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SCHOOL-BASED MANAGEMENT AND AGENCY CHALLENGES IN VOCATIONAL SCHOOL GOVERNANCE: A CASE STUDY OF SMK ADI SANGGORO

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Abstract. School-Based Management (SBM) is intended to strengthen school-level governance through independency, partnership, community participation, transparency, and accountability. However, its implementation in private vocational schools may face agency challenges because foundations, government, parents, committees, teachers, and industry partners have different interests and access to information. This study evaluates how SBM functions as a governance framework in SMK Adi Sanggoro and how agency problems shape its implementation. A qualitative single-case study was conducted through semi-structured interviews, non-participant observation, and document analysis. The data were analyzed using thematic analysis guided by the five SBM principles and agency theory. The findings show that SBM has been implemented through budget planning, industry collaboration, stakeholder communication, financial reporting, teacher supervision, and school evaluation routines. Independency operates as delegated and conditional authority, with operational discretion distributed across school levels while strategic decisions remain subject to higher-level approval. Partnership is extensive, but industry feedback and outcome verification are not consistently formalized. Community participation provides stakeholder voice but remains predominantly consultative rather than supervisory. Transparency is stronger in vertical reporting than in public disclosure and horizontal information flow. Accountability mechanisms are extensive, but observed empty class hours without substitute teachers indicate that monitoring does not always prevent residual loss in learning services. The study concludes that SBM can operate as a governance framework in private vocational schools, but its effectiveness depends on clearer decision rights, stronger information flows, formalized stakeholder feedback, and more effective monitoring and follow-up.

Keywords: *agency theory, private vocational high school, school-based management, school governance***Abbreviations:**

BOS: Bantuan Operasional Sekolah (School Operational Assistance)

CSR: Corporate Social Responsibility

EDS: Evaluasi Diri Sekolah (School Self-Evaluation)

RKAS: Rencana Kegiatan dan Anggaran Sekolah (School Activity and Budget Plan)

SBM: School-Based Management

SMK: Sekolah Menengah Kejuruan (Vocational High School)

INTRODUCTION

Education is widely recognized as a long-term investment in human capital, social mobility, and national development [1]. In Indonesia, vocational high schools (*Sekolah Menengah Kejuruan*, SMK) have a strategic role in preparing students for direct entry into the labor market while supporting national human resource development [2], [3]. This role becomes increasingly important because many students choose vocational education for practical, economic, and employment-related reasons [3], [4]. Thus, the quality of SMKs depends not only on teaching and curriculum, but also on how schools are governed and managed.

Vocational school governance is more complex than general school management because SMKs must manage practical facilities, industry partnerships, work-based learning, and curriculum relevance simultaneously [5], [6]. Studies show that school management and governance influence graduate quality, student achievement, and labour-market readiness [7], [8], [9]. In Indonesia, School-Based Management (SBM) has been promoted to strengthen school autonomy, stakeholder participation, and quality-oriented management [10], [11]. Therefore, SBM is relevant for vocational schools because it connects internal school management with external demand from parents, communities, government, and industry.

In the Indonesian regulatory context, SBM is positioned as the basis for school management standards and operationalized through five principles which are independency, partnership, community participation, transparency, and accountability [12]. These principles make SBM more than an administrative mechanism because they define how decisions, resources, stakeholder involvement, and accountability should be

organized at the school level [11], [12]. For SMKs, these principles are especially important because vocational education requires cooperation with industry, transparent resource allocation, and accountable use of school funds and facilities [5], [6]. Hence, SBM can be used as a governance framework for evaluating how vocational schools translate autonomy into responsible management.

However, implementing SBM in private vocational schools may create agency challenges because school management involves multiple actors with different interests, authority, and information access [13], [14]. Agency theory explains that when principals delegate authority to agents, problems may emerge from information asymmetry, goal incongruence, monitoring limitations, and agency costs [13]. In a private SMK, the foundation, government, parents, school committee, and industry partners may all act as principals, while the school head, vice school heads, teachers, and administrative units function as agents or sub-agents [14]. Consequently, agency theory helps explain why the formal adoption of SBM principles does not automatically produce transparency, accountability, effective partnership, or consistent participation.

Although SBM has been widely discussed, few studies specifically examine SBM as a governance framework in SMKs and explain how agency problems affect its implementation. Existing studies often focus on general schools, public schools, descriptive SBM implementation, vocational competency gaps, school–industry partnership, or BOS accountability [15], [16], [17], [18], [19], [20], [21], [22].

INTRODUCTION

School-Based Management (SBM)

SBM refers to the decentralization of authority, decision-making, and resource management to the school level [11], [23]. In the Indonesian context, SBM is not only an administrative approach but also a governance framework because it regulates how schools exercise authority, involve stakeholders, disclose information, and account for educational performance. Previous research on SBM in Indonesia shows that school-level autonomy can support school improvement when it is accompanied by participation, leadership capacity, and external support [11], [16]. Therefore, SBM should be understood as a framework that links school autonomy with stakeholder accountability.

In Indonesia, SBM is formally embedded in the national education governance system. Regulation of the Minister of Education, Culture, Research, and Technology No. 47 of 2023 positions SBM as the basis of school management standards and operationalizes it through five principles, which are independency, partnership, community participation, transparency, and accountability [12]. These principles are directly relevant to school governance because they define how schools make decisions, build cooperation, involve stakeholders, provide access to information, and report their responsibilities. Thus, SBM provides the normative structure for evaluating whether school governance is implemented in a participatory, transparent, and accountable manner.

SBM becomes particularly important in vocational high schools because vocational education requires stronger coordination between internal school governance and external labour-market demands [5], [6]. Vocational schools must manage practical facilities, industry partnerships, internships, work-based learning, and curriculum relevance [17], [18]. Studies on vocational education show that school–industry partnerships are important for improving graduate competence, but such partnerships can remain uneven or formalistic when commitment, feedback mechanisms, and sustainability are weak [18]. Other studies show that SBM can strengthen school autonomy and participation, but its effectiveness depends on leadership, institutional capacity, and stakeholder support [11], [16]. Therefore, in vocational school governance, partnership is not merely an external relation but a core governance mechanism for aligning school decisions with workplace expectations.

Agency Theory

Agency theory explains governance problems that arise when principals delegate authority to agents who possess more operational information and may have different interests [13]. In this relationship, agency problems can emerge through information asymmetry, goal incongruence, monitoring costs, and residual loss [13]. These concepts are relevant to school governance because school leaders, teachers, and administrative units receive delegated authority to manage programs, funds, learning processes, and stakeholder services. Therefore, agency theory helps explain why formal rules or governance principles may exist but still fail to produce consistent implementation.

In school-based decision-making, decentralization may improve responsiveness but also creates accountability risks when monitoring mechanisms are weak [15]. This is especially relevant for private vocational schools because the governance structure involves multiple principals. The foundation, government, parents, school committee, and industry partners may each have different expectations regarding financial sustainability, regulatory compliance, service quality, student discipline, and graduate readiness [14]. At the same time, the school head, vice school heads, teachers, and administrative staff act as agents or

sub-agents who control operational information. Therefore, private vocational school governance can create multi-principal agency problems.

Agency theory also clarifies why the five SBM principles are interconnected. Interdependency may create flexibility, but it also requires control so that school-level decisions remain aligned with stakeholder interests. Partnerships may improve vocational relevance, but they require formal feedback loops so that industry expectations are documented and followed up. Community participation may open channels for stakeholder voice, but it must be connected to oversight to reduce information asymmetry. Transparency provides access to information, while accountability ensures that delegated authority is justified and evaluated. Thus, agency theory provides the analytical lens for explaining how weaknesses in SBM implementation may emerge from unequal information, unclear monitoring, and conflicting expectations among school stakeholders.

Research Gap

Previous studies have examined SBM, vocational education, school governance, and agency theory separately. Some studies show that SBM expands school autonomy and participation, but its effectiveness depends on leadership, institutional capacity, and government support [11], [16]. Other studies examine vocational competency gaps and school–industry partnerships, but they often treat these issues as curriculum or partnership problems rather than governance problems [17], [18]. Meanwhile, agency-based studies in education tend to focus on general school governance or financial accountability and have not sufficiently explained how agency problems affect SBM implementation in private vocational schools [15], [20], [21]. This study addresses that gap by positioning SBM as a governance framework and agency theory as the analytical lens for examining how interdependency, partnership, community participation, transparency, and accountability are implemented in SMK Adi Sanggoro.

METHODS

Study area

This study was conducted at SMK Adi Sanggoro, a private vocational high school located in Bogor Regency, West Java. The school was selected as a single case study because it represents a private vocational school operating under resource constraints, multiple stakeholder expectations, and demands for stronger school governance. The case was examined to understand how SBM functions as a governance framework in the implementation of interdependency, partnership, community participation, transparency, and accountability. Thus, the study was chosen for its relevance to the governance challenges faced by private vocational schools.

Procedures

Research design and participants

This research used a qualitative single-case study design to examine school governance practices in their real-life context [24], [25]. A case study design was appropriate because the research aimed to explain how SBM principles were implemented and agency challenges emerged within a bounded school setting [24]. Participants were selected purposively based on their roles and knowledge of school governance, planning, partnership, supervision, and stakeholder communication [26]. The informants included representatives of the foundation, school leadership, vice school heads, administrative staff, school committee representatives, and industry partners. Therefore, the participant selection was designed to capture governance from both internal and external stakeholder perspectives.

Data collection

Data were collected through semi-structured interviews, non-participant observation, and document analysis. Semi-structured interviews were used to explore decision-making, delegation, information flow, accountability practices, stakeholder participation, and school–industry partnership [26]. Interview questions were organized around the five SBM principles and agency-theory issues, including information asymmetry, monitoring, goal incongruence, and multiple-principal relationships [13], [24]. Non-participant observation was conducted to verify visible governance practices, such as communication channels, administrative routines, facilities, complaint mechanisms, meetings, and evidence of stakeholder involvement [26]. Document analysis was used to examine schoolwork plans, budget-related documents, organizational structures, standard operating procedures, meeting minutes, supervision records, partnership documents, and other governance-related records [27]. Therefore, data collection relied on multiple sources to strengthen the credibility of the case evidence through triangulation [28].

Data analysis

The data were analyzed using thematic analysis, supported by pattern matching across interviews, observations, and documents [24], [29]. The analysis began with transcription, repeated reading, initial coding, theme development, theme review, and interpretation [29]. Deductive coding was guided by the five

SBM principles from the governance framework, while agency theory was used to interpret how delegation, information asymmetry, monitoring, and conflicting stakeholder interests shaped the implementation of those principles [13], [29]. Inductive coding was also applied to capture emerging issues from the field, especially governance problems that were not fully anticipated in the initial framework [29]. Evidence from different sources was then compared to identify convergence, inconsistency, or missing accountability links in the implementation of SMB. Trustworthiness was strengthened through source triangulation, method triangulation, member checking where possible, and an audit trail of coding decisions [24], [28]. Thus, the analysis was designed to explain not only whether SBM principles were implemented, but also how agency challenges affected their practice in a private vocational school.

RESULTS AND DISCUSSION

Overview of SBM Implementation as a Governance Framework

The findings show that SBM at SMK Adi Sanggoro has been implemented through several governance routines, but its application remains uneven across the five principles of independency, partnership, community participation, transparency, and accountability (Table 1.). The school has developed internal budget planning, teacher supervision, curriculum synchronization with industry, complaint channels, and several forms of stakeholder communication. The cross-informant analysis further shows that these practices are supported by tiered decision-making authority, formal partnership arrangements, periodic reporting, and multiple monitoring mechanisms across school units. These practices indicate that SBM is not only used as a managerial arrangement, but also as a school-level governance framework that regulates authority, participation, disclosure, and accountability. The main gaps concern the institutionalization of industry feedback, the substantive role of the school committee, horizontal access to information, and the effectiveness of follow-up mechanisms.

Table 1. Summary of Findings Based on SBM Principles Agency-Theory Interpretation

SBM Principle	Main Findings	Agency-Theory Interpretation
Independency	The school can prioritize practical tools, facilities, and urgent needs. Operational authority is distributed across levels: short-term operational decisions may be handled by school units, while strategic programs, major curriculum changes, and higher-value expenditures remain subject to school head or foundation approval.	Independency operates as delegated autonomy with defined decision rights, but remains conditional on hierarchical approval, funding regulations, resource availability, and multiple-principal demands.
Partnership	Industry collaboration exists through curriculum synchronization, internships, industrial classes, guest teachers, and CSR-based equipment support. The foundation reported more than 150 formal industry partnerships and a target of more than 80% of graduates working in fields aligned with their competencies. However, industry feedback and verification of partnership outcomes are not consistently formalized.	Formal partnerships reduce coordination uncertainty, but informal feedback, unequal information, and differences between industry expectations and school capacity create information asymmetry, goal incongruence, and residual gaps.
Community participation	Parents, students, committee actors, and internal units can provide input through homeroom teachers, meetings, forms, hotlines, social media, and periodic surveys. However, several informants described the school committee as weak or primarily consultative rather than supervisory.	Vertical information flows are stronger than horizontal disclosure; information asymmetry remains when relevant stakeholders do not receive sufficient or timely information for monitoring.
Transparency	Financial reporting exists vertically to the foundation and government, but BOS fund use and RKAS information are not publicly displayed. Formal reports, SOPs, evaluation criteria, and selected internal information are documented, although information flow between units and access by wider stakeholders remain uneven.	Information asymmetry remains because wider stakeholders cannot easily monitor budget information.
Accountability	Teacher monitoring, supervision, EDS use, financial verification, and sanctions exist, but empty class hours still occur. Accountability is supported by periodic teacher reports, RKAS monitoring, evidence verification, and follow-up meetings, although reward systems and some assurance mechanisms remain incomplete.	Monitoring mechanisms are extensive, but their effectiveness is uneven; residual loss remains when detected problems still affect learning services.

Source: Processed primary data (2026)

Independency

Independency appears in the school's ability to identify priorities and allocate resources based on internal needs. Interview data show that budget planning begins with identifying essential needs from school units, especially practical equipment, supporting facilities, and classroom comforts, before the plan is finalized by the school head and administrative team. The school also applies flexible decision-making for urgent facility problems, such as allowing emergency repairs to be executed directly when delays may worsen damage. Cross-informant findings show that this discretion is structured by different levels of authority rather than concentrated solely at the principal level. The foundation distinguishes long- and medium-term programs, which are decided jointly with school leadership, from short-term operational decisions for which the foundation may only need to be informed. At the administrative level, expenditure within an established threshold can be handled by the head of administration, while the curriculum unit independently manages

scheduling, teaching assignments, and examination procedures. These findings indicate that the school has a degree of operational independency in translating school needs into budget priorities and immediate actions.

However, this independency is not absolute. The school must comply with BOS technical guidelines, report public-fund use to the government verifiers, report foundation-based funds to the foundation, and manage financial pressure from delayed tuition payments. The findings therefore indicate a relatively clear separation between operational discretion and strategic authority. Independency is also affected by resource capacity, as decisions to accommodate industry requirements may be postponed when facilities, equipment, or teacher competence are insufficient. Thus, independency in this case is a form of delegated and conditional school-level authority rather than unrestricted autonomy.

Partnership

Partnership is one of the more visible principles in SMK Adi Sanggoro. The school conducts curriculum synchronization with industry, develops industrial classes, places students in internships, invites guest teachers, supports teacher exposure to industry, and receives CSR-based equipment support from partners. The foundation reported that the school maintains more than 150 industry partnerships formalized through Memoranda of Understanding (MoUs), with an organizational target that more than 80% of graduates work in fields aligned with their vocational competencies. Partnerships also provide non-financial resources, including access to industry facilities and equipment that the school cannot economically provide on its own. These practices show that partnership is not merely an external relations activity, but an important governance arrangement for coordinating vocational education with external stakeholders.

Nevertheless, the partnership mechanism remains incomplete. Industry feedback on graduate quality has not yet been managed through a formal evaluation forum, and the principal stated that industry input is usually obtained informally through guest-teacher interactions or direct communication. Field data also show informal complaints from an IT-sector partner regarding students' technical competence, discipline, communication, work ethic, equipment readiness, and soft skills. The thematic analysis also identified differences between industry expectations and the school's operational capacity. Curriculum input from industry may not be immediately implemented when equipment, materials, or teacher competencies are insufficient, while some students entering internships have not fully mastered the basic competencies expected by partners. Although internship reports, MoUs, and physical industry assistance are documented, verification of the broader benefits of partnerships is less systematic. Therefore, the weakness is not the absence of partnership, but the uneven formalization of feedback, outcome verification, and follow-up across the partnership.

Community Participation

Community participation is reflected in the involvement of internal units, parents, students, and the committee through several communication channels. Internal units submit program needs during planning, parents can communicate through homeroom teachers, and students and teachers can submit suggestions through periodic forms. Additional channels include school hotlines and informal communication through social media or trusted teachers. Student feedback on learning is also collected through online surveys. The committee also functions as a bridge between parents and the school, especially for information about activities, upcoming payments, and school rules. These practices show that the school has opened channels for stakeholder voice.

However, the findings across informants are not fully consistent regarding the substantive role of the school committee. The foundation reported that the committee is invited to annual planning and provides input from the parents' perspective, whereas administrative, quality-assurance, and school-leadership informants described the committee as less active and more focused on communicating concerns than on oversight. Financial information is mostly treated as an internal matter between the school and foundation, while the committee's role is described as facilitating communication rather than monitoring school finance or program accountability. Student participation also has limitations because the existing teacher-evaluation survey is not anonymous, while complaint channels are distributed across several mechanisms rather than integrated into one documented system. Therefore, participation is present and provides stakeholder voice but remains predominantly consultative rather than functioning as a consistent governance oversight mechanism.

Transparency

Transparency shows one of the clearest governance gaps. The school communicates some information to parents and students, especially fees, activities, and school rules, and the principal explained that budget reports are submitted to the foundation and BOS-related reports are checked by government verifiers. The thematic analysis also found supporting transparency mechanisms inside the organization, including written administrative SOPs, periodic reporting meetings, disclosure of teacher-evaluation criteria, and opportunities

for teachers to clarify evaluation results. This indicates that formal vertical reporting to the foundation and government already exists and that selected operational information is documented internally.

However, no bulletin boards or publicly accessible displays showing Bos Fund usage or RKAS realization were found. The locations checked included the lobby, administrative office, teachers' room, notice boards, school website, and social media. Available public information only included the school vision and mission, short school rules, and several activity announcements. Detailed RKAS information is primarily directed to the foundation and government rather than the wider school community. Cross-informant findings also identified cases where information did not move consistently across organizational units, including partnership information that bypassed the designated industrial-relations unit and information that was not forwarded to parents. In response to the latter, the school introduced a confirmation checklist to verify that information had been delivered. At the same time, restricted access to personal student data and individual teacher-supervision results was identified as a confidentiality measure rather than a transparency failure. Thus, the main transparency gap concerns access to governance-relevant information and the consistency of horizontal information flow, rather than the unrestricted access to all school information.

Accountability

Accountability is visible through daily teacher monitoring, academic supervision, administrative checks, financial reports, EDS discussion, and sanctions for repeated teacher absence. The principal described daily monitoring of teacher attendance, classroom supervision, and checks on whether teaching practice matches teacher planning documents. Other informants confirmed multiple accountability mechanisms, including biweekly reporting of teacher attendance and lateness, approximately quarterly reporting of learning achievement, verification of educational cost calculations, comparison of actual expenditure with RKAS, documentation of quality evidence, and cross-verification between reported data and field conditions. The interview also indicates that repeated teacher absence can lead to warnings and stronger sanctions, including termination in severe cases. These findings show that accountability mechanisms are already present across financial, administrative, instructional, and quality-assurance processes.

Nevertheless, accountability remains incomplete in practice. During observation in January-February 2026, five cases of empty class hours were found without substitute teachers, and students were left to study independently. Quality-assurance monitoring also identified teacher absence from scheduled as a recurring type of non-conformity, showing that monitoring can detect service failures but does not necessarily prevent them. The principal acknowledged that reward mechanisms for teachers had not yet been implemented effectively, while sanctions were still focused mainly on attendance and compliance. In addition, the external ISO-based assurance adopted by the school has not been renewed due to the cost of reassessment, indicating a financial constraint on independent assurance. Accountability is therefore relatively strong in terms of monitoring and documentation, but less consistent in prevention control, incentive alignment, and closed-loop follow-up.

Discussion

The findings suggest that SBM at SMK Adi Sanggoro operates as a governance framework, but its implementation is still uneven because the five principles are not yet supported by equally strong governance mechanisms. In practice, these principles are visible in planning routines, industry collaboration, committee communication, information reporting, and teacher supervision. The cross-informant findings indicate that the central issue is therefore not whether governance mechanisms exist, but how decision rights, information, monitoring, and accountability are distributed among actors. This supports the argument that SBM does not automatically produce effective governance unless school-level autonomy is matched with institutional capacity, stakeholder participation, and accountability mechanisms [11], [16]. Agency theory provides a further explanation decentralization transfers decision rights closer to operational actors, but simultaneously increases the need for mechanisms that align those decisions with expectations of multiple principals [13], [14], [15].

The independency findings show that the school can set operational priorities, while strategic decisions remain subject to higher-level approval. This pattern is better interpreted as delegated autonomy rather than limited autonomy [15]. Decision rights are intentionally distributed across organizational levels where unit control handles routine operational matters, the school head coordinates broader school decisions, and the foundation retains authority over selected strategic and financial matters. Such delegation is consistent with SBM because decentralization is intended to move decisions closer to actors possessing relevant local information [11], [16]. From an agency perspective, this arrangement can reduce information-related decision costs because operational actors generally possess better knowledge of immediate school needs than more distant principals [13], [15]. The school further operates under several principals with different expectations where the government emphasizes institutional and financial regulatory compliance, the foundation emphasizes institutional and financial stability, the parents emphasize service and affordability, while the

industry emphasizes vocational relevance [14]. Consequently, the main agency challenge surrounding independency is not excessive delegation itself, but balancing sufficient discretion for responsive school decisions with enough control to maintain alignment across competing principal demands [14], [15]. The findings therefore suggest that SBM independency functions effectively when decision rights are clearly bounded, whereas unnecessary approval layers may increase coordination and monitoring cost without necessarily improving governance [13], [14].

The partnership findings reveal a different agency mechanism. School-industry collaboration is extensive, including MoUs, curriculum synchronization, internships, industrial classes, guest teachers, and resource support, which is consistent with the need for sustained industry involvement in vocational education [6], [18]. However, the governance value of partnership depends not only on the number of formal agreements but also on whether information from industry is translated into verifiable school responses [18]. Industry partners provide information about workplace competence and may impose expectations regarding graduate readiness, while the school controls information about curriculum implementation, student preparation, and internal resource constraints [13], [14]. This creates bilateral information asymmetry as the school may not fully observe changing workplace requirements, while industry partners may not fully understand the school's instructional and resource limitations. Informal feedback concerning technical competence, discipline, communication, work ethic, and soft skills illustrates this problem. The mismatch between industry expectations and school capacity can also produce goal incongruence when external expectations require equipment, teacher competence, or curricular adjustments that cannot be immediately provided [13], [14], [18]. Prior vocational studies similarly indicate that sustainable partnerships require clear commitments, accommodation, and continuing coordination rather than formal agreements alone [18]. Accordingly, the agency problem in partnership is primarily a weak feedback and verification loop where MoUs reduce contractual uncertainty, but they do not by themselves ensure that industry expectations are communicated, incorporated, monitored, and evaluated [18]. A formalized feedback mechanism would therefore operate as an information and monitoring device that reduces agency-related gaps between partnership commitments and actual vocational outcomes [18].

Community participation further demonstrates the difference between stakeholder voice and governance control. The findings show that parents, students, and committee actors have several channels for providing input, yet the substantive role of the school committee is interpreted differently across informants. The foundation describes formal committee involvement in annual planning, whereas several operational informants perceive its routine role as relatively weak and primarily consultative. This divergence itself is an important agency finding because different organizational levels do not necessarily share the same understanding of how stakeholder monitoring operates. Under a multi-principal arrangement, multiple stakeholders may possess legitimate claims over school performance but differ in information, authority, and capacity to monitor the agent [14]. Participation can therefore become symbolic if stakeholders are invited to provide input but lack sufficient information, follow-up mechanisms, or authority to verify how that input affects decisions [11], [16]. This is particularly relevant to parents and the committee, whose monitoring capacity depends on access to information controlled by school actors. From an agency perspective, effective community participation should reduce information asymmetry by creating additional monitoring channels, while participation that stops at consultation may improve communication without substantially altering the accountability relationship [13], [14]. The non-anonymous student evaluation mechanism raises a related issue because perceived identifiability may discourage critical feedback, thereby reducing the quality of information available to the school. Thus, the governance effectiveness of participation depends not on the number of communication channels, but on whether those channels generate credible information and demonstrable follow-up [11].

Transparency provides the clearest evidence of asymmetric information distribution. The school has established vertical reporting to the foundation and government, while detailed financial information is less accessible to the wider school community. Agency theory distinguishes the existence of information from its availability to actors who require it for monitoring [13]. Therefore, compliance reporting to formal authorities does not automatically eliminate information asymmetry among parents, committee members, students, and other stakeholders [13], [14]. The absence of publicly accessible BOS fund-use or RKAS realization information reinforces this distinction [12], [22]. At the same time, the findings show that transparency should not be interpreted as unrestricted disclosure. Restrictions on personal student information or teacher-supervision results represent legitimate confidentiality controls rather than governance failures. The relevant governance problem is instead selective or interrupted access to decision-relevant information, such as information that does not consistently move between organizational units or from the school to affected stakeholders [13], [14]. This creates an information bottleneck within the principal-agent chain where the upstream actor may have fulfilled the act of reporting, while downstream stakeholders remain unable to exercise meaningful monitoring [13], [14]. The school's introduction of

confirmation mechanisms for information delivery indicates an attempt to reduce this risk. Hence, the transparency challenge is not simply “more disclosure”, but designing differentiated information rights so that each principal receives sufficient, timely, and usable information for its legitimate oversight role [13], [14].

Accountability presents the strongest evidence of formal agency-control mechanisms. The school employs teacher monitoring, academic supervision, financial verification, periodic reporting, EDS, sanctions, and cross-verification of reported information. These arrangements can be interpreted as agency costs incurred to align delegated actions with organizational objectives: monitoring costs are incurred by those overseeing performance, while reporting and documentation function as mechanisms through which agents demonstrate compliance with their mandates [13]. The extensive documentation observed across financial, instructional, and quality-assurance processes therefore represents an important governance strength, but the existence of controls should be distinguished from their effectiveness. Five observed empty class hours without substitute teachers show that monitored non-compliance can continue to generate negative educational consequences. This is consistent with residual loss: even after monitoring and sanctions are established, the outcome achieved by the agent may still differ from that expected by the principal [13]. In this case, the residual loss is not merely an administrative deviation but lost instructional time borne directly by students. This distinction is important because educational governance ultimately concerns outcomes rather than documentation alone, and previous studies connect school leadership, supervision, and governance with student and graduate outcomes [7], [8], [9]. The imbalance between relatively developed sanctions and weaker reward mechanisms also suggests incomplete incentive alignment [13], [15]. Monitoring can identify undesirable behaviour, but without complementary incentives and preventive arrangements, control may remain predominantly reactive. Similarly, the discontinuation of external ISO-based assurance because of reassessment costs illustrates a direct agency-cost trade-off: additional independent assurance can strengthen monitoring credibility, but its benefits must be weighed against the financial resources required to maintain it [13].

Taken together, the five principles reveal that agency challenges cut across rather than replace the SBM framework. Independency concerns the allocation of decision rights; partnership concerns the exchange and verification of information with external actors; community participation determines whether stakeholder voice develops into effective monitoring; transparency determines the distribution of decision-relevant information; and accountability provides mechanisms for verifying and correcting delegated actions. These relationships show why weaknesses in one principle can reduce the effectiveness of another. Limited transparency weakens community monitoring, informal industry feedback weakens partnership accountability, and incomplete follow-up reduces the value of otherwise extensive monitoring. The multi-principal structure of a private vocational school further amplifies these interactions because the school head and operational units must respond simultaneously to the foundation, government, parents, committee, and industry actors whose priorities may not fully coincide [14]. Accordingly, the major governance challenge identified in this case is not a simple principal–agent conflict, but the coordination of multiple accountability relationships under unequal information and limited resources.

This interpretation extends to previous SBM findings in two respects. First, while prior Indonesian studies show that autonomy and participation can strengthen school performance when supported by institutional capacity [11], [16], this case demonstrates that the governance effect of SBM also depends on how delegated authority is monitored and how information moves among actors. Second, while agency-based education studies emphasize accountability and conflicts between school organizers and managers [15], [20], [21], the present case indicates that agency problems in private vocational schools extend beyond foundation–school relations to parents, committees, government, and industry stakeholders. SBM therefore functions most effectively as a governance framework when its five principles collectively reduce information asymmetry, clarify decision rights, align stakeholder expectations, and convert monitoring into demonstrable corrective action.

CONCLUSION

This study concludes that SBM functions as a governance framework at SMK Adi Sanggoro through delegated decision-making, industry collaboration, stakeholder participation, information reporting, and accountability mechanisms. However, its implementation remains uneven across the five SBM principles. Independency operates as delegated and conditional authority; partnership is extensive but lacks consistently formalized feedback and outcome verification; community participation remains predominantly consultative; transparency is stronger vertically than horizontally; and accountability mechanisms do not always prevent service failures. From an agency perspective, these gaps reflect challenges in coordinating multiple accountability relationships, distributing decision-relevant information, aligning stakeholder expectations, and ensuring effective monitoring and follow-up. Strengthening SBM therefore requires clearer decision

rights, more accessible governance information, formalized industry feedback, stronger stakeholder oversight, and preventive mechanisms to protect learning continuity. Overall, effective vocational school governance requires not only school-level autonomy, but also governance arrangements that reduce information asymmetry and translate delegated authority into accountable outcomes.

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