



# Human Resources Development Program in Islamic Commercial Banks

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## Abstract

**Purpose** - This study aims to explore competency development programs to improve sustainable finance in Islamic Commercial Banks.

**Method** - This research is using qualitative research methods to explore human resource management in Islamic Commercial Banks. This research is an exploratory study of the human resource development program at Islamic Commercial Banks during the Covid-19 pandemic. The research identifies the structure, training and development costs and human resource development strategies.

**Result** - The results of this research indicate that each bank has a diverse strategy in developing employee competency through training and development programs. The employee structure of Sharia Commercial Banks also varies according to organizational needs. However, in the educational aspect there are similarities in that the majority are dominated by undergraduate education levels. The allocation of training and development funds at several banks has decreased due to the Covid-19 pandemic.

**Implication** - This study implies the important role of human resources in an organization and the need for strategies to increase employee competency.

**Originality** - This paper provides information regarding the employee structure of Islamic Commercial Banks and the policies developed at each Islamic Commercial Bank in Indonesia.

**Keywords:** Employee, Human Capital Development, Islamic Commercial Bank.



## Introduction

Sharia Banks based on Law No. 21 of 2008 are banking institutions that carry out their business activities based on Sharia principles. Sharia banks are thus different from conventional banks which are run on the principle that interest is prohibited according to sharia. Sharia banks carry out financial intermediary functions while still paying attention to the limitations of Sharia.

Indonesia implements a dual banking system, Sharia Banks and Conventional Banks are developing in Indonesia. Based on Sharia banking statistics as of June 2023, there are 13 Islamic Commercial Banks, 20 Islamic Business Units and 171 Islamic Rural Banks. The bank has a network of offices spread across various regions. There are 1,935 Islamic Commercial Bank office networks, 451 Islamic Business Unit office networks and 685 Islamic Rural Bank office networks. (OJK 2023).

A large office network indicates a large need for human resources. Sharia Banks as service institutions are required to be able to provide the best service to their customers. Employees are the central capital for the company in achieving the desired goals (HM 2020). The following is data on the number of banks, number of office networks and number of workers at Sharia Banks in Indonesia as of June 2023.

Table 1 indicates a large need for human resources. Islamic Commercial Bank has the largest number of employees at 50,708 people, followed by Islamic Rural Bank at 7,821 people and Islamic Business Unit at 5,590 people.

The important role of Human Resources in achieving company goals causes the Bank to allocate a certain amount of budget for training and competency development costs. The training and development program is expected to provide benefits, namely improving the quality and competence of human resources at Islamic Commercial Banks.

**Table 1. Number of Banks, Office Networks and Employees June 2023**

	Banks	Offices	Employees
Islamic Commercial Bank	13	1936	50708
Islamic Business Unit	20	451	5590
Islamic Rural Bank	171	685	7821

On the other hand, Sharia Banks as financial service institutions are facing obstacles in their operations due to the Covid-19 pandemic. The Covid-19 pandemic is an epidemic that has affected various countries in the world. The government, through the Ministry of Health, in order to break the chain of spread of Covid-19, issued Regulation Number 9 of 2020 concerning Guidelines for Large-Scale Social Restrictions in the Context of Accelerating Handling of Corona Virus Disease 2019 (Covid-19) which limits community social activities. This condition made the bank change its strategy in order to develop human resources during the Covid-19 pandemic. Exploration of human resource competency development strategies at Islamic Commercial Banks in Indonesia is needed to provide an overview of the strategies implemented at each bank in the Covid-19 Pandemic.

## Literature Review

### Human Resources

Human Resources are people employed in an organization. Human resources are an important factor that cannot be separated from an organization (Hatta et al. 2023).

The professionalism of a financial institution is formed if it has three adequate tools, namely humanware, hardware and software. Humanware are people in institutions such as owners, leaders, managers and workers. (Muhammad 2011). Human Resource Management is a series of human resource management activities that focus on practices and policies, as well as management functions to achieve organizational goals (HM 2020).

### Competency Development



Development is an educational process that uses systematic and organized procedures in which managers learn conceptual and theoretical knowledge to achieve goals. Meanwhile, human resource development is an effort to improve the capabilities of human resources in order to increase company productivity. (Hatta et al. 2023).

Human resource development is an organized learning activity in an organization in the context of improving performance and/or personal growth with the aim of improving individual or organizational work (Fu'ad 2022).

Educational development is basically a process of developing human resources. The better human resource development is carried out, the better the quality of workers. The aim of holding work training and development is to equip, improve and develop work competencies in order to increase abilities, productivity and welfare (Hatta et al. 2023).

## **Methods**

The research method is descriptive qualitative. This research is an exploratory study of the human resource development program at Islamic Commercial Banks during the Covid-19 pandemic. The research identifies the structure, training and development costs and human resource development strategies. The observation period was carried out from 2020 to 2022 is the period of the Covid-19 pandemic on the structure and human resource development program.

The sample for this research was determined using a purposive sampling technique with the criteria of an Islamic Commercial Bank which provided complete information needed for the research. Of the total of 13 Islamic Commercial Banks in Indonesia, there are 8 Islamic Commercial Banks that meet the data completeness criteria. Among them are PT. Bank Aceh Syariah, PT. BPD Riau Kepri Syariah, PT. BPD Nusa Tenggara Barat Syariah, PT. Bank Muamalat Indonesia, PT. Bank Jabar Banten Syariah, PT. Bank Syariah Bukopin, PT. BCA Syariah dan PT. Bank Tabungan Pensiunan Nasional Syariah.

## **Results and Discussion**



### Employee Structure

The total number of Islamic Commercial Bank Employees as a whole has increased from year to year. However, Bank Muamalat employees decreased from 2020 to 2022. And Bank Syariah Bukopin showed a decrease from 2020 to 2021. The employee structure of Islamic Commercial Banks is divided into four categories, namely based on gender, education level, age and employee status.

### Employee Based on Gender

The employee structure of Islamic Commercial Banks based on gender has increased for male and female employees. Based on their structure, 6 out of 8 Islamic Commercial Banks show that the majority of employees are male, namely PT. Bank Aceh Syariah, PT. BPD Riau Kepri Syariah, PT. BPD Nusa Tenggara Barat Syariah, PT. Bank Muamalat Indonesia, PT. Bank Jabar Banten Syariah dan PT. Bank Syariah Bukopin. Meanwhile, two other Sharia Banks PT. BCA Syariah dan PT. Bank Tabungan Pensiunan Nasional Syariah has a majority of female employees.

**Table 1. Employee Based on Gender**

Bank	2022			2021			2020		
	Man	Woman	Total	Man	Woman	Total	Man	Woman	Total
Bank Aceh Syariah	1664	583	2247	1539	493	2032	1528	502	2030
Bank Riau Kepri Syariah	1933	903	2836	1809	848	2657	1757	810	2567
Bank NTB Syariah	975	471	1446	950	483	1433	851	414	1265
Bank Muamalat	1524	956	2480	1640	1060	2700	1803	1165	2968
BJB Syariah	535	527	1062	502	461	963	487	453	940
Bank Syariah Bukopin	347	244	591	326	214	540	348	205	553
BCA Syariah	317	345	662	291	324	615	290	291	581
BTPN Syariah	671	12110	12781	638	11580	12218	621	11278	11899
<b>Total</b>	<b>7966</b>	<b>16139</b>	<b>24105</b>	<b>7695</b>	<b>15463</b>	<b>23158</b>	<b>7685</b>	<b>15118</b>	<b>22803</b>

**Table 2. Employee Based on Education Level**

Bank	2022				2021			
	S2/S3	S1	D3	SD-SMA	S3/S2	S1	D3	SD-SMA
Aceh Syariah	124	1312	267	544	105	1109	268	550
Riau Kepri Syariah	101	1718	270	747	91	1592	259	715
NTB Syariah	30	831	53	532	17	862	56	488
Muamalat	134	2138	194	14	145	2333	211	11
BJB Syariah	78	859	125	0	79	764	119	1
Bank Syariah Bukopin	40	462	54	35	19	431	59	31
BCA Syariah	39	463	74	86	28	421	76	90
BTPN Syariah	82	5689	1045	5965	70	5586	1042	5520
<b>Total</b>	<b>628</b>	<b>13472</b>	<b>2082</b>	<b>7923</b>	<b>554</b>	<b>13098</b>	<b>2090</b>	<b>7406</b>

### Employee Based on Education Level

Islamic Commercial Banks have employees with various levels of education, from high school education to postgraduate postgraduate/doctoral degrees in order to fulfill workforce needs in accordance with the Bank's needs. The Bachelor's education level dominates the educational structure of Islamic Commercial Bank employees in Indonesia.

The second highest level of education is the high school education category followed by D3 and postgraduate S2/S3 education. The highest level of education is Postgraduate Masters/S3 in 2022, most will be at PT. Bank Muamalat Indonesia.

### Employee Based on Age Range

The employee structure based on age is mostly 30-39 years old at the Bank Aceh Syariah, BJB Syariah, Riau Kepri Syariah, Bank Syariah Bukopin, Bank Muamalat Indonesia. Meanwhile, at NTB Syariah, BTPN Syariah and BCA Syariah, the majority of employees are under 30 years old.

**Table 3. Employee Based on Age Range**

<b>Bank Aceh Syariah</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>BJB Syariah</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>&lt;30</b>	448	313	380	<b>&lt;30</b>	349	278	264
<b>30 - 39</b>	1112	1135	1123	<b>30 - 39</b>	562	539	536
<b>40 - 49</b>	588	482	428	<b>40-49</b>	131	129	128
<b>&gt;50</b>	99	102	99	<b>&gt;50</b>	20	17	12
<b>Total</b>	2247	2032	2030	<b>Total</b>	1062	963	940
<b>BPD Riau Kepri Syariah</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>Bank Syariah Bukopin</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>&lt;30</b>	924	924	963	<b>&lt;30</b>	197	181	221
<b>30 - 39</b>	1232	1175	1099	<b>30 - 39</b>	234	224	205
<b>40 - 49</b>	599	490	440	<b>40 - 49</b>	97	80	86
<b>&gt;50</b>	81	68	65	<b>&gt;50</b>	63	55	41
<b>Total</b>	2836	2657	2567	<b>Total</b>	591	540	553
<b>Bank NTB Syariah</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>Muamalat Indonesia</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>≤30</b>	578	662	478	<b>≤30</b>	237	234	314
<b>31-40</b>	494	428	442	<b>31-40</b>	1500	1731	1962
<b>&gt;40</b>	374	343	345	<b>&gt;40</b>	743	735	692
<b>Total</b>	1446	1433	1265	<b>Total</b>	2480	2700	2968
<b>BCA Syariah</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>BTPN Syariah</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>&lt;35</b>	390	363	348	<b>&lt;30</b>	10040	9750	9661
<b>35 - &lt;45</b>	165	146	137	<b>30-39</b>	2338	2117	1933
<b>45 - &lt;55</b>	59	62	61	<b>40-49</b>	318	279	249
<b>&gt;55</b>	48	44	35	<b>&gt;50</b>	85	72	56
<b>Total</b>	662	615	581	<b>Total</b>	12781	12218	11899

### Employee Based on Status

The employee structure based on employee status shows that the majority of permanent employees are found in 6 of the 8 Islamic Commercial Banks in Indonesia. PT. Bank Aceh Syariah, PT. BPD Riau Kepri Syariah, PT. BPD Nusa



Tenggara Barat Syariah, PT. Bank Muamalat Indonesia, PT. Bank Syariah Bukopin and PT. BCA Syariah. Meanwhile, PT. Bank Jabar Banten Syariah and PT. Bank Tabungan Pensiunan Nasional Syariah has a majority of non permanent employees.

Sharia banks with a permanent employee structure that continues to decline from year to year are PT. Bank Aceh Syariah and PT. Bank Tabungan Pensiunan Nasional Syariah. Meanwhile, the bank with the largest non-permanent employee structure and which continues to increase from year to year is PT. Bank Tabungan Pensiunan Nasional Syariah.

**Table 4. Employee Based on Status**

Bank	2022		2021		2020	
	Permanent	Contract	Permanent	Contract	Permanent	Contract
Bank Aceh Syariah	1903	344	1930	102	1751	279
Riau Kepri Syariah	1966	870	1702	955	1545	1022
Bank NTB Syariah	1039	19	919	179	781	184
Bank Muamalat	2426	54	2644	56	2914	54
BJB Syariah	203	859	28	935	22	918
Bank Syariah Bukopin	483	108	445	95	449	104
BCA Syariah	519	143	662	495	86	581
BTPN Syariah	3896	8885	4271	7947	4903	6996
<b>Total</b>	<b>12435</b>	<b>11282</b>	<b>12601</b>	<b>10764</b>	<b>12451</b>	<b>10138</b>





## Human Resources Development Program

**Table 5. Competency Development Cost (million rupiah)**

Bank	2022	2021	2020
PT. Bank Aceh Syariah	24984	19069	13501
PT. BPD Nusa Tenggara Barat Syariah	15695	2958	3005
PT. Bank Muamalat Indonesia	29930	34870	35830
PT. Bank Jabar Banten Syariah	4463	5322	4582
PT. Bank Syariah Bukopin	2700	2785	1285
PT. BCA Syariah	8100	4700	2100
PT. Bank Tabungan Pensiunan Nasional Syariah	30000	14800	18000

### Bank Aceh Syariah

Bank Aceh Syariah implements employee competency management policies directed at the corridors and principles of Competency-Based Human Resource Management in a comprehensive manner and ensures the increase in human resource competency in accordance with business needs and the Bank's strategic direction, including by organizing continuous education and training programs, both organized on an ongoing basis. internal and external. In addition to competency development, Bank Aceh implements a performance review and evaluation policy based on Key Performance Indicators (KPI) to increase the effectiveness and efficiency of its human resource functions.

Increasing the competency of human resources is expected to improve quality and provide a positive influence and become a key factor for the sustainability of the bank's business. Organizing various education, training and workshops. To improve competence (Knowledge, skills and attitude) in accordance with operational and management needs, the implementation of education/training is carried out in stages, so as to form and create employees who are professional and have high integrity both through in-house training and external. Competency development costs increase from year to year,



namely 13,501 million from 2020 to 19,069 million in 2021 and 24,984 million in 2022.

#### **BPD Riau Kepri Syariah**

Employee competency development prioritizes employee training in the field of sharia banking to meet the employee graduation target in the Basic Sharia Banking Education Certification. In order to support employee competency in the field of sharia banking, other sharia training has also been carried out, including Socialization of Sharia Core Banking, Socialization of Sharia Service Activities, Socialization of BPP Financing Products, Socialization of Funding Products and Qolbu Management Training Services plus work ethic, Webinar Class on Debt Restructuring Agreements/ Sharia Bank Financing, iB of Trainer Training Pra-ijtima' Sanawi online workshop for the Sharia Supervisory Board. In 2022, Bank employees will organize education and training programs for 239 types of education and training activities with a total of 5,691 participants.

#### **BPD Nusa Tenggara Barat Syariah**

Bank NTB Syariah consistently prioritizes employee competency development through education and training programs both carried out internally (In House Training) and in collaboration with external parties (Public Training). The education and training program includes technical skills and soft skills. Implementation of in-house training during 2022 will be 54 activities. There will be 172 public training activities carried out during 2022. In 2021, there will be 53 in-house training activities with 2,057 participants. During 2021, there were 111 public training activities with 1,358 participants. In 2020, 30 in-house training activities were carried out with 1,314 participants. During 2020, there were 107 public training activities with 1,342 participants. Competency development costs fluctuate from year to year, namely 3,005 million in 2020, decreasing to 2,958 million in 2021 and increasing to 15,695 million in 2022.



### **Bank Muamalat Indonesia**

The Bank implements training programs, both for soft skills and hard skills. The themes presented in competency development are very diverse. From product knowledge, fulfilling certifications set by regulators, developing soft skills to topics regarding financial planning. The realization of training and learning programs is divided into several categories, namely first, learning programs which consist of core training programs, regulatory and internal certification programs, functional/matrix training programs, departmental training programs and creative learning. Second, the non-class room learning program which consists of Muamalat Knowledge One (MK-One), M-Channel, M-Viral and M-Coach.

Competency Development Costs decrease from year to year. In 2022, Bank Muamalat Indonesia will allocate 29,930 million for employee competency development. This amount decreased compared to 2021 which amounted to 34,870 million and 2020 amounted to 35,830 million.

### **Bank Jabar Banten Syariah**

The BJB sharia bank's human resources development strategy for 2022 is the placement of human resources based on human resources competency and also the implementation of human resources planning which will support the right sizing of the organization based on the results of the analysis of work unit needs, and in line with the bank's business strategy, improving the quality of human resources. through education and training tailored to needs, developing and strengthening basic policies in the field of human resources within a competency-based human resource management framework (Competency Based Human Resource Management), managing Employee Performance Management using Key Performance Indicators (KPI) as a tool measure employee performance integrated with the Bank BJB Syariah Human Resources Management Information System (HRMIS) Data Base as one of the bases for implementing objective rewards and punishment to encourage a productive work environment. Implementation of a competency-based cadre formation and regeneration system.



In 2020, the number of Bank BJB Syariah employees who have participated in competency development training is 666 or 72% of the total employees. In 2022, the number of Bank BJB Syariah employees who have taken part in competency development training will be 856 or 81% of the total employees, an increase compared to 2021 of 72%.

### **Bank Syariah Bukopin**

The employee development program implemented is optimizing the number and ratio of Business and Support employees. Developing human resource competencies, namely Carrying out training and developing employee competencies, especially for mandatory and Skills training, through online and face-to-face methods, Carrying out continuous education and training programs using hybrid methods (a combination of online and offline), Carrying out employee certification in banking sector based on National Work Competency Standards, Maximizing the use of e-Learning for employees to use quizzes or competency tests on a regular or continuous basis.

### **BCA Syariah**

BCA Syariah has an online training platform, namely Syariah Mobile Learning iB (SMILE iB) to make it easier for employees to access training materials wherever they are. During 2022, training via the SMILE iB application was attended by 2,608 participants with a total of 30 modules of material. To encourage the performance of each employee and improve the quality of employees both in terms of hard skills and soft skills, BCA Syariah always activates and increases the role of superiors in continuously coaching, mentoring and teaching its team members. BCA Syariah carries out training and development of human resources by referring to a training and development framework that covers all aspects. Throughout 2022, BCA Syariah has carried out 324 education and training sessions conducted either through e-learning methods, online training or face to face.

The total costs incurred by BCA Syariah for employee training and competency development throughout 2022 reached IDR 8.1 billion or an



increase of 72.3% compared to 2021. The increase in costs was partly due to training and competency development programs which increased significantly and use of consultant services to provide assistance and transfer knowledge to our employees.

### **Bank Tabungan Pensiunan Nasional Syariah**

BTPN Syariah has developed a structured training and certification curriculum for teams in the field, Community Officers (CO) who serve customers directly. This curriculum is expected to increase competence in line with CO career advancement while preparing them as highly capable field leaders, growing appropriately and full of benefits. Implementing online employee training programs which are starting to be combined with offline training as pandemic conditions improve is carried out by continuing to maintain the quality of training and its effectiveness. The Bank equips training facilitators by providing special training on how to teach both offline and online. Throughout 2022, BTPN Syariah through the HC Division has held 834 training sessions attended by 83,862 participants with a total training time of 8,090 hours, which is equivalent to 337 days.

Mandatory training on sustainability awareness is core training, to strengthen employee awareness held from January to December 2022 with a total of 10,061 participants. The Learning Management System (LMS) platform was gradually implemented to cover all competency and skills modules needed by 9,772 CO in pursuing their careers. This training module will encourage self-learning and be monitored by their superiors. This system also allows superiors to provide direct assignments to ensure skill mastery.

### **Conclusion**

This research concludes that employees are an important aspect of supporting banking operations. The Bank strives to improve the skills and knowledge of employees through human resource development programs. Employee Training and Development is carried out at various work levels in accordance with their respective roles and duties within the company.



Islamic Commercial Bank provides training and development costs. During the Covid-19 pandemic shows that training and development costs at Islamic commercial banks have steadily increased even with different program schemes at PT. Bank Aceh Syariah, PT. BPD Nusa Tenggara Barat Syariah, PT. Bank Jabar Banten Syariah, PT. Bank Syariah Bukopin, On the other hand competency development costs at PT. Bank Muamalat Indonesia decreased from year to year during the 2020-2022 observation period. At PT. BCA Syariah competency development costs increase from year to year.

Islamic Commercial Bank Employee Structure in terms of gender 6 out of 8 Islamic Commercial Banks show that the majority of Bank employees are male. Islamic Commercial Banks have employees with various levels of education, from high school education to postgraduate S2/S3 degrees. The Bachelor's education level dominates the educational structure of Islamic Commercial Bank employees in Indonesia. The employee structure based on age is mostly in the 30-39 year age range. The employee structure based on employee status shows that the majority of permanent employees are found in 6 of the 8 Islamic Commercial Banks in Indonesia. Further research can be carried out by expanding the research object.

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