

Opportunities And Challenges Of Shari'ah Based Banking In Jember District

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Abstract

Shari'ah banking is increasingly recognized in the community from day to day. Not only for Muslims, but also for those who are non-Muslims. Shari'ah banking opportunities in the future are very large. Given, there are many components that support the creation of sound and reliable shari'ah banking. The various supporting components need to be put to good use. The opportunity exists, no matter how small, it will contribute to the development of shari'ah banking. However, the opportunity to become an established shari'ah banking company cannot be separated from various challenges. Whether they come from within, or come from outside. All of these challenges need to be faced, resolved and then find the right solution for the advancement of shari'ah banking.

Keywords: Opportunities, Challenges, Shari'ah banking

INTRODUCTION

Based on the historical basis, Islamic banking in Indonesia was born from the womb of the MUI which was formally marked by the establishment of Bank Muamalat Indonesia (BMI) in 1991. BMI as the first Islamic bank can be said to be the golden child of the hard work of the Banking Team formed by MUI. Furthermore, Bank Syari'ah has experienced rapid growth and development until now.

The embryo of Bank Syari'ah in Indonesia cannot be separated from the development of the Sharia Credit Bank (BPRS) which was introduced by Bank Rakyat Indonesia (BRI) in 1977 with the term people's credit bank (BPR) to provide rural credit for the development of village granaries, market banks, banks. employees and other types of banks. The role of BPRs is very strategic in providing loan funds on a small scale (micro credit) and protecting the community from moneylenders that harm the small people. So that the role of BPRs is very significant in the development process (agent of development) to realize equitable development, especially for the function of banking services for the community.

RESULT AND DISCUSSION

1. The development of syari'ah banking

a. Internal Factor Analysis Summary Matrix - IFAS

This strategy formulation tool summarizes and evaluates the strengths and weaknesses of the functional areas of the business, and also provides a basis for identifying and evaluating the relationships between these areas. Intuitive judgment was used in the development of the IFAS internal factor analysis summary_ matrix so that its scientific appearance should not be construed as evidence that the technique is truly flawless. Internal matrix factor analysis summary_ IFAS PT. Bank Rakyat Indonesia Syaria'ah Jember Branch Office which can be described in table 4.1 along with an analysis of each of its factors, as follows:

Tabel 1. Matriks internal factor analysis summary_ IFAS (Kekuatan)

Internal factors	Score	Rating	total	
Opportunities				
1. The majority of the Muslim community	0,10	4	0,40	Great opportunities have not been tapped
2. Cooperating	0,10	4	0,40	Expanding Marketing
3. High Potential Community	0,10	4	0,40	Great opportunities have not been tapped
4. MUI fatwa	0,10	3	0,30	Emotional customer opportunities
5. Opening of KCPS	0,10	4	0,40	New challenges in development

Caption:

Rating:

1. Very Weak - influence rating = 1
2. Weak - Influence rating = 2
3. Strong - influence rating = 3
4. Very strong - influence rating = 4

Weight:

- 1.0-0.10: Doesn't matter
- 2.> 0.10-0.15: Less Important
- 3.> 0.15-0.30: Quite Important
- 4.> 0.30-0.40: Important
- 5.> 0.40: Very important

b. External Factor Analysis Summary (EFAS) Matrix

What is stated in table 4.2 regarding the opportunities and threats posed by the Bank Rakyat Indonesia Shari'ah Jember Branch Office can be described as follows:

- Opportunities - Opportunities (O),

- 1) The majority of the Muslim community, namely the majority of the population who are predominantly Muslim, are emotional prospective customers who should provide sufficient contribution to the performance of PT. Bank BRI Shari'ah Branch Office Shari'ah Jember.
- 2) Cooperating, in creating an opportunity to realize support for the investment development of PT. Bank BRI Shari'ah Branch Office Shari'ah Jember cooperates with various parties.
- 3) High Community Potential, the potential of the Jember community is quite high, both from the level of economic mobility and trade.
- 4) MUI fatwa, the existence of an MUI fatwa regarding usury which indirectly affects the emotional mindset of banking actors which not everyone takes into account interest and in fact the average profit sharing is higher than conventional bank interest. So that this mindset encourages prospective customers to entrust their management of their funds to Bank shari'ah, especially to PT. Bank BRI Syariah, Jember Branch Office.
- 5) Opening of KCPS, the opportunity to open a KCPS (Syari'ah Sub-Branch Office) provides a separate opportunity for the development of PT. Bank BRI Syari'ah.

□ Threats - Threats (T)

- 1) Total share of banking, where for PT. Bank BRI Shari'ah Branch Office Shari'ah Jember other shari.ah banking is not a competitor but a colleague, so that they work together in line to work hard to increase the share which is still below 5% compared to the total share of conventional banking
- 2) Lack of understanding of shari'ah banking, lack of understanding of the Jember community about shari'ah banking products, systems and mechanisms. This will affect the speed of development of PT. Bank BRI Shari'ah especially at the Jember Branch Office.
- 3) Difficult and complicated impression on Islamic banks, there is an assumption that dealing with Islamic banks is more complicated than conventional banks.
- 4) Social impression on bank shari'ah. There is an impression that shari'ah banking is a social institution only so that business aspects are secondary.
- 5) Lacking support from the community, some people in Jember still consider Islamic banking to be Muslim banking.

Furthermore, in table 4.2 above the opportunity factors have a score of 1.90 and threat factors (Threats) have a score of 0.85, this means that in an effort to determine the competitive strategy of PT. Bank BRI Shari'ah Jember Branch Office has a big enough opportunity compared to the threats that will arise. From the results of the composition of the internal and external factors above, the score series is as follows:

Table 2. Score series

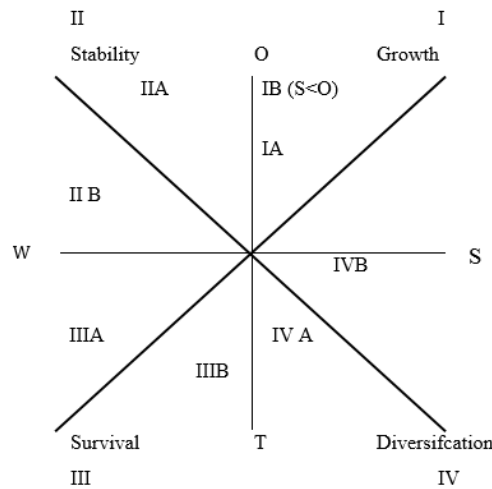
No	Description		Score
1	Strengths (S)	=	1,80
2	Weaknesses(W)	=	0,60
3	Opportunities(O)	=	1,90
4	Threats (T)	=	0,85

From the series of score scores, an IFAS and EFAS Recap Score table can be compiled as follows:

Table 3. Recap of IFAS and EFAS Scores

Internal Score	External Score	Strategy Options
S > W (+) 1,80 > 0,60 (+)	O > T (+) 1,90 > 0,85(+)	Growth
S < W (-)	O < T(-)	Survival
S > W (+)	O < T(-)	Diversification
S > W(-)	O > T(+)	Stability

To determine the choice of a strategy that is more specific than the value obtained, it is included in the strategy choice diagram, because the results from Table 4 show that the existing score leads to the choice of a growth strategy, which then determines a more specific growth strategy. Based on the score that shows that the strength (Strengths / S) is smaller than the chance. (Opportunities / O) so that the results are shown in Figure 4.1. and table 4.4. the following:



. Figure 1. SWOT Matrix Analysis

Table 4. Strategy Options

Technique Strategy	Score	Kuadran	Strategy Options
Growth	$S > O$	IA	Rapid Growth
	$S < O$	IB	Stable Growth
Survival	$W > T$	IIIA	Turn Arround
	$W < T$	IIIB	Guerilla
Diversification	$S > T$	IVB	Conglomerate
	$S < T$	IVA	Concentric
Stability	$O > W$	IIA	Aggressive Maintenance
	$O < W$	IIB	Selective Maintenance

From the figures and tables above which are based on SWOT calculations, PT. Bank BRI Shari'ah Jember Branch Office $S < O$, which is a greater opportunity than the existing strengths, where the policy direction of PT. Bank BRI Shari'ah Jember Branch Office is in a stable growth strategy. Hunger and Wheelen (2003: 203) growth strategy, growth strategy is the strategy most often sought, companies that do business in a dynamic environment must continue to grow in order to survive. Growth is a very tempting strategy for two principal reasons:

1. A growing company can cover up mistakes and inefficiencies more easily than a stable company. The ever-growing flow of revenue into a large company can create unused resources, which can be used to quickly resolve problems and conflicts between departments and divisions.

Growth also provides a deterrent, in case management makes a strategic mistake. Big companies also have more power than small companies, and are more likely to get support from unions and local communities, if they go bankrupt.

2. A growing company offers many opportunities for advancement, promotion, and interesting jobs. Growth itself is something that excites CEOs. A growing company tends to be seen as a 'winner' by the market and potential investors. Compensation for executives tends to increase with the size of the organization. Big companies are more difficult to acquire than small companies, so the jobs of executives will be more safe. The two basic growth strategies are: concentration in one industry and diversification into another industry.

Hunger and Wheelen (2003: 216) stability strategy is a category of stability in company strategy that may be the most suitable for companies that are quite successful operating in industries with moderate attractiveness. The attractiveness of the industry is considered moderate because 1) the industry is facing regular growth or no growth, or 2) the main forces in the environment are changing and its future is uncertain. Stability strategies are very useful in the short term, but dangerous if followed for too long. Some of the more popular stability strategies are the pause, continue alert, unchanged, and profit strategy.

From the table above, positive internal and external factors are generated, meaning that the strength of PT. Bank BRI Shari'ah is relatively superior in terms of its weaknesses, while the environment it currently faces outweighs the threats. Therefore, PT. Bank BRI Shari'ah Jember Branch Office has the ability to turn potential into a better performance and achievement. So that the right policy direction to be implemented is to increase and enlarge the role of PT. Bank BRI Shari'ah, especially at the Jember Branch Office, in various activities according to their capabilities as well as to expand their roles and take advantage of various opportunities. The policy direction is the basis of the policy in a growth strategy condition and after being seen from table 5 above, the choice of strategy is based on the stable growth strategy, meaning that in its development, PT. Bank BRI Shari'ah, especially the Jember Branch Office, can use a role growth strategy but this is done in stages according to the priority scale. And this strategy is supported by the existence of alternatives and opportunities to attract more customers by developing Islamic products and services to satisfy their customers. Aspects that need to be done for the development of these products and services PT. Bank BRI Shari'ah Jember Branch Office, namely the profit sharing promised, maintain a good reputation, serve ATM services,

branch office networks, customer service, product clarity, IT support (m-banking, internet banking, etc.), as well as promotions and recommendations.

□ The Shari'ah Banking Challenge

Apart from taking advantage of opportunities, syari.ah banking is also required to face various challenges, which are increasingly complex. As has been explained, the age of Islamic banking in Indonesia is still relatively young, like a "figure" of a teenager who is still looking for "identity". The challenges it faces are not easy or easy. Kalamuddinsjah, Regional Manager of BMI Central Java / DIY, likened building a syari'ah banking to building a rail transportation network that must be started from building rails. Why? Because it creates a foundation for shari'ah economics, it must start from scratch. In contrast to established national banks with full support from the government. Kalamuddinsyah's opinion illustrates how the challenges faced by syari'ah banks in Indonesia are still quite tough. In general, the tough challenge that must be resolved is how to make the shari'ah financial industry an established (established), namely a professional, healthy and reliable syari'ah banking. When classified, these various challenges come from within (internal), and some come from outside (external). The challenges from within are a number of challenges to be solved, coming from the 'self' of the bank syari'ah itself. Some of the challenges include;

- a. Institutional development. Until recently, the banking institution was syari'ah
- b. not fully established yet. Several things still need to be addressed, especially in management, duties and authorities, regulations, and organizational structure. The relationship between conventional banks and their syari'ah units (subsystems) needs to be clarified, in order to be synergistic. The dual banking system that has been running needs to be perfected, especially because there is no specific Deputy Governor for sharia. Even in the future, it is necessary to think about the existence of a BCS (Bank Central Syari'ah).
- c. Socialization and promotion. In the field, quite a lot of people do not fully understand the "figure" of a sharia bank. To borrow Adiwarman A. Karim's term, there are at least 3 categories of customers, namely sharia loyalists, conventional loyalists and floating markets. The potential for a floating market reaches IDR 720 trillion. The problem with a floating market is that there are those who already know but don't understand, already understand but don't believe, have believed but haven't fully participated. The socialization process needs to be carried out continuously. Promotion is vigorous and attractive by utilizing a variety of media, both bellows

the line (events, seminars, brochures, banners, banners) and media above the line (television, radio, newspapers, magazines). Promotion via television seems to be rare. In fact, promotion through the media is quite effective in forming a branch image and branch awareness. What needs to be underlined is that socialization and promotion must be able to form an image and be able to change the floating market choices in Islamic banks. Expansion of office networks. Indonesia has a very large area. However, the number of sharia offices operating to remote areas is still lacking. Rizqullah, a practitioner of BNI Syariah admits, 'one of the obstacles to the growth of Islamic banks is the still limited network.' This challenge may be solved by supporting the government to establish Islamic banks, optimizing outlets at every conventional bank and foreign bank or by passing the conversion of large state-owned banks into banks. syariah. HR Improvement. It must be honestly admitted that the human resources of Islamic banking that are professional, trustworthy, and of quality are not yet fully available. Banking personnel with reliable sharia qualifications are still rare. It seems that most of the human resources, especially the middle and upper levels, are still the result of conventional economic education. In fact, what is needed is not only to master modern economics / banking, but also to understand fiqh (sharia) and to be able to innovate in solving the "knick-knacks" problems of Islamic banks whose systems are still new. Training, workshops, seminars, comparative studies, as well as various other guidance to improve human resource competence must receive serious attention.

e. Capital increase. This challenge is still felt by Islamic banks in Indonesia. The expression of Ma'ruf Amin needs to be pondered, "if Islamic banks are willing to carry out a syndicate in funding a large project, they are still unable." Statements like this are ironic, but they are the truth. The stake holders (shareholders) of Islamic banks need to increase their capital, so that the risk taking capacity increases. The size of the financing capacity of Islamic banks is very dependent on their capital capacity. It also seems necessary to urge the government to place large funds in Islamic banks. Service improvements. Islamic banking needs to continue to improve the quality of its services. The principle of friendly, easy, fast and inexpensive service must be a trade mark for Islamic banks. Friendly in serving, easy and fast in the process, and cheap (administration). Likewise, efforts to facilitate access to information and withdrawal of money or savings must be increased. Utilization of online internet and the availability of ATM facilities at various strategic locations and easily accessible, is a necessity. Seventh, guidance and supervision. In its operations in the field, Islamic banks must be continuously fostered and

supervised at the same time. Fostered to be more developed, supervised so that irregularities do not arise. Supervision of Islamic banks in the regions, including those in regional Islamic banks, including conventional banks that open sharia, needs to be carried out strictly and carefully. Don't give the impression of the formality of sharia identity, the practice and system are no different from conventional. A number of challenges above, are challenges from within (internal). The banking business is an industry that sells trust. These various internal challenges need to be resolved, so that people will be more confident and willing to participate actively. Furthermore, there are also challenges that come from outside and no less important to resolve. First, the inadequate legal framework. This challenge is urgent, because it will hinder efforts to develop Islamic banks. The Islamic banking bill is currently being drafted struggled to be promulgated. Rules regarding the Islamic capital market, Islamic state debt securities, Islamic bonds and other rules are very important. In essence, all the rules that will provide more room for movement sharia business actors. Second, government support is not yet full. The government supports the existence of Islamic banking, but at the level of policy (political will) and seriousness (good will) it is not optimal. The ministers, governors, regents have not given proper places. At BI (Bank Indonesia) there is no Deputy Governor specifically for sharia. Appropriately, the National Sharia Council and sharia bankers lobby and approach the government, both central and regional, so that concrete and tangible support for Islamic banking can be achieved realized. Third, the cynicism of society. Inevitably, there are still people who look at them with cynical smiles. There is a misperception, as if Islamic banks are exclusive (for Muslims), the profit sharing system is less profitable and the process is difficult. Islamic banks need to promote themselves sympathetically and attractively. Trying to change their mindset and the important thing is to be able to present the figure of a sharia bank which is expected to motivate every Islamic banking person to continue to learn and work. Professional, quality and profitable. External challenges are not to be avoided, but to be faced. Various challenges

CONCLUSION

At a relatively young age, the presence of Islamic banking in Indonesia has indeed provided a myriad of hopes for the people, for the creation of a national economic life that is a blessing for the realization of a just and prosperous community life. The opportunity for Islamic banking in

the future is enormous. Given, there are many components that support the creation of sound and reliable Islamic banking. The various supporting components need to be put to good use. The opportunities that exist, no matter how small, will contribute to the development of Islamic banking. It's just that, the opportunity to become a well-established sharia banking cannot be separated from various challenges. Whether they come from within, or come from outside. All challenges need to be faced,

solved and then sought the right solution for the advancement of Islamic banking. There will come a time, where Islamic banks will be the prima donna that play an important role in national and even international development.

From the results of research that has been done, the conclusions that can be drawn on the determination of competitive strategy through SWOT analysis by analyzing internal factors and external factors at PT. Bank BRI Shari.ah Jember Sharia Branch Offices are:

1. Internal factors in determining the competitive strategy at PT. Bank BRI Shari'ah Branch Office Shari'ah Jember consists of strengths including: Good governance and behavior or culture of Bank Shari'ah, positive investment climate and high morale, normal FDR, positive contribution to society and environmental sustainability, helping entrepreneurs -businessmen in the Jember Region.
2. Internal factors in determining the competitive strategy at PT. Bank BRI Shari.ah Branch Office Shari.ah Jember consists of weaknesses including: limited experts, lack of supporting facilities, lack of supporting rules, promotion or introduction of door to door and limited technology.
3. External factors in determining the competitive strategy at PT. Bank BRI Shari'ah Shari'ah Jember Branch Office consists of opportunities including: The majority of the Muslim community, conducting cooperation, high community potential, MUI fatwas and the opening of KCPS.
4. External factors in determining the competitive strategy at PT. Bank BRI Shari'ah Sharia Branch Jember consists of threats including: Total banking share, lack of understanding of Islamic banking, difficult and complicated impression on shari'ah banks, social impression on shari'ah banks and lack of support from the community.
5. Strategies that can be used are one of them to determine the competitive strategy at PT. Bank BRI Shari'ah Jember Sub-Branch Office, which is a stable growth strategy, meaning that in the

competition in Islamic banking, PT. Bank BRI Shari'ah, especially the Jember Branch Office, uses a role growth strategy but is carried out in stages according to the priority scale.

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