



ANALYSIS OF THE IMPLEMENTATION OF SHARIA STRATEGY MANAGEMENT

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Abstract

Strategic management is a determinant of employee performance in the long term with the level of managerial decisions and actions. It includes environmental observation, strategy formulation, strategy implementation, evaluation and control. The research was conducted to analyze Sharia Strategic Management (MSS) at BMT Maslahah. It uses qualitative research methods, while data collection through interview techniques and documentation techniques. After the research was conducted, it was found that the strategic management process used by BMT Maslahah would be updated according to the needs and long-term development of the company. As for the strategy formulation, it is done by gathering all the members who will later be adjusted to the suggestions and the results of the joint discussion. The implementation of the strategy is adjusted to the existing mission at BMT Maslahah, such as managing cooperatives according to the identity of the students and also implementing the sharia system using the salaf book standards as well as in accordance with the fatwas of the National Sharia Council (DSN). It is stated that the BMT Maslahah in its implementation has implemented sharia principles which are marked by the implementation of four aspects differentiating it from conventional strategic management, including aspects of tawhid, orientation, motivation and sharia strategy.

Keywords: BMT Maslahah, Sharia Economic, Sharia Strategy Management

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INTRODUCTION

Fairly tight competition has emerged in the Indonesian economy, including the service sector. One of them is the increasing number of Islamic financial institutions in Indonesia, both bank and non-bank. This situation encourages financial institutions to develop their quality, business needs that can be met as well as current finances but still in accordance with Islamic principles.

Non-Bank financial institutions, commonly referred to as Microfinance Institutions (MFIs), are financial institutions established only to provide services in order to empower people and also develop their businesses, especially micro-scale businesses done by providing loans or financing to members and the community. Article 1 of Law No.1 of 2013 concerning Microfinance Institutions (LKM) states that managing deposits or providing consulting services and also in developing a business is not solely for profit. In this case, one of the institutions that is trying to solve this problem is Baitul Maal Waat Tamwil (BMT).

BMT is one of the Sharia Financial Institutions (LKS) in Indonesia operating in accordance with Islamic principles. BMT has two functions, namely Baitul Maal as an institution for distributing assets in worship, for example zakat, infaq, alms and waqf (ZISWAF), while Baitul Tamwil is an institution engaged in investment in a productive manner like a bank (Soemitra, 2009).

There are three provinces that have the largest BMT in Indonesia, namely West Java which has 637 BMT, East Java which has 600 BMT, and the last one is Central Java which has 513 BMT (Muhammad Kholim, 2004). From this data, it



is clear that BMT in the province of East Java has grown rapidly until now. With the increasing turnover of BMT. It shows that there is a good response from the community. Many people participate to join as BMT members and they have obtained various kinds of facilities and products.

One of the BMTs that has developed in East Java is called the Baitul Mal Wat Tamwil Maslahah Mursalah Lill Ummah, abbreviated as BMT Mashalah, formed on June 17th, 1997. Within 15 years, to be precise, 2012 was accompanied by serving the ummah. BMT Maslahah has successfully managed both third party funds and carried out activities productively. BMT Maslahah has 55 branch offices and has 98 sub-branch offices. BMT Maslahah has served more than 150,000 members.

Many achievements have been achieved by BMT Maslahah. In 2017, BMT Maslahah was ranked 1st in the largest cooperative category in East Java with total assets of Rp. 2.2 Trillion, as many as 16,010 members and a business volume of Rp. 2.04 Trillion. BMT Maslahah has also received 3 awards at the same time, namely as BMT with the best Information Technology (IT), BMT with the largest turnover and assets. The award was given by the Minister of Cooperatives and Small and Medium Enterprises named Agung Gede Ngurah Puspayoga to BMT Maslahah when he launched the book 100 major Indonesian cooperatives in 2017 published by the *Peluang* magazine. From this statement, it shows that the BMT developed by the sarungan group, the alumni of Islamic boarding schools can compete and have good achievements at the national level, especially in East Java.

As an aqidah, Islam was believed to be true hundreds of years ago, but Islam as sharia, its implementation is still limited to ritual worship and has not



touched the economic aspect. Therefore, to make economic behavior that has sharia values, it takes a maximum of time. On the basis of this principle, the prospective BMT managers and administrators must be able to think and act objectively in the BMT establishment plan. (Oja, 2016)

Some BMTs failed to operate and went bankrupt due to a lack of support and supervision. (Seibel, 2008). So, the strategic management role is needed to be able to help financial institutions to formulate better strategies by using strategies that are more systematic, logical and rational. (David, 2011)

The optimal implementation of strategic management will foster a clear work performance. It is related to how to improve performance and how to develop an organization to make bigger and to carry out business activities on an ongoing basis.

LITERATURE REVIEW

Baitul Maal Wat Tamwil or abbreviated as BMT, is an independent business institution accompanied by two core activities, namely bayt al-mal and at-tamwil by increasing productive business and investment aiming to improve quality in the economic activities of the lower-class small entrepreneurs by encouraging them to save and support their economic activities. In addition, BMT also receives zakat, infaq and alms deposits which will later be distributed based on its terms and mandate. BMT was founded by a group of non-governmental organizations. Thus, it is informal.

Based on the ideas in Islamic economics, BMT is also referred to a sharia cooperative, which is an institution aiming to channel funds, manage funds and also withdraw funds made by the community for the community. BMT is also referred to a non-governmental organization for the economy of the ummat



formed from the community by the community and returns to the community. Management in business entities is generally driven by a profit motive, therefore management must be carried out in an efficient manner (Azmi, 2021).

Sharia Strategic Management (MSS) is a process arrangement of Islamic management activities carried out in several stages, namely the formulation, implementation and assessment stages of organizational strategy decisions in achieving organizational goals both in the world and in the hereafter. There are four distinctive characters in Sharia Strategic Management (MSS) including: principles, orientation, motivation and strategy. These four principles are what distinguish it from Conventional Strategic Management.

In determining its vision, mission and objectives, an organization that establishes strategic management of sharia based on principles, monotheism, its orientation must be in accordance with worldly and ukhrawi and its motivation is solely to hope for the blessings and pleasure of Allah SWT. Then in the formulation, strategy and practice must be in accordance with the provisions stipulated by Islamic sharia, including that it does not contradict the Quran and Hadith, prioritizes halal and haram rules, rewards and sins, cooperation with profit sharing that benefits all parties, not greedy and detrimental to other parties. In sharia strategic management, the chosen and expected strategy is believed to result in better performance, more prosperity, nobility and more reassurance for business actors. (Usman, 2015)

RESEARCH METHOD

The study conducted by researchers is field research at BMT Maslahah.



The subjects of research in this case are the head of the sub-branch of Gondang District, Mojokerto Regency and the customers of BMT Maslahah. The research object is the sharia management strategy of BMT Maslahah. There are three general research steps, namely: (Sugiyono, 2005)

Preliminary survey

It aims to get a general description of the BMT Maslahah profile related to the research.

Literature Study

This step is taken to obtain a theoretical basis and its implementation through papers, articles and journals related to problems that are useful for researchers. In this research, the literature study only focuses on the literature on strategic management, sharia strategic management and BMT.

Field Research

It is carried out to know clearly and to obtain accurate data which will be included in the next analysis.

RESULTS AND DISCUSSION

BMT Maslahah is a sharia institution focusing on the economy of the lower class society founded in 2012. Seeing the many small entrepreneurs having potential but cannot be reached by banks. Therefore, their needs are reached by loan sharks with such large interest rates and also in practice there is still usury. Based on this, an idea emerged to establish BMT Maslahah. This concern was the reason for the establishment of BMT Maslahah.

The existing management strategies are:

Strategic Management Process

Environmental analysis: A sharia strategic management concept (MMS)



is also carried out with environmental analysis in the framework of formulating a sharia strategy. Environmental analysis is the process of a company in monitoring its surrounding environment either the internal or external environment. By this monitoring, the company can identify opportunities as well as challenges in determining its nature, function and relationship. (Usman, 2015)

External environment, The existence of an organization/ company is determined by environmental factors mutually related to one another so that in the formulation of a company strategy, it is necessary to carry out a macro environmental analysis, namely by examining the following factors: (Usman, 2015) a) **Economy**, It is time for Muslims to fully support the revival of the sharia economic system and give full priority to Islamic banking or Islamic institutions now growing rapidly in Indonesia and even in the world through the existence of a Sharia Commercial Bank (BUS) or Sharia Business Unit (UUS), almost all conventional banks. It proves that the economy of BMT is increasingly developing where the community fully believes in BMT Maslahah. In this case also BMT Maslahah must be able to maintain the mandate having been given by the community, not only get worldly benefits but also benefits in the hereafter and gain the pleasure of Allah SWT; c) **Social**, The social environment greatly influences the opportunities and challenges that the company will face to achieve its corporate goals and strategies. Thus, the social environment is very important in BMT Maslahah which is a company with its sharia mission and is also inseparable for the social interests of the community, so that matters related to the benefit of the people become one of the environmental factors in addition to its commercial and business aspects. One



of them is the social unit, namely the Sidogiri Islamic boarding school; c) **Market and competition**, The analysis of market and competitive environment will determine whether a company will remain in business now and what strategies are needed to run the business. BMT Maslahah itself continues to anticipate this competitive environment because rivalry between companies in an industry leads to sharper competition in the areas of price, quality, service and other factors. BMT Maslahah anticipates existing problems by providing knowledge to prospective customers or the public to immediately switch to markets and stalls where prices in the market and stalls are more affordable than minimarkets. BMT Maslahah also prioritizes fair principles because in working this fair principle is very much needed both internally and externally. The application of the principle of justice in this work is very important to generate mutual trust and understanding. (Istiani, 2018)

Internal Environment, For its internal environment, BMT Maslahah prioritizes ethics in service, for example, the marketing of BMT Maslahah comes directly to the customer itself or the customer comes to BMT Maslahah. BMT Maslahah must be able to maintain appearance, speak kind words, and be friendly to customers and be encouraged to be as productive as possible, such as being productive in speaking and working. According to Aisha (customer) "BMT Maslahah provides excellent service to us. When we enter it is welcomed by its employees".

A culture in the company describes a social method applying in a company including aspects of power or leadership, values, norms and rewards. The work culture of BMT Maslahah is the key to success and strengthening the company's capabilities. The work culture of BMT Maslahah itself prioritizes an



Islamic work culture and imitates what Rasulullah SAW taught such as good, honest, continuous (*istiqomah*) and trustworthy words.

Strategy Formulation

After conducting environmental analysis and sharia analysis, BMT Maslahah can ascertain how the strengths and weaknesses occurring in the company's internal environment as well as the opportunities and threats occurring in the company's external environment and how the competition patterns occurring in each of the company's business units and allow the business to be obtained.

The BMT Maslahah strategy formulation is not only selfish but helping fellow workers and seeking the pleasure of Allah in their work.

Strategy Implementation

After the company has formulated a strategy, the next stage is the implementation of the entire strategy process. There is no meaning in the formulation of a strategy that has been prepared if it cannot be implemented properly. In its implementation, BMT Maslahah implements the principles of monotheism (*tawhid*), orientation, motivation and strategy aspects. From the aspect of monotheism, BMT Maslahah conducts recitation routines, praying 5 times to improve the quality of faith. For dhuha prayer, dzuhur prayer and Asr prayer are always performed in congregation. While the orientation is in implementing its work, BMT Maslahah improves human resource development in order to improve performance, either now or in the future. This effort is made to create human resources with prime quality and noble character (*al Akhlaq al Karimah*). BMT Maslahah also carries out tithe payments to fulfill hereafter (*ukhrawi*) in order that worldly and *ukhrawi* goals can be achieved.



Meanwhile, the motivation is to help to formulate a strategy together and seek the Almighty Allah SWT.

BMT Maslahah in its strategy strives to create plans with goals that hopefully achieve the goals of the company and it has become sunnatullah that whatever we have planned, whether we are successful or not, we submit to Allah SWT. To develop strategy implementation, BMT Maslahah takes action, namely through program development.

Based on the review of its work, the Maslahah BMT program is carried out in accordance with what has been planned so that it can achieve continuous progress through new innovations in which the development of the environment and the needs of the community.

In this case, BMT Maslahah uses a mature design to ensure the achievements of its program reaching strategic environments and have alumni of the Sidogiri Islamic Boarding School and are close to the market.

Developing the program is in accordance to the plan. According to Mr. Abdullah Shodiq, it promotes products contained in BMT Maslahah, namely by involving alumni of the Sidogiri Islamic boarding school, attracting community leaders the role models in their environment, holding various social and charity events. It is conducted to introduce products in BMT Maslahah.

Evaluation and Control

In the concept of sharia strategy management, evaluation and control strategy, BMT Maslahah itself conducts evaluations every month, every year and at the same time together with the annual member meeting (RAT). By these evaluations, it will be found which branches are in the healthy and unhealthy categories and also what steps can last so that they are able to expand to other



areas. Furthermore, BMT Maslahah also uses management performance measurement methods with sharia benchmarks. This measurement is to determine the extent to which the company involves Allah in managing the company with a religious (*ubudiah*) belief accompanied by human awareness at work. Thus, the company's orientation is not only for profit but also for hereafter (*ukhrawi*) benefits, with *mardhatillah* motivation (hoping for the reward and pleasure of Allah SWT).

CONCLUSION

BMT Maslahah sharia strategic management is a strategic management process established by BMT Maslahah every year which is always updated by looking at aspects in accordance with the development and also the long-term needs of the company. In terms of external environmental observations, it is always updated every year by looking at the influencing aspects, namely economic, social, market and competition aspects. Meanwhile, from observations of the internal environment, seen from the structure there is no change, the services provided are very satisfying to customers. The work culture applied by BMT Maslahah is a work culture exemplified by Rasulullah SAW, such as a work culture on time and moral behavior. Strategy formulation is carried out in a joint manner, namely through discussion and suggestions from all members. The implementation or execution of the strategy will be tailored to the company's mission.

Strategy formulation is carried out simultaneously, dealing with proposals and joint discussions held. Strategy implementation will be carried out according to the mission set at the beginning of the work plan, such as



managing cooperatives in accordance with the identity of students and also implementing the sharia system with book standards salaf and also the Fatwa of the National Sharia Council (DSN). As for the evaluation of BMT Maslahah itself, it is carried out monthly and annually accompanied by the annual member meeting (RAT).

BMT Maslahah in its strategic management implementation has established Islamic principles, as evidenced by the realization of four influential aspects, namely aspects of monotheism (*tawhid*), orientation, motivation, and sharia strategy. In carrying out its vision, mission and objectives, BMT Maslahah implements sharia strategic management based on the principle of *tawhid*, its orientation is worldly and *ukhrawi*, and motivation.

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