

Implementation and Planning of Human Resource Management in Islamic Banking Institutions

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Abstract—Management is an important point for a company. Planning is needed in financial institutions, including Islamic banking. It aims to coordinate the workforce effectively. For the formation of quality workforce management so that it becomes a hope that can be the foundation of Islamic banking companies in Indonesia. HR management is planning, organizing, directing, and controlling. The existence of development, payroll, maintenance, and decay are the goals of individuals and society. The challenge in implementing HR management is the workforce who does not have a sharia financial background. The rapid development of Islamic financial institutions has resulted in great opportunities for the community in muamalah activities. Islamic financial institutions in Indonesia adhere to the policies contained in the law. This study used qualitative research methods that aimed to determine the function and role of human resource management in Islamic banking institutions. The results of this study concluded that Islamic law is the basis for implementing human resource development strategies. The development of the performance and quality of the workforce carried out by Islamic banks by providing regular training to all workers aims to improve the quality of the workforce. The lack of education in Islamic banking introduces an understanding based on Islamic law. The workforce in Islamic banking institutions aims to regulate and improve the system so that it can run effectively.

Keywords—Management; Human Resources

1. Introduction

In the current era, business competition in the financial sector, especially banking, is increasingly tight. The ability to survive in various challenges requires improving the performance of managerial, information technology, and the workforce used. The management or training of the workforce is closely related to the function of the management in charge of planning, coordinating, and supervising the performance of HR.

Humans are an important component, both being a leader who has a very important task and the person being led. It can be said that an organization or company will be successful if there are quality human resources. In addition, careful planning that covers the long term is needed so as to get more value from natural resources and the constantly changing environment in order to meet the needs of the market or interested parties.

Companies engaged in bank finance, make human resources a high-value asset. The loss of competent human resources will be a loss for the company. This has a reason that many costs are incurred to develop the quality of the workforce. This also has the opportunity to eliminate the company's opportunity to benefit from an educated workforce. This condition can be a serious threat to the continuity of the company's operations that have not succeeded in recruiting qualified workers.

Banks are financial institutions that have an important influence on economic growth. Based on Law No. 10 of 1998, it discusses banking. Bank is a business entity that collects public funds in the form of savings or deposits and can then be distributed to the public in the form of a credit or other form with the aim of improving people's living standards.

There are two types of banking institutions in Indonesia. Conventional and Islamic banking institutions. Islamic banks are banks that carry out their activities without charging interest, Islamic banks base all their activities on the Qur'an and hadith. The majority of people who embrace Islam become a good opportunity for the company in guiding its human resources on the basis of Islamic law and the basis of Islamic muamalah. The implementation carried out is carrying out friendship between employees, honesty in

carrying out duties, being open without cheating, and still applying justice. Thus able to avoid the gap between employees.

An important understanding that needs to be emphasized is that the interest system is not used in transaction activities in Islamic banks. Islamic banking in Indonesia should have a competent workforce while still attaching importance to Islamic law as a basis. An understanding of sharia principles requires that employees in sharia banking have basic knowledge of muamalah law in Islam. The fact is that there are still many Islamic banking workers who do not have a basic understanding of muamalah law in Islam. This brings a new stigma in society that there is no difference between conventional banks and sharia-based banks.

Many do not understand the profit-sharing system run by Islamic banking institutions so that the bank has an obligation to provide understanding to employees who do not have a background in Islamic muamalah law. Training is needed to improve the quality and performance of the Islamic banking workforce. This training introduces the concept of Islamic management which has three important concepts. Provide a strong foundation aimed at building moral understanding for business people.

2. Research Methodology

This study uses a qualitative method that performs data processing based on literature studies from several sources such as journals, articles, newspapers, and all sources that can be used in this study. The focus of this research is to know the function and role of human resource management in Islamic banking institutions. The collected data is then processed so that we can draw conclusions to be simpler and set out in a discussion that is easy to understand.

3. Theory of Hypothesis

a) Definition of Management

The word management is an English word which means to manage, regulate, or control an activity or situation. Whereas in Arabic in the form of masdar taukid it is also called *tadbiira* which comes from the verb *dabbara* with the meaning of looking at, moving, trying, organizing, and trying. It can be concluded that management is the activity of managing or working on something by prioritizing quality or as much as possible in order to get the desired benefits so that dreams can be achieved through the intermediary of other people. Everything you want cannot be achieved without the help of others. (Cashmere: 2008, 2).

b) Human Resources

A basic understanding of human resources begins with the strategy of managing positions, preparing employees, selecting and accepting, training and managing, giving salaries, to revocation of work contracts, known as HR management. Managing activities can only be carried out in collaboration with other people. According to Kasmir, HR management is an activity or human workforce processing through several stages such as making a job analysis design, manpower plan, inauguration and selection, HR development, career path planning, assessment of work achievements, and transparent salary provision. (Cashmere: 2008, 144).

c) Islamic Banking

Bank comes from the French language, namely *banque* and from the Italian language, namely *banco* which means chest / cupboard. The meaning of both explains its use as a place to store valuable objects. While the bank itself has the meaning of every company engaged in finance that has activities such as raising funds or even channeling funds and it could be both. Bank can be said as a table or a place that serves to exchange money. (Cashmere, 300:12).

According to the Law of the Republic of Indonesia Number 10 of 1998 dated November 10, 1998 concerning banking. A business entity that collects funds from the public in the form of savings and then distributes them to the public in the form of credit or other forms that aim to improve the quality of life of the community.

4. Discussion

Human resource management is one of the branches of management that has the same position as financial management, production, operations, marketing, and other management. Human resource management has a main task that continues through various cycles and then connects with each other. HRM manages or manages the relationships and roles of the workforce effectively and efficiently. In this way, the company's goals will be achieved.

Human resource management has several objectives based on its own category. First, operational objectives, the objectives of HRM which adjust to the goals of the organization or company so that it can be seen the contribution that results in achieving the performance of the institution. Second, functional objectives are related to the level of needs of the institution or company. Third, social goals have scope in the needs of the general public at large. In addition to being related to the needs of the community, this goal is also related to the perceived challenges. Fourth, personal goals or goals that are related to individuals within the HRM environment.

The function of human resource management in general, has an important function for the operation of banking. The functions of human resource management include:

1. Planning. Organizing activities related to employee plans and needs. Planners have a purpose to ensure the needs of the workforce, both in terms of quantity and quality of these needs.
2. Organization. The plan of activities that are arranged systematically then produces an organization that functions to carry out the designs that have been prepared previously. The organization becomes a tool in achieving the goals of the company's wishes.
3. Briefing / counseling. Become an activity that provides motivation or a flow that can be done by employees to avoid making mistakes and make employees active at work.
4. Control. Activities that carry out control or supervision in order to minimize errors in carrying out planning and unwanted deviations.

Sharia banking management is tasked with managing the workforce by going through a series of activities and being one of the assessments in the employee selection or appointment process. Selection activity is an activity that attracts a worker in a position at work. In theory, recruits are of two types. Based on the inside and the outside. In contrast to recruitment, selection is a series of activities that select or select prospective employees by setting the terms and specifications required by the company. The most common activity in the selection process is the skill test.

Human resource development is a provision for employees who already have various skills obtained from the training results. Training which is usually carried out by new employees by doing work directly in the workplace and still being accompanied by seniors or other employees. This activity also serves as a supervisor who monitors the performance of new employees.

Human resource management strategy is a field that is engaged in studying the relationship and the role of employees with the company. HR management focuses on rules that are limited by the role of humans who seek to achieve optimal goals. HRM is one of the data sources in a certain environment. Human resource management strategy is an activity that makes humans a resource that has potential that can be developed. This potential is expected to be able to continue to grow and have its own strategy in doing so so that it can contribute to the possibility of achieving the desired goal.

The principles of the approach regarding human resource management, namely:

1. Manpower is an important asset owned by the company. Management is an important axis in regulating and supervising the activities that take place within the company.
2. There is a high chance of achieving success if systematic regulations are made and have a good working mechanism.
3. The culture and values of the company, the situation and conditions, the behavior of the managerial which is the result of the culture so that it has an influence on the results achieved.
4. HR management has to do with the integration of members from companies that have the same goal.

In one case the company has a strategy by selling products by using sales services or sales whose main goal is to make as much profit as possible. Compensation must be done by providing bonuses or incentives for sales who succeed in selling products that exceed the specified limit. Companies or organizations place high hopes on human resources who play an important role in the running of a company. One of the reasons for the success of Islamic banks is the competence of human resources that continues to be developed. The

workers receive regular training to improve their quality. This effort aims to create a qualified workforce so that it requires strategies carried out by human resource management, including:

1. Planning
2. Recruitment
3. Education and Training
 - a. Competency-Based Training Program
 - b. E-Learning
 - c. Learning Center
4. Compensation
5. Maintenance
6. Termination of labor

The need for Islamic banks for human resources with Islamic muamalah background is very much needed. The rapid development of sharia-based banks brings good news to everyone. However, this very fast growth is also a challenge in itself. The lack of incompetent resources resulted in not understanding the basic concepts of Islamic muamalah-based banking. This misunderstanding will lead to serious problems, namely violating Islamic law. If this happens, it will hamper human resource management in carrying out its strategy of producing workers who do not meet the pre-determined qualifications.

The success of the growth of Islamic banking is not only based on the success of growth or the number of branches opened, but based on the quality that comes from human resources. Thus, a sharia-based bank becomes a benefit for many people who are incorporated as part of the financial system. In accordance with the existing theory, the human resource management strategy always strives to protect and obey the Shari'a in the implementation of the HRM strategy itself, furthermore, increasing the excellence of Islamic bank human resources is really considered in order to develop employee competence by providing training. Human resource management strategy carried out by Islamic banks by recruiting planners. This is done to develop the quality of its human resources.

Islamic banking activities do not only focus on meeting the targets set, but also have responsibility for the Islamic law contained therein. Realizing a system of sharia banking that is healthy and istiqamah is still applied based on the principles needed by workers who clearly understand the concept of muamalah in Islam.

Efforts to create a qualified workforce in the fields of economics, business and Islamic muamalah law that are sufficient, have high integrity and are very important for Islamic economic education institutions that have designed a basic understanding of Islamic economics. Economic education by containing the values of Islamic law initially, the most frequently encountered obstacles are efforts to improve the quality of its human resources, namely:

- a. There are not many experts from Islamic muamalah economics who understand thoroughly in the fields of economics, finance, or sharia itself.
- b. The narrow view of the curriculum that still uses the old or incompetent way.
- c. The relationship between educational institutions and finance is still lacking.
- d. Lack of funds and manpower resulted in having to review the research.

It takes anticipation of repetition of educational institutions in Indonesia in the department of economics and sharia so that they are able to produce graduates with a background based on economics and Islamic muamalah law, and certainly have behavior that reflects someone who understands the concept of sharia banking according to Islamic muamalah law. Education has an important role as a place and media that gives birth to a qualified workforce in other words being responsible as a workforce for Islamic banking. In the future growth of Islamic financial economics education, at least there must be aspects that become the main focus. Indonesia is a country that has the potential for extensive and deep development so that it has clear targets. This also gives a sense of interest for foreign investors to come to Indonesia. The Islamic banking industry is expected to be able to compete against many foreign entrants. Various strategies are prepared in order to minimize the backwardness of the Indonesian state while still being able to compete healthy within the scope of ASEAN. As is well known, the intense competition in ASEAN has resulted in human resources having to continuously improve their quality so that they are worthy of consideration.

Manpower is a priority in developments in Islamic banking institutions. The addition of a qualified workforce and adequate quantity is a priority in itself. Bank management with a sharia basis should prioritize the formation of a quality workforce by holding regular training and seminars to increase the skills and insights of the workforce. The workforce should be able to thoroughly understand the laws governing muamalah in Islam so that it brings the impact of intense competition. The quality of Islamic banks is determined by the quality of the existing workforce. The existence of motivation and intention greatly affects the quality of Islamic banking services. Compensation is an effort to improve and appreciate the performance of the workforce. Islamic banking institutions are required to be creative in creating product innovations based on changing needs.

5. Conclusion

Islamic law which has become the basis for implementing the human resource development strategy. The development of the performance and quality of the workforce that Islamic banks carry out by providing regular training to all workers is aimed at improving the quality of the workforce. Another plan is to conduct selection and recruitment in order to adjust the ability of the workforce and still be able to complete the work optimally. The main goal is to improve the company's performance. Lack of education in Islamic banking introduces an understanding based on Islamic law. The workforce in Islamic banking institutions aims to regulate and improve the system so that it can run effectively.

The current condition is at a point where there is very little knowledge about ushul fiqh, muamalah fiqh, qawa'id fiqh, and modern-based financial economics. Islamic economic education institutions require more and special attention in dealing with sharia economic workers. Thus, human resources are not instant or gradual.

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