

Connection Innovation and Development Bank Sharia as well as Evolution Development and Innovation Contract and Islamic Banking Products

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Abstract

In the increasingly fierce competition in Islamic banking, product innovation is becoming more and more important key in increasing competitiveness and spurring company growth, because it is important for Islamic banks to know what factors can influence development and innovation product banking sharia and build Micro small and Medium Enterprises for resolve poverty in Indonesia .factor which influence innovation products can come from internal or external, internal factors mean the organization of all something in inside like Human Resources, culture company, and strategy company, while factor external in cause by growth market, level competition, regulation bank Indonesia, OJK, and fatwa National Sharia Council.

Keywords: *human resources; ojk; innovation product; micro small and medium enterprises*

INTRODUCTION

Bank sharia is institution banking which use system the operation Based on on Islamic sharia. Bank is one of the financial institutions that provide a product in the form of service, as company which move in the field service, bank also following the concept of the product and service provided. In oriented towards banking products, namely: focuses on making good products and continuous banking because consumers prefer products that provide the best quality and performance. History the establishment of banking with a profit sharing system (better known as Islamic Bank) based on two main reason that is :

1. There is a view that bank interest (interest) in conventional banks is unlawful because including category usury which prohibited in religion, no just by Islam but also by religion other heavens.
2. From the economic aspect, handing over business risk to one of the parties is considered a violation norm justice (Jaya, 2020, pp. 69-80).

The birth of Islamic banks in Indonesia alone pushed by existence desire Public Indonesia (especially the Islamic community) who view bank interest is a very important thing illegal. However, in fact the principle of profit sharing in financial institutions has known by good area in the country Islam nor non-Islamic.

With the existence of a Sharia Bank that operates on the basis of profit sharing, it is expected that the needs of the Indonesian Muslim community for banking services in accordance with the Islamic Shari'a principles can be fulfilled, while at the same time mobilizing more economic potential and participation Public Islam by round and totality in development Public Indonesia. Islamic banks carry out banking operations by collecting and channel fund Public, as case bank conventional. In To raise funds, Islamic banks accept deposits in the form of demand deposits, time deposits, savings and reception other funds, whereas in channel fund bank sharia also to do activity financing. For bank sharia also to do activity banking as which set for the bank conventional people's credit.

Islamic banking has lagged far behind conventional banking. There are 2 systems banking in Indonesia of course just cause existence competition. In where in competition demands that management performance be improved, with the option of innovation in various aspects, including bank products that will be sold to the public. Currently, Islamic banking is still far behind with banks that use the Islamic banking system conventional. Though Indonesia is country which majority Muslim, but still many using the conventional system rather than sharia. Even though it's clearly conventional using the usury system which is forbidden to be consumed by Muslims. Other factors are also due to lack of innovation in Islamic banking products, so that many ordinary people consider the sharia system is only a copy of the conventional system. In order to To compete with conventional banking, Islamic banking of course requires development product innovation so that the community interested with Syariah banking (Shaakir, 2016, pp. 91-112).

METHOD

Study this use type study studies library, that is technique collection data by reviewing existing books, literatures, records, and reports relation to the problem being solved. This technique is used to obtain the basics and opinions in writing which is done by studying various literature related to the problem under study. Sources of data used in study this is source data secondary. Data secondary through method this obtained with browsing the internet, reading various literatures, the results of studies from previous researchers, books, journal as well as other sources which relevant.

RESULTS

Bank sharia many give choice for Public for get financing which no only depend on one type bank with its products, if bank sharia capable reading the potential of the area and the needs of the population has been owned by Islamic banking, so development product banking sharia Becomes one inevitability for bank sharia which there is in region the so that capable answer needs Public. Wrong one strategy which very appropriate to increase the growth of Islamic finance which is specifically devoted to banking sharia that

is through innovation product. Whereas constraint no existence something innovation also very many, Thing which very fundamental that is that not enough understand it officer banking sharia about draft and application fatwas Board Syarah National which could Becomes reference for innovation product banking sharia.

DISCUSSION

1. Principle base Product operational bank sharia

Principles operational bank sharia Becomes base operation bank sharia, that is with no know draft flower money and no lost importance, that is for destination commercial Islam. By general, every bank Islam in operate his business have the first five operational principles, the pure savings principle. That is the facilities provided by banks to provide opportunities for parties with excess funds to keep their funds in the form of al-wadiah, which is given for investment purposes in order to benefit as well as savings or deposits. In the banking world conventional al wadiah is identical to current account (Marimin and Romdhoni, 2017, pp. 75-87).

Second, the principle of profit sharing, is a system that follows the procedure for sharing business results Among provider fund and manager fund, nor Among bank with bank customer beneficiary. Such as (mudharabah and musharakah) which include the distribution procedures business results between the owner of the fund (sahinb al-mal) and the manager of the fund (mudarib). (Apriyanti, 2018, pp. 83-104) Divide This result can occur between the bank and the depository of funds or between the bank and the bank customer receiver fund.

Third, principle sell buy, like (murabaha, istissnah and regards). That is financing bank which is calculated in nominal form above the credit received by the receiving customer credit from the bank. The bank fees are determined according to the agreement between the banks with customer.

Fourth, principle rent. Rent is contract transfer right use or utilization for goods or services by means of rental payments to owners. The principle of ijarah or rent consist from two kind, that is ijarah (lease) and ijarah vomit biAltamlik (lease with option or lease purchase). Ijarah without ownership, namely the transfer of rights use or utilization without being followed by the transfer of ownership of the goods alone. Ijarah vomit bi al-tamlik (financial lease with purchase options) that is Blend between a sale and purchase contract and a lease, or in other words a terminated lease contract transfer ownership of hand tenant.

Fifth, the principle of service (fee), which includes all non-financing assets provided bank. Product forms based on this principle include, for example, bank guarantees, collection, clearing, services transfers, and so on.

2. Product bank sharia

The development of sharia banking product innovation refers to sharia standards (sharia) standards) and shariah governance, guided by international standards, Fulfillment integrity and quality of Islamic banking human resources, conformity of contracts, and oppress society as consumers. In the operating system of Islamic banks, the owner of the funds invest their money in the bank not with the motive of getting interest, but in order to get profit sharing. The customer funds are then distributed to they which need (for example Capital effort) with agreement distribution profit in accordance deal. Financing in banking sharia no character sell money which depend on income flower on tree loan which invested, but from the distribution of profits earned by the entrepreneur. The Islamic bank approach is similar to investment banking where in general the product is mudarabah (trust financing) and musharakah (partnership financing), whereas which character investation implemented in form murabahah (buy and sell). (Fatinah, 2021, pp. 23-30) Pattern stash which taught by Islam, people Islam have income which must productive in form investation. So bank Islam offer savings Investation which called with mudarabah (savings profit sharing on effort bank).

For share effort bank to storage mudarabah, bank sharia give service banking to inner community the following form.

First financing for various activity investation on base for results consist from:

- a. Investment financing for mudarabah results, which is a form of cooperation between two parties or more parties in which the owner of the capital (sahuib alma) entrusts a certain amount of capital to the manager (mudarib) with a profit-sharing agreement. This shape confirm cooperation with contribution whole capital from sahib al-mal and skill from mudarib
- b. Financing investation for results musharakah, that is contract work same Among two party or more for To do effort certain. With each party give contribution fund or charity with deal that profit or risk will borne together according to the agreement. It is required that the assets of the two parties be mixed together work same so that can not distinguished property from second party the. (Zaki, Handani and Hardianti, 2021, p. 161)

Second financing for various activity trading or sell buy consist from:

- a. Financing greetings, that is transaction sell buy in where item for sale buy it not yet there is, goods delivered by toughness temporary payment conducted cash. In transaction this is quality, quantity, price and delivery time goods must be determined.
- b. istisna financing, namely buying and selling transactions in the form of orders for the manufacture of goods based on certain requirements, criteria, and payment

patterns in accordance with the agreement. As for the construction of housing projects, school buildings, electricity, mining and etc. Financing the trade of al-bay' bi thaman ajil or known as murabahah, namely a sale and purchase transaction in which the bank mentions the amount of profit. Banks act as seller, Temporary customer as buyer. Price sell is price buy bank from supplier added Profit (margin). From financing trading the, bank will get in the form of (mark-up) or (margin) profit.

Third, financing the procurement of goods for rent or for rent and purchase in form:

- a. Rent To use effort or called ijarah
- b. Rent to buy or called al-bay' al-takjir. Ijarah, pure rent, just like leasing tractors and other product tools (operating lease). In technical banking, banks can first buy the equipment needed by the customer then rent it out time and only as agreed to the customer. And al-bay' al-takjiri or ijarah al-muntahiya bi al-tamlik is a combination of rent and purchase, in which the lessee have the right to have stuff On end of time rent (financial leases).

Fourth, giving cash loans for virtue (al-qard al-hasan) without being charged any fees except for administrative costs in the form of all fees needed to be valid debt agreements, such as stamp duty, notary deed fee, feasibility study fee. From giving loan al-qard al-hasan, the bank will accept return administrative costs.

The five general banking facilities that do not conflict with sharia, such as: safekeeping in a current account, in the form of wadi'ah current accounts given bonus and service other for get reply service (fees), like gift guarantee (al-kafalah), diversion bill (al-hiwalah), and etc. From usage facility the the bank will get in the form of a fee.

3. Strategy Development Product Bank Sharia

Strategy development product is part from strategy corporation (corporate Strategy). In strategy development product there is potential profit nor risk From activity development product, and many factor which cause something organization considering developing new products. Almost all organizations Finding that the managerial strategic approach to product development activities new will increase opportunity success as well as minimize cost and risk. On moment In this case, the banking market is generally identified as leading to demand for fast loan services such as unsecured loans and small-scale (micro) loans. (nn, 2022, pp. 2093-2103) Things The same thing happens in Islamic banking due to the same target market and the existence of trend replication product (product mirroring) banking sharia from banking conventional. This kind of thing can lead to an increase in financing that is consumptive. So from that required product balancer which support sector productive.

In addition, products that increase the togetherness of banks and customers also need to be studied and developed, so that core product banking sharia which is share economics can still be maintained. For this purpose, the study of profit-sharing products, that is musyarakah mutanaqisah and mudarabah muqayyadah must active held. Of course, this kind of assessment must involve all parties, including in the industry and supporting institutions. Momentum this appropriate because coincide with the efforts of the government to provide low-cost housing for the community. Board Sharia Supervisors who act as supervisors also act as Advisors, namely: giving advice, inspiration, thoughts, suggestions and consulting for product development and innovative services for global competition. As a marketer, that is being a partner strategically to increase the quantity and quality of the LKS industry through mass communication to provide motivation, explanation and public education as the preparation of human resources, and role other strategic in relationship form society (public) reality).

As supporters, that is giver various support and Support good networking, thoughts, motivations, prayers and others for the development of Islamic banking and economics. As a player, namely as players and actors in the sharia economy, both as owners, manager customer.

Saver or investors nor partner or customer distribution and financing. Existence bank sharia many give choice for Public for get financing which no only depend on one type bank with its products, but society is free to choose which institutions and products are most suitable for capacity which owned and conditions effort which run. If Islamic Bank capable read potency region and needs population the has owned banking sharia, so development product banking sharia Becomes one inevitability for bank Sharia law in the area that occurs cannot be separated from the support of the Advisory Board Sharia (DPS) which must active and innovative as well as is at on each bank which there is in the area.

4. Innovation Bank Sharia in develop the product

Institution finance sharia which on case this devoted on banking sharia which have product as well as service which based sharia of course just must have system system governance that can ensure that sharia principles are actually being applied to the whole company. The term sharia governance or shariah governance is raised by institution standard international like AAOIFI (Accounting and auditing Organization for Islamic Financial Institutions) and IFSB (Islamic Financial Services boards) as system form manage for institution Islamic finance. (Pratiwi, 2016)

Thing fundamental which differentiate Among institution finance conventional with sharia is the most location on return and distribution profit which given by customer to institution finance and/or which given by institution finance to customer, Thing activity operational Islamic Bank use profit principle and loss sharing.

The market share of Islamic financial institutions is still relatively small compared to other Islamic financial institutions conventional finance, which is in the range of 5 percent. This is inseparable from still at least product variants in the Islamic finance industry, so the products offered not enough different than conventional financial industry. (Nurlani, 2022)

Therefore, the supply of Islamic financial products needs to be increased. In the Roadmap Development Finance Sharia 2017-2019, Authority Service Finance (OJK) expect development product banking sharia to front capable create outlet investment for customer, specifically circle medium to on. Besides that, bank sharia also is expected to increase the variety of microfinance products, develop corporate financing, trade finance, cash management products, financing for start-ups, as well as products development financing, specifically for development infrastructure.

Innovation product finance and banking sharia is tree main in development industry banking sharia, naturally development must supported with competence source power man which besides reliable permanent hold on firm with principle-sharia principles. Islamic banks must have innovative products that are increasingly diverse in order to develop properly. Innovation must also be carried out so that Islamic bank products not monotonous and dominant with certain contracts in the midst of varied business needs Public. By because that, Authority Service Finance (OJK) Keep going push perpetrator industry finance sharia for keep innovating for Fulfill needs Public.

Factors that affect product innovation can come from internal or external external. Internal factors mean the organization and everything in it, among others human Resources, corporate culture, corporate strategy, and organizational structure company. Whereas factor external that affect it is growth market, level competition, regulation Bank Indonesia, OJK and Fatwa Board Sharia National.

Existence bank sharia give choice for Public for get financing that does not only depend on one type of bank with its products, However, the public is free to choose which institutions and products are most suitable for them capacity owned and the conditions of the business being run. In principle, if the bank sharia is sensitive to reading the needs of the community based on geographical conditions, and capable map needs Public based on source income Public on the region, the development of banking products to meet the needs of each area will be different.

Innovation is also the key to increase productivity and competitiveness. For In the business world, innovation means company growth. You can say company which innovative of course just is dream para holder share because he could jack up profit. The absence of innovation can lead to business stagnation, where this condition makes vulnerable to a reduction in employment. Therefore, Islamic banking must be able to

innovate and think out of box so that compete with banking conventional increase market share.

The more innovative Islamic banks make products, the faster the market will develop. So, weak innovation product bank sharia, however impact by significant to slow development market. Weakness innovation product and development market Islamic banks must be addressed immediately, so that acceleration faster development of Islamic banks. Innovation product required so that bank sharia can more optimal in utilise phenomenon global. Because that must To do initiative acceleration outside normal in market development and product development. Lack of product innovation, among others, This is due to the limited capacity of human resources. Let alone to develop products creatively and innovatively, to understand existing product concepts, Islamic bank human resources capacity is still limited. Islamic bank officers generally have understand the basic concepts of existing sharia products, but there are still many bank officers sharia law that does not understand well the concept and application of the Council's fatwas Syarah National for used as the basis for innovation Islamic banking products.

Innovation product which Becomes key banking sharia for more beneficial, competitive and more rapidly growing according to the needs of the community. Product innovation must be a priority strategy for Islamic banks, because innovation has a role in important in penetrate and dominate market which always changed. Therefore, banking industry sharia sued To do development, creativity and innovation- new product innovation. The success of the Islamic banking system in the future will be much depends to ability banks sharia serve products which interesting, competitive and provide ease of transactions, in accordance with the needs of the community and industry market.

To develop varied and attractive products, Islamic banks are Indonesia could build connection work same or affiliated with institutions finance international. Work same that will beneficial in develop Islamic bank products. Islamic banks can learn practical from banks that have experienced abroad in various countries that develop Islamic banking. Skim and model this at least can Becomes example or give inspiration for develop product Islamic Bank. (Masruron and Safitri, 2021, pp. 1-20)

Islamic banks that want to develop product innovations that will be able to survive from fierce competition effort institutionalized finance, as well as which will capable maintain the customer which already there is previously, as well as capable realize hopes and needs consumer or its customers. Because satisfaction consumer This will be achieved if the quality of the products and services provided is in accordance with their needs. Thus the company has a greater opportunity to grow and develop in period long compared to companies other which only prioritize profit just without guard and maintain quality product and the services it produces. So Islamic banks have a harder

task in realizing products and services quality and continuously develop product innovations continuously.

5. Base Sharia Innovation Product

Sharia foundations that can be used in sharia banking product innovation are: fiqh rules in muamalah law. The rules of fiqh on the law of muamalah can change along with the times, the needs of the times, and contemporary conditions. For fulfillment of products that are in accordance with the development and needs of the times, and conditions contemporary no escape from guidelines which issued by fatwa MUI which has set by the MUI National Sharia Council (DSN). (Sofia, 2016, pp. 1-12)

In To do innovation and development product, bank sharia must permanent adhere to sharia principles. Every product issued by Islamic banks must Fulfill provision related with permission product, in accordance with principle sharia, and in accordance legislation which apply. There is two treatment different for two type product the, that is:

- a. For products that have been included in the codification of Islamic banking products, then: when bank sharia publish product new the no required OJK approval. Banks are only required to report realization in seven days work after new product is published.
- b. Banks must apply for approval for 30 day before product new published to OJK and also Required report report realization on 7 day work.

CONCLUSION

In general, every Islamic bank in running its business has five principles: operational, that is principle stash pure, principle for results, principle sell buy, principle rent, and principle service (fees). Strategy development product is part from strategy corporation (corporate strategy). Islamic banks provide many choices for the community to obtain financing that does not only depend on one type of bank with its products, if bank sharia capable read potency region and needs Population the has owned banking sharia, so development product banking sharia Becomes one inevitability for bank sharia which there is in region the so that able to meet the needs of the community.

This condition can not be separated from the support of the Sharia Advisory Board (DPS) which must active and innovative as well as is at on each bank which there is in area. As well as strategy marketing product must organized with To do alliance strategic with media mass (radio, television and media print) and Organizer activity (event organizer) in the form of exhibition (expo), so that product the known large and direct feel benefits by the general public. In certain expos such as the public can directly register for card credit sharia or To do application financing for purchase of sharia products that

are being exhibited. Through this strategy, Islamic banks can get many success, good in enhancement Portfolio or marketing product new.

Wrong one strategy which very appropriate for increase growth finance sharia which on this devoted banking sharia that is through innovation product. Remember position Indonesia is still in seventh position in the assessment of the Global Islamic Financial Report (GIFR) year 2017. Indonesia left behind far with country neighbor that is Malaysia which occupy position first. Because that needed a management innovation which qualified to boost Islamic finance. Especially Indonesia is country with amount Muslim the most in this world. Of course, just Thing that can make possibility that Islamic finance can be number 1 in the world. The first thing to do is balance or even beyond performance from banking which use system conventional more formerly in domestic. Because banking sharia in Indonesia still far less than conventional banking. Islamic banking is necessary To do steps strategic To use develop product which offered.

There is many very which must developed by banking sharia so that no left behind, because now needs Public middle it varies needs Public Indonesia. If there is innovation which interesting from banking sharia of course just will capable attract the attention of the public to use Islamic banking services. While the obstacles no existence something innovation also very many, Thing which very fundamental that is that not enough understand it officer banking sharia about draft and application fatwas Board Syariah National which can be reference for product innovation banking sharia.

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