

# *A paradox between Declining Minimum Service Standards and Increasing Non-formal Targets in Lumajang*

## **Paradoks antara Menurunnya Standar Pelayanan Minimum dan Meningkatnya Target Nonformal di Lumajang**

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### **Abstract**

*This study evaluates the fulfillment of Minimum Service Standards (SPM) in basic education in Lumajang Regency. Using the Human Capital Theory approach, it analyzes how government budget allocation impacts education quality. The findings indicate that despite significant budget allocations, challenges persist in meeting minimum service targets, particularly in equality education. In-depth interviews with Education Office officials reveal several obstacles, including limited resources, inadequate facilities, and low public awareness of equality education. The budget distribution prioritizes primary and secondary education, while non-formal education, particularly equality education, receives less attention. As a result, the achievement rate for equality education remains significantly lower compared to other educational sectors. To address these issues, this study recommends a more holistic and integrated strategy. Key suggestions include enhancing public awareness campaigns, optimizing non-APBD funding sources such as Corporate Social Responsibility (CSR) initiatives and village funds, and leveraging technology to improve educational accessibility and quality. Additionally, teacher training programs and better infrastructure investments are essential to enhance educational outcomes. A systematic evaluation and monitoring framework, supported by technology and independent institutions, is necessary to track progress and ensure policy effectiveness.*

**Keywords:** Basic Education, Education Budget, Human Capital Theory, Lumajang Regency, Minimum Service Standards

### **Abstrak**

Penelitian ini mengevaluasi pemenuhan Standar Pelayanan Minimal (SPM) pada bidang pendidikan dasar di Kabupaten Lumajang. Dengan pendekatan Teori Modal Manusia, penelitian ini menganalisis dampak alokasi anggaran pemerintah terhadap mutu pendidikan. Temuan penelitian menunjukkan bahwa meskipun alokasi anggaran cukup besar, masih terdapat kendala dalam memenuhi target pelayanan minimal, khususnya pada bidang pendidikan kesetaraan. Wawancara mendalam dengan pejabat Dinas Pendidikan mengungkap beberapa kendala, antara lain keterbatasan sumber daya, fasilitas yang kurang memadai, dan rendahnya kesadaran masyarakat terhadap pendidikan kesetaraan. Alokasi anggaran lebih mengutamakan pendidikan dasar dan menengah, sedangkan pendidikan nonformal, khususnya pendidikan kesetaraan, kurang mendapat perhatian. Akibatnya, capaian pendidikan kesetaraan jauh lebih rendah dibandingkan dengan sektor pendidikan lainnya. Untuk mengatasi permasalahan tersebut, penelitian ini merekomendasikan peningkatan kampanye penyadaran masyarakat, optimalisasi sumber dana non-APBD seperti *Corporate Social Responsibility* (CSR) dan dana desa, serta pemanfaatan teknologi untuk meningkatkan aksesibilitas dan mutu pendidikan. Selain itu, program pelatihan guru dan investasi infrastruktur yang lebih baik sangat penting untuk meningkatkan hasil pendidikan. Kerangka evaluasi dan pemantauan yang sistematis, yang didukung oleh teknologi dan lembaga independen, diperlukan untuk melacak kemajuan dan memastikan efektivitas kebijakan.

**Kata kunci:** Anggaran Pendidikan, Kabupaten Lumajang, Pendidikan Dasar, Standar Pelayanan Minimal, Teori Modal Manusia,

## Introduction

The implementation of educational services is an inherent responsibility of the government, both at the central and regional levels. In this context, the government has an obligation to provide access to quality education for all citizens. This is in line with the principle that education is a human right that must be fulfilled by the state, as stipulated in Law of the Republic of Indonesia No. 20 of 2003 concerning the National Education System, which emphasizes that education is a conscious and planned effort to create a learning atmosphere that is conducive to the development of individual potential (Suhartini, 2018). Local governments, through the Education Office, have a strategic role in managing and coordinating educational activities in their respective regions. The Education Office is responsible for ensuring that the education provided meets the quality standards that have been set, as well as managing educational resources with the principles of fairness and adequacy (Anggreny, 2024; Hayudiyani et al., 2020). The World Bank (2013) said that good local governance correlates with better educational performance. With the cooperation between the central and regional governments, it is hoped that the quality of education throughout Indonesia can be evenly distributed and provide equal opportunities for all the nation's children to achieve a better future (Tarigan et al., 2023).

Becker (1964) stated that human capital theory includes several key principles such as economic growth, personal and social returns, and investment in education. This theory emphasizes that individuals can increase their productivity and earning potential through education and training, which is similar to investing in physical capital in the hope of higher returns in the future. This paper discusses more about the concept of implementing investment in education carried out by the Lumajang Regency Government through the allocation of expenditure in the education sector. Lumajang Regency was chosen as a research locus because of its insignificant achievements in this field. One of the indicators of measuring the success of educational services is the Minimum Service Standards (SPM), the implementation of which is further regulated by the government through Government Regulation Number 2 of 2018 concerning Minimum Service Standards and Minister of Home Affairs Regulation Number 59 of 2021 concerning the Implementation of Minimum Service Standards.

In 2023, in aggregate, Lumajang Regency's achievement is only 87.64% of the maximum value of 100% (Figure 1), making this achievement the lowest among 38 Regencies and Cities throughout East Java Province. This achievement consists of several service areas including: Social Affairs, Public Order and Community Protection, Public Housing, Public Works, Health, and Education (Figure2).

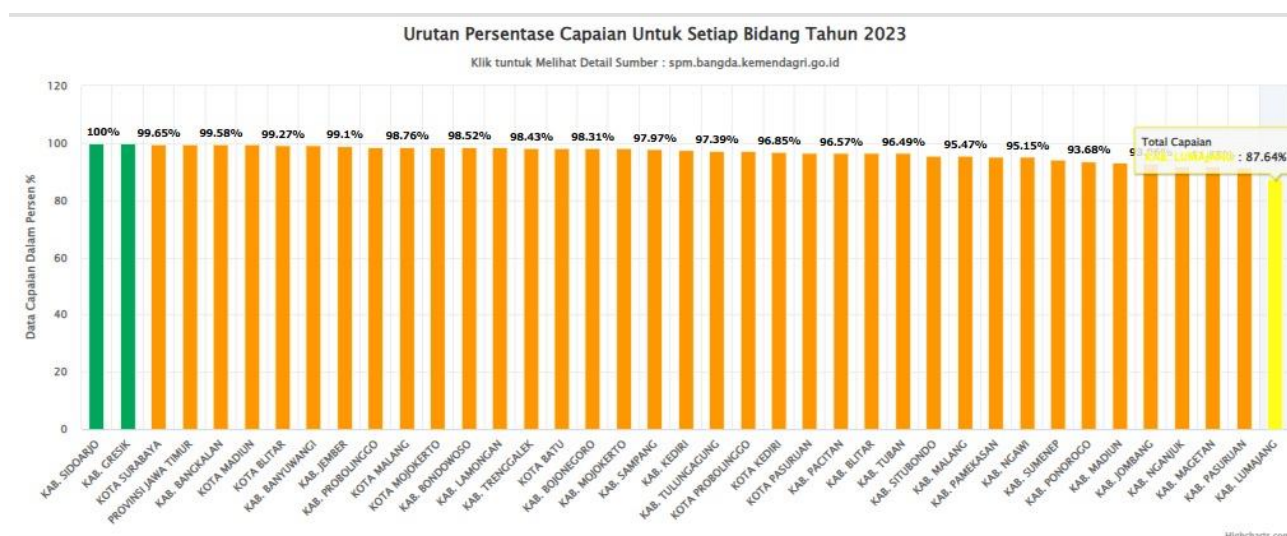


Figure 1. Percentage of SPM Achievement in East Java in 2023

Source: Kementerian Dalam Negeri RI, [spm.bangda.kemendagri.go.id](http://spm.bangda.kemendagri.go.id), processed by the author

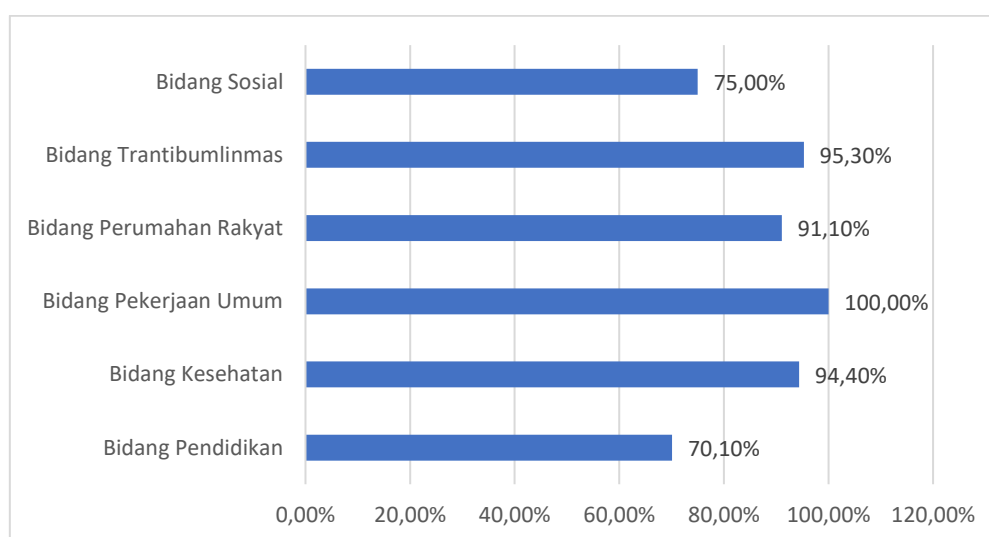


Figure 2. Percentage of SPM Achievement per Lumajang Regency Sector in 2023

Source: Kementerian Dalam Negeri RI, [spm.bangda.kemendagri.go.id](http://spm.bangda.kemendagri.go.id), processed by the author

This study aims to evaluate the fulfilment of SPM in the field of Basic Education in Lumajang Regency, by linking it to the concept of human capital theory, especially the concept of investment in education through government spending in the field of education. Human Capital Theory, put forward by Becker (1964), emphasizes that investment in education is the key to increasing individual productivity and income. In this context, the study will analyze how the budget allocation of the Lumajang Regency government for education can meet SPM and contribute to improving the quality of human resources. This evaluation is important to understand the extent to which government policies and expenditures in the field of basic education can create a positive impact on economic and social development in the area. Furthermore, this research is expected to provide useful recommendations for local governments in optimizing education investment to achieve sustainable and inclusive development goals. Speaking of education, Theodore Schultz introduced a theory called

human capital theory in the early 1960s. This theory was later further developed by Gary Becker, emphasizing that investment in education and training is key to increasing individual productivity and income (Becker, 1964; Schultz, 1961). This theory, initially articulated by economists such as Becker and Schultz, suggests that education serves as a mechanism for individuals to acquire skills and knowledge that improve their employability and economic outcomes (Sirak et al., 2022; Jacobs, 2007; Psacharopoulos & Patrinos, 2004). The fundamental premise is that the returns on investment in education manifest as increased lifetime earnings, thereby justifying the costs associated with educational pursuits (Tran, 2020; Mazerolle & Singh, 2001).

This theory states that by improving skills and knowledge through education, individuals can become more productive and contribute more to the national economy. Becker (1964) stated that more educated and skilled people almost always tend to earn more than others. Therefore, the government has a responsibility to provide equitable and quality education for the community as a form of investment in human resources. Education not only serves to improve the welfare of individuals but also to encourage economic growth and reduce social inequality (Marvel et al., 2016). Investment in education is a strategic step that governments can take to ensure sustainable and inclusive development as imagined in Figure 3.



Figure 3. Social Input (Investment) Position in Human Theory Capital  
Source: Swanson and Holton III, 2009, p.110

The effectiveness of educational investments depends on various factors, including the quality of education, the alignment between skills acquired and labor market demands, and the broader economic and institutional environment. As such, policymakers should consider a balanced approach to human capital investment, taking into account both the potential benefits and the specific needs of their economies (Heckman, 2004; Qadri & Waheed, 2014).

## Research Methods

This research was carried out using a qualitative approach with a case study method as explained by Creswell (2014). The qualitative research method of case studies is an in-depth approach to investigating a specific phenomenon in a real-life context. This method involves collecting detailed data from various sources to understand the complexity of a case holistically (Oesch et al., 2023). Ningrum and Dewi (2024) stated that this method allows researchers to explore phenomena in their context, using various data sources to uncover various aspects of the phenomenon being studied, so that a deep understanding of SPM fulfillment in the field of Basic Education in Lumajang Regency can be obtained.

To support this case study research, various data were obtained by purposive sampling and in-depth interview approaches. Purposive sampling allows researchers to select participants who have knowledge or experience relevant to the research topic. This helps to obtain rich and in-depth information (Liheluka et al., 2023; Mirzania et al., 2023). This method also allows for the selection of diverse samples to obtain a broader perspective (Hussain et al., 2023). In-depth interviews facilitate in-depth exploration of participants' experiences, perceptions, and views (Liheluka et al., 2023; Mirzania et al., 2023; Varaei et al., 2023). This method allows researchers to dig into information in detail and understand the broader context (Hussain et al., 2023; Kaviyani et al., 2023). These two methods complement each other in qualitative research. Purposive sampling ensures the right participants are selected, while in-depth interviews allow for rich and contextual data collection (Liheluka et al., 2023; Mirzania et al., 2023; Varaei et al., 2023).

## Result and Discussion

Human capital theory posits that investing in education is a strategic approach to enhancing labor productivity and boosting the economic value of individuals. This theory suggests that education functions as a critical investment that can significantly improve a person's skills and knowledge base. As individuals acquire more education, they become more productive and capable, which subsequently leads to higher income levels and better economic outcomes in the future (Leoni, 2023). In Lumajang Regency, the local government's commitment to developing the education sector exemplifies this theory in practice. The Lumajang Regency Government, through the Lumajang Regency Education Office, undertakes the responsibility of investing in education. This office is tasked with overseeing and managing various educational stages, including Early Childhood Education, Primary Education, and Secondary Education. By focusing on these areas, the government aims to enhance the overall educational infrastructure and outcomes, thereby fostering a more skilled and economically valuable workforce.

According to the available documents, detailed information is provided regarding the allocation of the regional revenue and expenditure budget (APBD) for Lumajang Regency. This includes a comprehensive breakdown of the education budget for the fiscal year 2024. The data highlights how funds are distributed across various sectors, with a particular focus on the education sector. This allocation reflects the government's commitment to enhancing educational infrastructure and resources, ensuring that sufficient financial support is directed towards Early Childhood Education, Primary Education, and Secondary Education. By meticulously planning and allocating these funds, the Lumajang Regency Government aims to improve educational outcomes and foster a more educated and skilled population, which is essential for the region's long-term economic and social development.

Table 1. APBD, Education Office Budget and SPM Implementation Budget

Source of Financing	Ceiling for Fiscal Year 2024	
APBD Lumajang Regency	2,405,220,874,036	100%
Budget Allocation of the Education Office	641,482,391,459	26.67%
Budget Allocation for SPM Implementation	78,895,820,295	12.30%
a. Source of APBD	75,865,020,295	96.16%
b. Non-APBD	3,030,800,000	3.99%

Source: Kementerian Dalam Negeri RI, 2024, [spm.bangda.kemendagri.go.id](https://spm.bangda.kemendagri.go.id)

Based on the data presented in the table 1, it is evident that the education budget in Lumajang Regency receives a substantial allocation from the regional revenue and expenditure budget (APBD). Out of the total APBD amounting to Rp 2,405,220,874,036, approximately Rp 641,482,391,459, or around 26.67%, is designated for the Education Office. This significant portion underscores the government's commitment to prioritizing education. Within this allocation, Rp 78,895,820,295, or about 12.3%, is specifically earmarked for the implementation of the Minimum Service Standards (SPM). The majority of the funds for SPM implementation, amounting to Rp 75,865,020,295 or roughly 96.16%, is sourced from the APBD itself, while the remaining Rp 3,030,800,000, or around 3.99%, comes from non-APBD sources. This detailed budget allocation highlights the importance of adequate financial support in enhancing the quality of education. As emphasized by Smith et al. (2020) in the journal *Educational Finance*, sufficient budget allocation is crucial for improving educational outcomes and ensuring that the education system can meet the required standards and provide quality education to all students.

The budget allocated for the implementation of the Minimum Service Standards (SPM) in Lumajang Regency for the fiscal year is Rp78,895,820,295 (Table 2). This substantial amount is meticulously distributed across several key activities to ensure comprehensive educational management and development. A significant portion of this budget, amounting to Rp46,772,339,885,

is dedicated to the management of Elementary School Education. This allocation underscores the importance placed on foundational education. Additionally, Rp18,241,910,710 is allocated for the management of Junior High School Education, reflecting the commitment to supporting students as they progress through their educational journey. Early Childhood Education (PAUD) Management receives Rp12,699,547,400, highlighting the focus on early learning and development. Furthermore, Non-Formal Education and Equality Management are allocated Rp1,133,482,300, ensuring that alternative educational pathways and equal opportunities are provided. Lastly, other miscellaneous funds amounting to Rp48,540,000 are also included in the budget. Each of these activities and their respective allocations are detailed in the following table, providing a clear and transparent overview of how the budget is utilized to enhance the educational landscape in Lumajang Regency.

Table 2. Details of the Implementation of SPM Education Activities

SPM Implementation	Fund
Management of Elementary School Education	46.772.339.885
Management of Junior High School Education	18.241.910.710
Early Childhood Education Management (PAUD)	12.699.547.400
Management of Non-Formal Education/Equality	1.133.482.300
Other Funds	48.540.000
<b>Total</b>	<b>78.895.820.295</b>

Source: Kementerian Dalam Negeri RI, 2024, [spm.bangda.kemendagri.go.id](http://spm.bangda.kemendagri.go.id)

The management of basic education in Lumajang Regency receives the largest budget allocation compared to other educational levels, highlighting the government's emphasis on foundational learning. Specifically, the Management of Elementary School Education is allocated Rp 46,772,339,885, which is the highest among all categories. This is followed by the Management of Junior High School Education, which receives Rp 18,241,910,710, and the Management of Early Childhood Education (PAUD), which is allocated Rp 12,699,547,400. In contrast, the Management of Non-Formal Education and Equality receives a smaller budget of Rp 1,133,482,300, while other miscellaneous funds amount to Rp 48,540,000. (Table 2). The substantial allocation for basic education underscores the government's priority in ensuring a strong educational foundation, which is crucial for students' progression to higher levels of education. By investing heavily in elementary and junior high school education, the government aims to build a robust educational framework that supports long-term academic and personal development for all students.

In addition to the budget value, data on SPM achievements in the education sector in 2024 were obtained, which turned out to be not good achievements. The following are the achievements of SPM education in 2024:



Table 3 Achievements of SPM Education in 2024

<b>SPM Performance Indicators/ Types of Services</b>	<b>Total number to be served</b>	<b>Total number served (up to the third quarter)</b>	<b>Total Achievement</b>
Early Childhood Education	31,145	21,680	67.44%
Primary Education	146,993	89,187	60.67%
Equality Education	12,984	1,583	12.19%

Source: Kementerian Dalam Negeri RI, 2024, [spm.bangda.kemendagri.go.id](http://spm.bangda.kemendagri.go.id)

The achievement of SPM for early childhood education and basic education is quite high, but the achievement for equality education is still very low (Table 3). Of the total 31,145 early childhood children who must be served, as many as 21,680 or around 67.44% have been served until the third quarter. For primary education, out of a total of 146,993 students who must be served, as many as 89,187 or around 60.67% have been served. However, for equality education, out of a total of 12,984 that must be served, only 1,583 or about 12.19% have been served. This shows that there is a significant gap in the achievement of minimum service targets at various levels of education. These findings show that despite significant budget allocations for the education sector, there are still challenges in achieving minimum service targets, especially in equality education. Previous research has shown that adequate budget allocation is essential for improving the quality of education. For example, Smith, Jones, and Brown (2020) in the *Journal of Management Studies* emphasized that the right investment in education can improve learning outcomes and strengthen the education system as a whole. Therefore, further efforts are needed to ensure that all levels of education receive sufficient attention and adequate resources to achieve the minimum service target. In addition, more effective and innovative strategies may be needed to improve the achievement of equality education. Brown and Green (2021) suggest that a more holistic and integrated approach, involving multiple stakeholders, can help address gaps in educational attainment. Education policies must be designed in such a way that they can accommodate the needs of all groups of society, including those in equality education.

Building on the existing findings, the researcher proceeded to conduct in-depth interviews with officials from the Lumajang Regency Education Office to gain a more comprehensive understanding of the underlying causes and potential solutions related to suboptimal educational achievements. During these interviews, several critical questions were posed to the officials. These questions aimed to uncover the reasons behind the low achievement levels in equality education, the measures that have already been implemented to address this issue, and the strategies that could be adopted in the future to enhance the quality and accessibility of education. The officials provided valuable insights into the challenges faced by the education sector, including the lack of adequate resources and facilities, low public awareness, and limited participation in non-formal education programs. They also discussed the efforts made by the Education Office to increase socialization and



counseling, improve facilities, and collaborate with various stakeholders to ensure the sustainability and effectiveness of educational programs. The interviews highlighted the importance of a multifaceted approach to addressing educational challenges and emphasized the need for continued investment and collaboration to achieve better educational outcomes in Lumajang Regency.

The officials interviewed provided valuable insights into the challenges faced by the equality education sector. They identified a significant cause of low achievement in equality education as the lack of adequate resources and facilities necessary to support non-formal education programs. This shortage of resources hampers the effectiveness and reach of these programs. Additionally, they highlighted that public awareness regarding the importance of equality education remains low, which in turn limits participation in these programs. To address these issues, the Education Office has undertaken several initiatives. They have increased efforts to socialize and counsel the public about the critical role of equality education in personal and community development. These efforts aim to raise awareness and encourage greater participation. Furthermore, the Education Office has been actively collaborating with various stakeholders to enhance the facilities and resources available for non-formal education. By working together with different parties, they aim to create a more supportive environment that can better meet the needs of equality education programs and ultimately improve educational outcomes.

Concrete steps that have been taken include increasing the budget for equality education programs, training for educators, and developing a curriculum that is more relevant to the needs of students. In addition, the Education Office also plans to expand the reach of the equality education program by opening more learning centers in various regions, especially in hard-to-reach areas. The official also emphasized the importance of collaboration with various stakeholders, including local governments, non-governmental organizations, and the private sector, to ensure the sustainability and effectiveness of equality education programs. Analysis of education data in Lumajang Regency reveals various challenges and opportunities in efforts to achieve Minimum Service Standards (SPM) in the field of education. Based on interviews with officials of the Lumajang Regency Education Office (Table 4), it was found that the implementation of regulations such as Law Number 20 of 2003 and Permendagri Number 15 of 2023 requires harmonization with regional priorities. Regulations that have been set are often difficult to implement optimally due to regional budget limitations. However, there are opportunities to get assistance from the Central or Provincial Government through grants and strategic programs that can improve SPM achievements in the field of education.

One of the primary challenges encountered in the education sector is the significant disparity in the costs per child, which fall considerably below the standard required education costs. This issue is exacerbated by the heavy reliance on the regional revenue and expenditure budget (APBD) and the insufficient allocation of non-APBD funds, leading to an imbalanced budget distribution. To address

this problem effectively, it is crucial to optimize alternative funding sources beyond the APBD. These sources include Corporate Social Responsibility (CSR) initiatives, Village Funds, and partnerships with the private sector. By leveraging support from these various parties, the education sector can secure additional financial resources to bridge the budget gap. This collaborative approach is expected to not only cover the budget shortfall but also significantly enhance the quality of education in Lumajang Regency. Through increased investment and resource allocation, the region can work towards providing a more equitable and high-quality educational experience for all students.

Table.4 Challenges, Obstacles, and Opportunities for Education Improvement in Lumajang Regency

<i>Aspects</i>	<i>Challenge</i>	<i>Obstacles</i>	<i>Chance</i>
Regulation	The implementation of Law Number 20 of 2003 and Permendagri Number 15 of 2023 requires harmonization with regional priorities	Regulations that have been set are difficult to implement optimally due to regional budget limitations	Potential assistance from the Central/Provincial Government through grants and strategic programs to improve SPM achievements in the field of Education
Budget and Funding	Inequality in cost per child that is much lower than the standard of required education costs	Dependence on the APBD, lack of non-APBD budget allocation, and disproportionate budget allocation	Optimization of Non-APBD funding sources (CSR, Village Funds and Partnerships with Private Parties)
Infrastructure and Facilities	There are still schools with inadequate facilities, especially in rural and remote areas	Limited funds for the construction and maintenance of educational infrastructure	The central government's support in the construction of educational facilities through the DAK and cooperation with donor institutions
Human Resources	Lack of number of teachers, training and development for teachers to improve the quality of learning	Uneven distribution of teachers and lack of incentives for non-formal educators and early childhood education	Technology-based training, teacher competency development organized by the government and the use of volunteers/education cadres from the local community
Community Participation	Low public awareness of the importance of education	Limited community involvement in supporting educational programs (both moral and material)	Utilization of social media and public campaigns to increase educational awareness
Technology and Innovation	The use of educational technology is still limited in some regions	Technological infrastructure is uneven (especially in rural areas) and low digital literacy	Utilization of digital platforms for the efficiency of education management and learning based on constructivism
Evaluation and Monitoring	Lack of a real-time and accurate database with a systematic evaluation process	Lack of integration between central and regional data	The implementation of a technology-based monitoring system and involves independent institutions or academics to assist in the analysis and supervision of educational achievements.

Source: Kementerian Dalam Negeri RI, 2024, [spm.bangda.kemendagri.go.id](http://spm.bangda.kemendagri.go.id), processed by the author

Infrastructure and educational facilities are also a major concern. There are still schools with inadequate facilities, especially in rural and remote areas. Limited funds for the construction and maintenance of educational infrastructure are a major obstacle. However, support from the central government through the Physical Special Allocation Fund (DAK) and cooperation with donor institutions can be a solution to improve this condition. With this support, it is hoped that educational facilities in Lumajang Regency can be improved so that they can support a better teaching and learning process. Human resources, especially the number and quality of teachers, are also a significant challenge. The lack of teachers, training, and development for teachers to improve the quality of learning is a problem that needs to be addressed immediately. The uneven distribution of teachers and the lack of incentives for non-formal educators and early childhood education also exacerbated the situation. Technology-based training and teacher competency development organized by the government, as well as the use of volunteers or education cadres from local communities, can be a solution to improve the quality of human resources in the field of education.

Community participation in supporting education programs is also still low. Public awareness of the importance of education needs to be increased through the use of social media and public campaigns. In addition, the use of educational technology, which is still limited in some regions, also needs to be considered. Uneven technological infrastructure and low digital literacy are obstacles in the application of educational technology. The use of digital platforms for the efficiency of education management and constructivism-based learning can be an innovative step to improve the quality of education in Lumajang Regency. Systematic evaluation and monitoring with the implementation of technology-based systems and involving independent institutions or academics are also needed to ensure that educational achievements can be properly monitored.

## Conclusion

This study highlights that despite Lumajang Regency's substantial budget allocation for the education sector, significant challenges remain in meeting the Minimum Service Standards (SPM), particularly in the area of equality education. The research identifies several critical obstacles, including limited resources, inadequate facilities, and low public awareness regarding the importance of equality education. These factors collectively hinder the effective implementation of educational programs and the achievement of desired outcomes. The findings underscore the necessity for continued and enhanced efforts to ensure that all levels of education receive the necessary attention and resources. Addressing these challenges is crucial for achieving the minimum service targets and improving the overall quality and accessibility of education in Lumajang Regency. By focusing on these areas, the region can work toward creating a more equitable and effective educational system that meets the needs of all students.

To overcome the challenges faced in achieving SPM in Lumajang Regency, a more holistic and integrated strategy is needed. Local governments must increase socialization and counseling to the public about the importance of equality education, as well as work with various parties to provide better facilities and resources. Optimizing non-APBD funding sources such as CSR, Village Funds, and partnerships with the private sector is also very important. In addition, the use of educational technology and technology-based training for teachers can help improve the quality of learning. Systematic evaluation and monitoring with the implementation of technology-based systems and involving independent institutions or academics are also needed to ensure that educational achievements can be properly monitored.

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### Author Contribution

The author was responsible for the conception, design, data collection, analysis, and writing of the manuscript.

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