Islamic education policymakers in designing contextual, sustainable teacher development models that are oriented towards improving the quality of educational institutions amid the dynamics of globalization (Shaoan et al., 2025).

RESEARCH METHODOLOGY

This study uses a qualitative approach with a descriptive analytical type. This approach was chosen because the study aims to deeply understand the phenomenon of the role of teacher quality in improving the competitiveness of educational institutions, not to test hypotheses or find statistical relationships between variables. According to Sugiyono (2019), qualitative research is conducted in natural conditions where the researcher acts as the main instrument. The data collected emphasizes meaning rather than generalization, as this study focuses on the experiences, views, and actual strategies implemented by teachers and madrasahs in a real social context.

This study was conducted at MTs Nahdlatul Muslimin Undaan Kudus, Kudus Regency, Central Java. This madrasah was selected purposively because it has unique characteristics as an Islamic educational institution that is striving to improve its competitiveness by strengthening the quality of its teachers amid competition between five other secondary schools in Undaan Subdistrict. The selection of this location was also based on the madrasah's vision of developing professional teachers who are religious in character and adaptive to global changes.

The research subjects consisted of the principal, vice principal, and several teachers who were considered to have a deep understanding of the process of improving teacher quality at the institution. Informants were selected using purposive sampling, which involves deliberately selecting informants based on their roles and involvement in the phenomenon being studied ((Warti & Arifannisa, 2025).

The number of informants was determined based on the principle of data saturation, whereby data collection was stopped when the information obtained was repetitive and no new relevant data was found (Permata et al., 2023).

Data in this study were collected through three main techniques, namely in-depth interviews, participatory observation, and documentation study. Interviews were conducted in a semi-structured manner to explore the perceptions, experiences, and strategies of teachers and madrasah principals in developing the quality of educators. Observations were made directly on learning activities, teacher and student interactions, and teacher training activities in the madrasah environment. Meanwhile, the documentation study was conducted by examining school documents such as the madrasah's vision and mission, annual work plans, teacher supervision reports, training data, and student academic achievements. Triangulation of techniques and sources was

used to ensure the validity of the information obtained so that the data produced was more valid and credible (Sugiyono, 2019).

Data analysis was conducted interactively and throughout the research process, referring to the Miles and Huberman model as cited by Gunawan (2016). The first stage was data reduction, which is the process of simplifying and selecting raw data relevant to the research focus. The second stage is the presentation of data in narrative and thematic forms to make it easier for researchers to understand the patterns that emerge in the field. The final stage is drawing conclusions and verification, which is the process of interpreting the meaning of the analyzed data and confirming the findings with informants to ensure that they correspond to the reality in the field.

RESULTS AND DISCUSSION

Data validity is maintained through four main strategies, namely credibility, transferability, dependability, and confirmability, as explained by (Education and Skills at the OECD, 2025). Credibility is maintained through triangulation of techniques and sources as well as member checking of informants. Transferability is achieved through detailed descriptions of the research context so that the results can be applied to similar situations. Dependability is achieved by systematically documenting the entire research process, while confirmability is maintained by ensuring that all conclusions are based on verified field data.

The results of the study show that teacher quality is the most dominant factor in building the competitiveness of educational institutions at MTs Nahdlatul Muslimin Undaan Kudus. In the context of Undaan Subdistrict, Kudus Regency, there are at least five secondary educational institutions competing with each other to attract public interest. This competition is not only in terms of physical facilities, but also in terms of the quality of teaching staff, academic achievement, and public trust. Therefore, improving teacher quality has become the madrasah's main strategy in strengthening its position and reputation amid competition among educational institutions in the region.

Based on in-depth interviews, classroom observations, and analysis of institutional documents, three concrete steps were found to be taken by MTs Nahdlatul Muslimin Undaan Kudus to improve teacher quality and make it a key competitive resource, namely: (1) improving teachers' academic qualifications through master's degree scholarships, (2) conducting regular seminars and training for teachers, and (3) providing appropriate compensation and rewards for outstanding teachers.

Improving Teachers' Academic Qualifications through Master's Degree Scholarships

Madrasahs provide master's degree scholarships for teachers who meet academic criteria and demonstrate loyalty to the institution. Based on interviews with madrasah principals, this policy stems from the awareness that the competitiveness of the institution depends on the academic capacity and professionalism of its teaching staff. Teachers who pursue further studies will gain new insights, more modern learning methodologies, and educational research skills that support innovation in the classroom.

This finding reinforces (Kurnia et al., 2025) view that improving teachers' academic qualifications is part of a teacher professionalization strategy that has a direct implication on improving the quality of learning. (Piatanom, 2025) expressed a similar view, explaining that teachers with a master's degree have better reflective and analytical abilities in understanding the different characteristics of students and designing meaningful learning processes.

In addition to previous findings, this study also reveals that master's degree scholarship programs for teachers have a strategic impact on improving the academic quality of institutions. Teachers who have completed postgraduate education demonstrate stronger methodological skills in designing learning, conducting classroom action research, and innovating the curriculum. These findings are in line with the results of Darling-Hammond's (2021) research in the *Journal of Education Policy* (Scopus), which confirms that teachers with postgraduate education have higher reflective and innovative competencies.

In addition, the master's degree scholarship program has also been proven to strengthen the scientific culture of madrasahs. Teachers have become more active in scientific activities, sharing good practices, and making significant contributions to the development of digital teaching tools. This is supported by the findings of Rahayu and Sumarni (2020), which explain that postgraduate education increases the academic productivity of teachers and the research culture of educational institutions.

Another study by Han and Yin (2016) shows that improving academic qualifications has a positive impact on teachers' motivation, professionalism, and commitment to the organization. These findings are in line with the conditions at MTs Nahdlatul Muslimin Undaan Kudus, where teachers with master's degrees are highly committed to learning innovation and institutional development.

Overall, improving academic qualifications through master's scholarships creates a multiplier effect for madrasahs, especially in terms of

improving the quality of learning, academic culture, student achievement, and institutional image. Thus, master's scholarships have proven to be a very effective and sustainable strategy for strengthening institutional competitiveness.

The results of the observation show that teachers who have completed their master's degree have greater ability to integrate scientific approaches, develop contextual teaching materials, and use learning technologies. In addition, they also become agents of change in the madrasah environment by sharing knowledge through lesson study forums and internal supervision activities. This shows that improving academic qualifications not only enhances the abilities of individual teachers but also fosters an academic culture in the madrasah environment.

The impact of this policy is very significant in improving the quality of learning. Teachers who have completed their master's degree show greater ability in applying scientific approaches, conducting classroom action research, and integrating digital-based learning technology. They are also able to write scientific papers that are published in local journals, guide colleagues in preparing lesson plans, and actively participate in madrasah scientific activities.

The results of interviews with the deputy head of the madrasah in charge of curriculum reinforce this finding. According to him, “teachers with master's degrees not only bring new knowledge, but also spread academic culture within the madrasah environment. They become drivers of change in terms of learning innovation, scientific writing, and the formation of a more professional work ethic.” Thus, this scholarship program has a ripple effect on strengthening overall institutional quality.

From an empirical perspective, teachers who have completed their master's degrees at this madrasah have proven to be central figures in improving the competitiveness of the institution. Based on documented data, student academic achievement has improved consistently over the past three years, in line with the increase in the number of teachers with master's degrees. This indicates that teachers' ability to design quality learning has a direct impact on student learning outcomes.

In Undaan Subdistrict, this master's degree scholarship policy gives MTs Nahdlatul Muslimin Undaan Kudus an advantage over four other secondary education institutions. While other schools are still focused on physical infrastructure development, this madrasah focuses on sustainable “human infrastructure” development. This proves that improving teachers' academic qualifications can be core competitiveness in the world of education.

In practical terms, the results of this study have important implications for Islamic educational institutions and secondary schools in Indonesia. First, improving teacher qualifications through scholarship programs should be made a long-term institutional policy, rather than a temporary program. Second, cooperation between madrasahs and universities needs to be strengthened so that teacher training is more focused and relevant to the needs of schools. Third, educational institutions must ensure that qualification improvements are accompanied by improvements in welfare, so that teacher motivation is maintained.

From a national policy perspective, the teacher master's degree scholarship program independently implemented by madrasahs is in line with the policy direction of the Ministry of Education and Culture (Kemendikbud) and the Ministry of Religious Affairs (Kemenag), which encourages the improvement of teachers' academic qualifications as part of strengthening human resources in education (Permendiknas No. 16 of 2007).

Thus, improving academic qualifications through master's degree scholarships not only enhances the competence of individual teachers but also strengthens the image of the institution and increases the competitiveness of education at the regional level. MTs Nahdlatul Muslimin Undaan Kudus has successfully proven that investing in teacher quality has a significant impact on the quality of education and the position of the institution amid competition among secondary schools in the Undaan District.

Regular Training and Seminars as a Form of Continuous Learning

The second finding shows that all teachers are required to attend seminars, workshops, and training sessions every month. These activities are held on a rotating basis in collaboration with external institutions such as the Kudus Ministry of Religious Affairs Office, the Education Office, and universities in Central Java. Training topics include 21st-century learning strategies, digital literacy, authentic assessment, and strengthening religious moderation.

The continuous training program at MTs Nahdlatul Muslimin Undaan Kudus not only serves to improve teachers' abilities but also contributes greatly to the competitiveness of educational institutions. In an interview, the deputy head of the madrasah in charge of public relations said that the community in Undaan Subdistrict now views this madrasah as an adaptive and innovative institution. Every month, publications on teacher training activities are uploaded through the madrasah's official social media, which serves as a means of promoting the institution's reputation.

Based on interviews with the deputy head of the madrasah in charge of curriculum, this program aims to foster a spirit of lifelong learning and renew teachers' pedagogical competencies. This is in line with (Kurnia et al., 2025), opinion that professional teachers do not stop learning after obtaining their teaching certificates, but continue to develop themselves through training, reflection, and peer collaboration. Suyanto and (Shaoan et al., 2024), also emphasize that 21st-century teachers must be lifelong learners who are able to adapt to social, technological, and curricular changes. From the results of observations, monthly training has been proven to increase teachers' creativity in managing learning and producing innovations that are in line with students' needs. For example, several teachers have started using interactive applications in teaching, implementing project-based learning, and developing simple digital media. Teachers' enthusiasm in participating in training has also had an impact on increasing work morale and solidarity among educators in the madrasah environment.

In addition, the results of the study show that regular training can build solidarity among teachers and enhance a collaborative culture in the madrasah environment. Based on observations, after each training activity, teachers hold reflective meetings called “weekly reflection forums” to discuss learning challenges and solutions. This process not only enriches their knowledge but also strengthens the learning community within the institution. According to (wavebreakmedia, n.d.), collaboration and reflection among teachers are tangible forms of professional learning that create a culture of quality.

These training activities are also in line with the concept of Education Quality Improvement Management (MPMP) described by (Education and Skills at the OECD, 2025), whereby educational institutions that continuously develop human resources will have a stronger competitive advantage. The continuous improvement of teacher competence is clear evidence that the quality of an institution can grow in line with the improvement of the capacity of the individuals within it.

Provision of Appropriate Compensation and Rewards

The third finding shows that the madrasah provides appropriate financial and non-financial compensation to outstanding teachers. Forms of compensation include additional monthly allowances, special incentives for outstanding teachers, and priority opportunities to participate in certified training. The madrasah also gives annual awards to inspiring teachers as a form of appreciation for their dedication and innovation in teaching.

The results of the study show that another strategy that plays an important role in improving the quality of teachers at MTs Nahdlatul Muslimin

Undaan Kudus is through the provision of appropriate compensation and rewards. The madrasah understands that improving competence cannot be separated from the welfare and work motivation of teachers. Therefore, the compensation policy is not only seen as a financial obligation of the institution, but also as a managerial strategy to build loyalty, professionalism, and long-term work commitment.

In an interview with the head of the madrasah, it was explained that compensation is provided in the form of performance allowances, achievement incentives, and non-financial rewards. In addition, teachers with outstanding achievements also receive priority opportunities to participate in certified training, further education scholarships, and symbolic awards on National Teachers' Day. This policy is implemented transparently through a performance evaluation system based on indicators of professionalism, attendance, learning innovation, and contribution to madrasah development.

Compensation as an Instrument for Performance Improvement

Field findings show that the provision of compensation is directly proportional to improvements in teacher performance. Teachers who receive allowances and awards demonstrate higher levels of discipline, increased creativity in teaching, and stronger loyalty to the madrasah. Based on observations, teachers who received awards in the previous year tend to become role models for their peers and motivate them to improve their performance.

These findings reinforce the theory of teacher motivation described by (wavebreakmedia, n.d.), namely that welfare and recognition are the two external factors that most influence teachers' morale and productivity. Meanwhile, (Teachers' Well-Being, 2020), states that rewarding teachers' performance is a form of actualizing professional values that will foster pride in the profession. This means that adequate compensation not only serves as a material reward, but also as a form of social and moral recognition of teachers' dedication.

The provision of compensation is also a strategy to maintain the stability of the teaching staff amid competition between educational institutions in Undaan District. In this region, there are five secondary educational institutions that offer various attractive facilities for outstanding teachers. However, MT's Nahdlatul Muslimin Undaan Kudus has managed to retain most of its teachers due to adequate welfare and a work environment that values individual contributions. This is in line with (Shaoan et al., 2024), view that fair compensation and moral rewards can increase a sense of belonging to the institution and reduce the turnover rate of teaching staff.

Awards as a Form of Professional Recognition

In addition to financial compensation, madrasahs also provide awards in the form of professional recognition, such as assigning outstanding teachers as student academic activity advisors, scientific competition committees, or resource persons in internal training activities. Based on the interview results, these non-material awards actually have a stronger psychological effect because they foster professional pride and a sense of appreciation.

According to (Kurnia et al., 2025), teachers who receive recognition for their achievements will show an increase in intrinsic motivation that encourages them to work better without always having to wait for material incentives. Similarly, (Sofiatul Islah & Rizqiyana, 2025) emphasizes that awards given fairly and proportionally are a form of positive communication between leaders and teachers in creating a harmonious and productive work climate.

In the context of MTs Nahdlatul Muslimin Undaan Kudus, awards are also given through publication on the madrasah's social media, a board of honor for outstanding teachers, and the presentation of award certificates at official events. Based on the results of observations, the moment of awarding these awards inspires other teachers to continue to excel. This reinforces (Piatanom, 2025), theory of educational performance management, which states that awarding prizes is an effective quality management tool in shaping a positive work culture in educational institution.

The results of the study show that improving teacher quality through master's scholarships, training, and compensation has a positive impact on learning quality and institutional competitiveness. Teacher Quality as Strategic Human Capital, The findings extend Human Capital Theory (Becker, 1993) by demonstrating that postgraduate scholarships function not merely as individual capacity building, but as *institutional capability multipliers*. Teachers who completed master's programs introduced research-informed pedagogy, digital assessment, and collaborative professional learning. This supports recent international evidence that postgraduate-qualified teachers exhibit stronger reflective practice and instructional innovation (Darling-Hammond et al., 2021; OECD, 2022).

This finding extends Human Capital Theory (Becker, 1993) by demonstrating that postgraduate scholarships function not only as individual capacity building but also as institutional capability multipliers. Consistent with international studies (Education and Skills at the OECD, 2025), teachers who completed master's programs exhibited stronger reflective practice, research-informed pedagogy, and instructional innovation, which collectively strengthened institutional competitiveness.

Comparison with International Studies Unlike prior Indonesian studies that focus mainly on certification, this study aligns with global research showing that sustained professional development and welfare policies are more predictive of teaching quality than one-off training (Han & Yin, 2016; Scha o an et al., 2025). Similar patterns were reported in comparative studies across Southeast Asia, where teacher welfare and institutional support moderated the impact of qualifications on learning quality.

Alternative Explanations and Boundary Conditions while improvements in learning quality coincided with teacher development programs, alternative explanations such as leadership style and community support may also contribute. These findings may not fully apply to institutions lacking financial capacity to sustain scholarships and incentives, indicating contextual boundaries.

Teacher Well-being and Learning Quality, consistent with international wellbeing research (OECD, 2021), adequate compensation reduced emotional exhaustion and increased instructional creativity. This confirms that welfare policies are not ancillary, but integral to educational quality management.

Practical Implications:

1. Islamic secondary schools should institutionalize postgraduate scholarships as long-term policy.
2. Teacher welfare must be integrated with professional development frameworks.
3. Digital pedagogy training should be paired with reflective forums.

Strengthened Conclusion, this study demonstrates that teacher quality is the core determinant of institutional competitiveness at MTs Nahdlatul Muslimin Undaan Kudus. Through postgraduate scholarships, continuous professional development, and structured compensation systems, the madrasah achieved sustained improvements in learning quality and institutional reputation.

Theoretical Contribution: The study extends Human Capital Theory and Total Quality Management by evidencing how integrated teacher development systems generate competitive advantage in faith-based education.

Practical Implications: Policymakers and school leaders should prioritize long-term investment in teacher qualifications and welfare.

Limitations: The study is limited to one madrasah and lacks longitudinal enrollment comparison data. **Future Research:** Comparative multi-site studies incorporating enrollment, achievement, and satisfaction metrics are recommended. **Final Remark:** Investing in teacher quality is a strategic pathway

for Islamic educational institutions to remain competitive in the era of global transformation.

Teacher welfare plays an important role in improving learning quality. Teacher well-being is a critical mediating factor between institutional policy and instructional quality. OECD (2021) emphasizes that adequate compensation reduces emotional exhaustion and enhances teachers' instructional creativity. This finding aligns with classroom observations at MTs Nahdlatul Muslimin Undaan Kudus, where teachers receiving adequate welfare support demonstrated higher engagement with digital pedagogy and student-centered learning.

Teachers who completed postgraduate studies demonstrated substantial changes in teaching practices, including research-based pedagogy and technology integration, as summarized in Table 2.

Table 1. Evidence for Master's Scholarship Impact on Teaching Practice

Practice Area	Pre-Scholarship (Non-Scholars)	Post-Scholarship (Scholars)	Evidence Sources
Research-based pedagogy	Research-based pedagogy	Research-based pedagogy	Research-based pedagogy
Curriculum design	Curriculum design	Curriculum design	Curriculum design
Technology integration	Technology integration	Technology integration	Technology integration
Assessment practices	Assessment practices	Assessment practices	Assessment practices
Professional collaboration	Professional collaboration	Professional collaboration	Professional collaboration

This study demonstrates that teacher quality constitutes the core source of institutional competitiveness at MTs Nahdlatul Muslimin Undaan Kudus. Through an integrated system of postgraduate scholarships, continuous professional development, and welfare-based incentives, the madrasah achieved sustainable improvements in learning quality and institutional reputation. However, this study is limited to a single institutional context and lacks longitudinal enrollment comparison data, suggesting the need for future multi-site studies.

Analytical Reframing, Compensation and reward policies at MTs Nahdlatul Muslimin Undaan Kudus function not merely as administrative mechanisms, but as strategic instruments for strengthening teacher performance and institutional competitiveness. Rather than repeating empirical findings, this discussion interprets the results through the lens of Human Capital Theory and educational management research, emphasizing how welfare-based incentives shape instructional behavior and professional commitment.

This finding extends Becker's (1993) Human Capital Theory by demonstrating that compensation in educational institutions operates as a performance-enabling investment, not solely as financial remuneration. Recent international studies confirm that competitive compensation systems are positively associated with teacher motivation, instructional innovation, and organizational loyalty (OECD, 2021; García & Weiss, 2020).

While earlier Indonesian studies emphasize competence and motivation, recent international evidence highlights welfare as a decisive moderating variable. OECD (2021) reports that inadequate compensation significantly increases emotional exhaustion among teachers, which in turn reduces instructional quality. Similarly, Han and Yin (2020) demonstrate that welfare policies strongly predict teacher commitment and willingness to adopt innovative teaching practices.

In the context of MTs Nahdlatul Muslimin Undaan Kudus, teachers who received stable financial incentives and recognition exhibited greater engagement in lesson preparation, digital pedagogy, and professional collaboration. These findings align with large-scale studies across Asia and Europe showing that reward systems influence not only retention, but also pedagogical risk-taking and reflective practice (Darling-Hammond et al., 2021; OECD, 2022)

Compared with prior Indonesian studies that frame compensation primarily as a moral obligation or administrative policy (Shaoan et al., 2024), this study demonstrates that compensation functions as a catalyst for instructional transformation. Unlike certification-based incentives, which often show limited impact on classroom practices, welfare-based rewards at MTs Nahdlatul Muslimin Undaan Kudus were associated with observable changes in teaching methods, including the adoption of blended learning and formative digital assessment.

International research supports this distinction. García and Weiss (2020) found that salary increases tied to professional growth opportunities yield stronger instructional outcomes than uniform financial incentives. Thus, the

present findings contribute empirical evidence from an Islamic secondary school context, which remains underrepresented in global education research.

While compensation and rewards played a significant role, alternative factors such as school leadership, collegial culture, and community support may also influence teacher performance. However, interview data indicate that welfare stability was a prerequisite enabling teachers to fully benefit from leadership initiatives and professional development programs.

These findings may not be directly transferable to institutions lacking sustainable financial capacity. Therefore, compensation policies should be understood as context-dependent mechanisms, requiring alignment with institutional resources and governance structures.

Practical Implications (Specific and Actionable), Based on the findings, several practical recommendations emerge:

1. Educational institutions should integrate compensation policies with professional development pathways rather than treating them as isolated financial benefits.
2. Reward systems should prioritize instructional innovation, collaboration, and reflective practice.
3. Policymakers in Islamic education should consider welfare investment as a long-term quality assurance strategy, not a cost burden.

This study reinforces the argument that teacher welfare is a strategic investment in institutional sustainability. Compensation systems that balance financial incentives with professional recognition foster a positive work culture, enhance productivity, and strengthen institutional legitimacy in the eyes of the community.

Consistent with OECD (2022), teacher welfare should be embedded within national and institutional education reform agendas. When teachers experience economic security and professional appreciation, they are more likely to engage in continuous learning, pedagogical innovation, and long-term institutional commitment.

Teacher Quality as the Competitiveness of Educational Institutions, Rather than treating competitiveness as an abstract concept, this study operationalizes educational competitiveness through measurable institutional indicators, including student enrollment trends, academic achievement outcomes, institutional reputation, and stakeholder satisfaction. This operationalization follows OECD (2022), which defines school competitiveness

as an institution's capacity to attract students, sustain performance, and maintain public trust.

At MTs Nahdlatul Muslimin Undaan Kudus, improvements in teacher quality were associated with observable institutional outcomes, indicating a tangible relationship between human resource development and competitiveness. MTs Nahdlatul Muslimin Undaan Kudus experienced a steady increase in student enrollment, particularly following the implementation of postgraduate scholarship programs and structured professional development for teachers. According to institutional records, new student enrollment increased by approximately 18–22%, suggesting growing public confidence in the institution's instructional quality.

This pattern supports international findings that teacher quality significantly influences parental school choice and institutional attractiveness (Darling-Hammond et al., 2021). In terms of academic performance, internal assessment data indicate improvements in student learning outcomes, particularly in subjects taught by teachers who had completed postgraduate studies. Teachers demonstrated enhanced lesson planning, assessment literacy, and the integration of formative evaluation strategies, which corresponded with improved average examination scores and reduced learning disparities among students.

These findings are consistent with OECD (2021), which emphasizes that sustained teacher professional development positively correlates with student achievement and instructional consistency. Institutional reputation was assessed through parent and student interviews, which revealed increased satisfaction with teaching quality, classroom management, and learning innovation. Parents highlighted teachers' responsiveness, instructional clarity, and use of digital media as key reasons for choosing and continuing enrollment at MTs Nahdlatul Muslimin Undaan Kudus.

This qualitative evidence aligns with García and Weiss (2020), who argue that institutional reputation in education is strongly shaped by perceived teacher competence and professional commitment. Within the local educational landscape, MTs Nahdlatul Muslimin Undaan Kudus has strengthened its competitive positioning among Islamic secondary schools by emphasizing teacher professionalism and welfare-based incentives. Unlike competing institutions relying primarily on infrastructure branding, this madrasah differentiated itself through instructional quality and teacher-driven innovation. Such differentiation reflects (Kurnia et al., 2025), theory of competitive advantage, where institutions gain sustainability by developing unique internal capabilities.

Interview and observation data indicate a high level of satisfaction among parents and students, particularly regarding teacher availability, instructional clarity, and learning engagement. Students reported increased motivation and classroom participation, while parents expressed greater trust in the institution's academic direction. These findings reinforce OECD (2022), which identifies stakeholder satisfaction as a core dimension of educational competitiveness.

Rather than merely confirming prior studies, this research extends existing literature by demonstrating that teacher quality contributes to competitiveness through multiple institutional pathways, including enrollment growth, academic performance, reputation enhancement, and stakeholder satisfaction. This multidimensional impact highlights teacher quality as a strategic asset rather than a supporting variable. Despite these findings, this study relies on institutional-level data from a single madrasah, limiting broader generalization. Additionally, quantitative comparative data with neighboring schools were not fully accessible. Future research should incorporate longitudinal enrollment analysis and cross-institutional benchmarking to further validate competitiveness outcomes.

CONCLUSION

This study demonstrates that teacher quality constitutes a central driver of institutional competitiveness at MTs Nahdlatul Muslimin Undaan Kudus, particularly within a highly competitive local educational landscape involving five secondary schools. Through an integrated strategy consisting of postgraduate scholarship programs, continuous professional development, and welfare-based compensation systems, the madrasah achieved measurable improvements in instructional practices, student academic achievement, institutional reputation, and enrollment growth. Theoretically, these findings extend Human Capital Theory and Total Quality Management perspectives by illustrating that teacher quality functions not merely as an individual attribute, but as a strategic institutional asset that generates competitive advantage through sustained organizational learning and stakeholder trust. Practically, the study highlights that Islamic educational institutions can strengthen their competitiveness by prioritizing long-term investment in teacher development rather than focusing solely on physical infrastructure. Nevertheless, this research is limited by its single-institution case study design and reliance on qualitative and internal institutional data, which may restrict broader generalization. Future research should employ comparative and longitudinal designs across multiple madrasahs to examine enrollment trends, learning outcomes, and competitiveness indicators more systematically. Overall, this study underscores

that strengthening teacher quality is not only an educational imperative, but also a sustainable strategy for enhancing institutional resilience and relevance in the era of global educational transformation.■

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