

## DEVELOPMENT OF CONVENTIONAL SAVINGS AND LOAN BUSINESS ACTIVITIES INTO SHARIA SAVINGS AND LOAN BUSINESS ACTIVITIES

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### Abstract

Seeing the potential of the Muslim majority in this country and the euphoria of desire from the leader in the region to apply the Sharia economic principle. However, it is not by the quantity of the successful conversion of the conventional Savings and Loans Business Cooperatives into Sharia Saving and Financing Cooperatives. This research aims to identify problems, formulate solutions, and design strategies for converting conventional Savings and Loans Business Cooperatives into Sharia Saving and Financing Cooperatives. This research uses the Analytic Network Process (ANP) method by collecting opinions from various experts, such as practitioners, regulators, and experts in converting conventional Savings and loan cooperatives into Sharia Savings and loan cooperatives. This research discovers that there were similar opinions on the problems, that internal aspects caused the low conversion rate. Stakeholder interests and human resource needs are the dominant internal problems influencing the most. To solve this problem by processing data from all the respondents based on average results, the priority is the aspect of education and communication. The second priority is the aspect of gradual conversion. The proposed solution will be more effective using a market-driven strategy and rational persuasion. The implication is that the government and other stakeholders can promote the education and communication sector, where education in the form of internships and DPS or Sharia Economics training will have a significant impact.

**Keywords: Development Strategy, Conventional Saving and Loans Business, Sharia Saving**

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## Introduction

Cooperatives have business processes adapted to the Minister of Cooperatives and SMEs Regulation Number 9 of 2018 Article 10 paragraph 1 a. The operations of savings and loan cooperatives and sharia financing refer to the Regulation of the Minister of Cooperatives and Small and Medium Enterprises Number 16/Per/M.KUKM/IX/2015 concerning Implementation of Sharia Savings and Loans and Financing Business Activities by Cooperatives, which was later changed to Regulation of the Minister of Cooperatives and Business Small and Medium No. 11/Per/M.KUKM/XII/2017. In the Ministerial Regulation, it is stated that Savings and Loans Cooperatives that carry out savings and loan businesses using Sharia principles are called Sharia Savings and Loans and Financing Cooperatives (KSPPS)/Sharia Savings and Loans and Financing Units (USPPS Cooperatives). This has implications for the Sharia Financial Services Cooperative (KJKS)/Cooperative Sharia Financial Services Unit (UJKS Koperasi) to change the terminology to KSPPS/USPPS Koperasi.

This change emphasizes the role of coaching and supervising cooperatives that carry out business in the financial sector using the Sharia system (Yazid, 2017). Since the enactment of Law Number 4 of 2023 concerning the Development and Strengthening of the Financial Services Sector, the Ministry of Cooperatives and SMEs has been mandated to prepare a Regulation of the SMEs that regulates the assessment of Financial Services Sector Cooperatives better known as open loop and close loop. Then, on June 16, 2023, Minister of Cooperatives and SMEs Regulation Number 8 of 2023 concerning Savings and Loans Businesses by Cooperatives was stipulated. Financial Services Sector Cooperatives will be supervised by the Financial Services Authority (OJK). With the Minister of Cooperatives and SMEs Regulation Number 8 of 2023 stipulation, the Minister of Cooperatives and SMEs Regulation Number 11 of 2017 is declared revoked.

**Table 1. Development of KSPUSP and KSPPS/USPPS**

No	Description	Amount	Member	Asset (Rp Million)	Equity (Rp Million)	Loan Capital (Rp Million)	Business Volume (Rp Million)
1	KSP	12.530	7.781.200	41.211.161,12	18.736.901,52	22.474.259,60	46.308.152,23
2	USP Cooperative	57.263	6.890.912	67.058.733,70	34.891.247,72	32.167.485,98	57.070.799,22
3	KJKS	3.905	3.429.216	10.283.909,45	1.899.868,06	8.384.041,39	12.330.250,13
4	UJKS Cooperative	-	-	-	-	-	-
	Amount	73.698	18.101.328	118.553.804,27	55.528.017,29	63.025.786,98	115.709.201,58

Source: Ministry of Cooperatives and SMEs, December 31, 2019

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The number of KSPPS/USPPS Cooperatives in the total number of cooperatives carrying out intermediation contributed 5.30%. Meanwhile, assets contributed 8.67%. The contribution of KSPPS/USPPS Cooperatives is still minimal. On the other hand, to further stimulate the growth and development of KSPPS/USPPS Cooperatives, two approaches were carried out: transformation/conversion and spin-off of USPPS Cooperatives into KSPPS. The cooperatives are transformed by organizing conventional savings and loan businesses into sharia savings and loan businesses (KSPPS/USPPS Cooperatives). The spin-off of the USPPS Cooperative to become KSPPS was followed by the potential for most Muslims. It coincided with the euphoria of the desire to implement sharia principles, such as in the Province of West Nusa Tenggara (NTB). As quoted from the radarlombok.co.id page, the Governor of NTB, Tuan Guru Bajang, hopes that NTB will become the world's sharia financial center. This is based on the potential of the population in NTB, which is predominantly Muslim and is inhabited by residents with many backgrounds in Islamic boarding schools, so it is hoped that the growth of KSPPS/USPPS Cooperatives will be faster.

The euphoria of the desire to implement Sharia principles or profit-sharing has spread to conventional cooperatives. Still, unfortunately, it is not accompanied by an understanding of how to carry out excellent and correct Sharia cooperative operations. The case of the Pandawa Cooperative, which has a conventional cooperative legal entity but in marketing uses profit sharing so that it is identical or looks like a Sharia cooperative, but in fact, the Pandawa Cooperative is not a cooperative with a legal entity and Sharia permits, as quoted from the kontan.co.id page ([https://m.kontan.co.id/news\\_analysis/belajar-dari-case-koperasi-pandawa](https://m.kontan.co.id/news_analysis/belajar-dari-case-koperasi-pandawa)) dated 24 August 2017 with the title learning-dari-case-koperasi-pandawa stated that the Pandawa cooperative promises a "profit sharing" of 10% per month or 120% per year so that the Pandawa cooperative can collect funds of IDR 3 trillion with around 28,000 customers.

Another case is the BMT CSI Cooperative, a Sharia cooperative legal entity that does not yet have an official Sharia investment operational permit, so it is indicated as violating Law Number 21 of 2008 concerning Sharia Banking. Based on online reporting on the Kontan page (<https://www.m.kontan.co.id/news/koperasi-bmt-csi-hadapi-mohonan-pailit>) dated March 21, 2017 with the title cooperative-bmt-csi-hadapi-lindungan- went bankrupt, the BMT CSI Cooperative in marketing used the sharia label with a fixed passive return of 5% per month so that it managed to reap an investment of IDR 1 trillion with a total of 3,250 customers.

Seeing the euphoria and acceleration of the growth of KSPPS/USPPS Cooperatives and the cases that occur, it is necessary to convert conventional cooperatives to Sharia cooperatives properly and correctly. Conventional cooperatives are converted to Sharia cooperatives by the Regulation of the Minister of Cooperatives and Small and Medium Enterprises Number 11 of 2017 concerning the Implementation of Sharia Savings and Loans and Financing Business Activities by Cooperatives.

In carrying out the conversion based on the case study of the Tunas Artha Mandiri cooperative, there were problems faced by KSP in carrying out the conversion, which was also experienced by conventional banks to sharia banks, such as first regarding human resources (KNKS, 2019). They found that Sharia banking practitioners are dominated by conventional banking practitioners who migrated to a Sharia bank or came from public university alumni with a conventional economics background. Sharia banking experiences a shortage of human resources which genuinely understand the science of *ushul fiqh*, *muamalah fiqh*, and *qawa'id fiqh*, as well as the science of modern financial economics. This occurred in Indonesia and many other countries where Islamic economic development is relatively rapid. Most of the human resources of Islamic financial institutions are fluent in speaking about contemporary financial economics but need to familiarize themselves with *ushul fiqh* or *muamalah fiqh*. On the other hand, many experts are proficient in fiqh and fiqh proposals but need an understanding of financial economics.

However, human resources are not only a problem or obstacle factor but can also be a factor in the success of a Sharia financial institution (Bakhri, 2015). Second, the readiness of members/potential members or stakeholders regarding human resources for extension agents is minimal (Wulandari et al., 2019). Stakeholder responses include responses from customers, employees, and responses from members/potential members. Customers/members/potential members are given two choices, namely remaining as

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customers/members/potential members (creditors and debtors) with the implication that their savings and loans will be converted to sharia or continuing to use the interest system with the consequence that borrowers will be asked to pay off their debts (Wulandari et al., 2019). In contrast, depositors can withdraw their savings (Antoni & Umam, 2015).

Third is the information technology systems field (KNKS, 2019). Information Technology Systems have a huge role in developing the Sharia banking market share in Indonesia (KNKS, 2019). The Ministry of National Development Planning/Bappenas & KNKS (2019) emphasizes Information Technology in server existence and software with security and service. The Ministry of National Development Planning/Bappenas and KNKS said that the future challenge for banking is expanding the network of bank offices and ATMs and developing digital platforms.

Apart from the problems above, it is necessary to identify problems in the process of converting conventional banks to Sharia banks, namely the conversion process from BPD Aceh and BPD NTB to Sharia Banks to be used as a lesson for the conversion from KSP to KSPPS because until now no literature studies have been found regarding the conversion carried out. KSP to KSPPS is apart from the case study of KSP Tunas Artha Mandiri, where these problems could be experienced in the future by KSP, which will convert to KSPPS. These problems include regulatory problems arising due to the need for more guidelines in planning direction and technical basis for spin-off fields (Itang, 2016) as well as in legal processes (Rifin et al., 2015). Regulation as an obstacle and challenge is in line with the results of research conducted by (Saaid, 2016; Shafii et al., 2016). One regulatory challenge is the obligation of a highly qualified Sharia Supervisory Board with sufficient experience in the modern transaction field (Rachmawati, 2014).

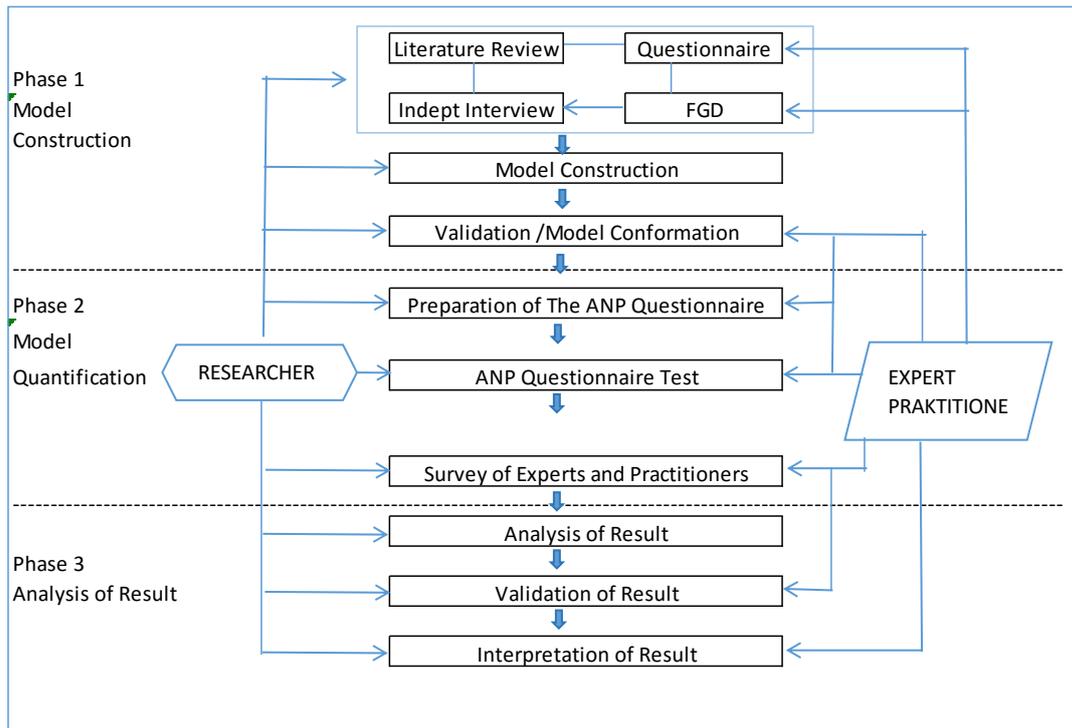
There are three essential things in an organization: permits, organizational structure, and rules that are in line with the nature or personality of Sharia (Ministry of National Development Planning/Bappenas & KNKS, 2019). Rifin et al. (2015) found that company culture and internal orientation were two problems due to personality differences between conventional and Sharia financial institutions. In Sharia financial institutions, the work environment and corporate culture are adjusted to Sharia. Therefore, cultural changes can be made if the internal orientation is changed. What needs to be upgraded is knowledge, the Sharia paradigm, vision, mission, and personality, even to build the Sharia military field (Rachmawati, 2014). Another challenge is the community's response to brand awareness and the top-of-mind field (Rafay & Sadiq, 2015). Based on the research above and there has yet

to be much success in converting from KSP/USP Cooperatives to KSPPS, it is necessary to research the problems, solutions, and strategies for resolving them.

## **Methods**

Research design is a set of guidelines, procedures, and techniques in research planning that are useful as a guide for building strategies that produce research models or blueprints (Sujarweni, 2015). Creating a research design aims to ensure the research is well organized and runs according to the research stages, primarily scientific thinking techniques (Tanjung & Devi, 2013). The ANP research stages are divided into three main stages, namely (Ascarya, 2013): Decomposition, namely structuring the problem into an ANP network; Measurement, which is a pairwise comparison of elements and an estimate of the relative weights of all dependency and feedback relationships in the ANP network And; Synthesis includes constructing and calculating a built-in supermatrix, a weighted supermatrix, and a restricted supermatrix (global priority weights).

This research consists of several steps to expand the primary ANP modeling, which can be grouped into three stages (Ascarya, 2013) namely. Stage 1 is model construction or decomposition to identify, analyze, and organize the complexity of the problem into an appropriate ANP network, which includes; literature review, questionnaires, and in-depth interviews with experts and practitioners (cooperative managers) to fully understand the problem; building an ANP network; and ANP network validation. Stage 2 is model quantification or pairwise comparison, including; design a paired questionnaire according to the ANP network; pair-wise questionnaire test for respondents (experts and/or cooperative managers); and survey respondents to fill out questionnaires in pairs. Stage 3 is synthesis and results analysis, which includes; data processing and synthesis using ANP SuperDecisions software, as well as analysis of results to calculate the geometric mean and rater agreement; validation of results, and interpretation of results. The research design is as follows:



**Picture 1. Research Design**

This research uses primary and secondary data. Primary data results from researchers conducting in-depth interviews with experts and cooperatives. In contrast, secondary data is obtained from journal publications, data publications from the Ministry of Cooperatives and SMEs, and books. The expert criteria for cooperatives are:

1. Minimum S1 graduate
2. Understand the conversion process from KSP/USP Cooperative to KSPPS
3. Handle coaching and/or assistance for KSP/USP Cooperatives in carrying out KSPPS conversions.
4. Understand KSPPS business processes.

The KSPPS data that have successfully converted are KSPPS Tunas Arta Mandiri, KSPPS Abdi Kerta Rahaja, and KSPPS Anugerah (Andi). KSPPS Tunas Artha Mandiri with Legal Entity Number Number 09/BH/KWK.13/X/2000 Dated 3 October 2000, whose address is at Jl. Dermojoyo No. 34, District. Nganjuk, Kab. Nganjuk, East Java. KSPPS Tunas Artha Mandiri has assets of IDR 921 billion with a capital of IDR 198 billion. KSPPS Abdi Kerta Raharja with Legal Entity Number Number 866/BH/MENEG.1/X/2009 Dated 26 October 2009, whose address is at Perum PWS Block AN 31 Kav 19 - 20, Kel Kadu Agung, Kec. Tigaraksa, Kab. Tangerang, Banten. KSPPS Abdi Kerta Raharja has assets of IDR 131 billion with a capital of IDR 40 billion. KSPPS BMT MAP with Legal Entity Number Number 1000/BH/M.KUKM.2/VIII/2011 Dated 9 August July 2011 at Jl. KH. Wachid Hasyim Number 45, District. Tulungagung, Tulungagung Regency, East Java. KSPPS BMT Peta has assets of IDR 68 billion with a capital of IDR 4 billion

The data collection technique was semi-structured interviews with in-depth interviews for initial design and then designing a questionnaire adapted to the ANP framework for distribution to experts and cooperatives. The sampling technique is based on non-probability sampling. Non-probability sampling was carried out using purposive sampling. Purposive sampling, or judgment sampling, is a technique for determining samples with specific considerations or sampling that are adjusted to answer the aims and objectives of research by considering specific criteria. The criteria for the selected sample are KSP/USP Cooperatives that have successfully converted to KSPPS.

The number of respondents in the ANP method is not determined, but what is determined is that the respondents selected are masters and competent in their fields (Ascarya, 2013). From among cooperatives, 3 (three) respondents who had successfully converted from KSP to KSPPS were selected, and from among experts, 5 (five) respondents, both consultants and supervisors, were selected.

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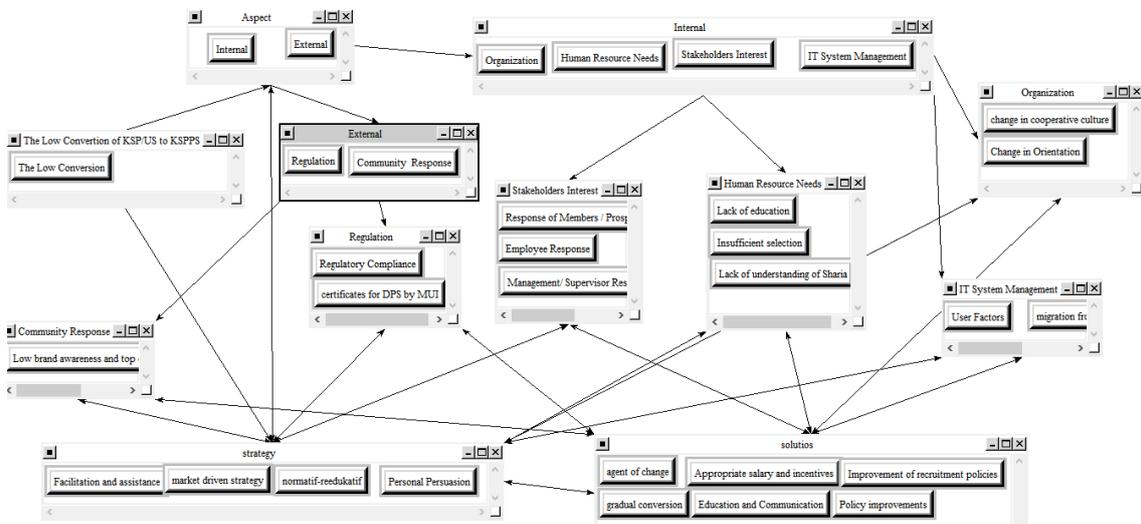
From the results of in-depth interviews, aspect problems were narrowed down to thirteen main problems, including ten internal problems. There are four variables, namely: 1) Stakeholder interests with elements of response/readiness of members/potential members, management or supervisor response, and employee readiness response; 2) HR needs include lack of education, poor selection, and poor understanding of sharia; 3) management of information technology systems with elements of migration from conventional to sharia and user factors; 4) organizations with change in orientation and changes in cooperative culture. Meanwhile, for external factors, there are two variables, namely: 1) the public response has an element of low brand awareness and top of mind in the community regarding conventional conversion to sharia; 2) regulations have an element of conformity with regulations and legal processes, especially MUI certificates for DPS. For those problems, there are six solutions. alternatives, including: education and communication; appropriate wages and incentives; improving recruitment policies; gradual conversion; change agents; policy improvement. To make the solution more effective, there are proposed strategies to increase the number of KSPPS, including rational persuasion, market-driven strategy, facilitation and assistance, market-driven strategy, and reeducative normative.

**Table 2. Operational Variable**

Problems					
External factors			Internal factors		
Stakeholder Interests	Human Resource Needs	IT System Management	Organization	Community Response	Regulations
1. Response / Readiness of Members / Prospective Members Saving quite large funds 2. Management/ Supervisor Response 3. Employee Response/Readiness	1. Lack of understanding of Sharia 2. Lack of education 3. Insufficient selection	1. migration from conventional to sharia 2. User Factors	1. Change in Orientation (values, vision and mission and goals) 2. change in cooperative culture	Low Brand Awareness and people's top of mind regarding conventional sharia	1. Regulatory Compliance 2. Legal processes, especially MUI certificates for DPS
Internal Factor Solutions			Eksternal Factor Solutions		
Education and Communication	1. Education and communication 2. Appropriate salary and incentives 3. Improvement of recruitment policies	1. Facilitation and assistance 2. agent of change	1. Change agent 2. gradual conversion	1. Education and communication 2. Agent of change	Policy improvements
Internal Factor Strategy			Eksternal Factor Strategy		
1. Personal Persuasion 2. Facilitation and Assistance	1. Market Driven Strategy 2. Personal Persuasion 3. Facilitation and Assistance	Facilitation and Assistance	Facilitation and Assistance	1. Personal Persuasion 2. Facilitation and Assistance	1. Market Driven Strategy 2. Normatif Reedukatif

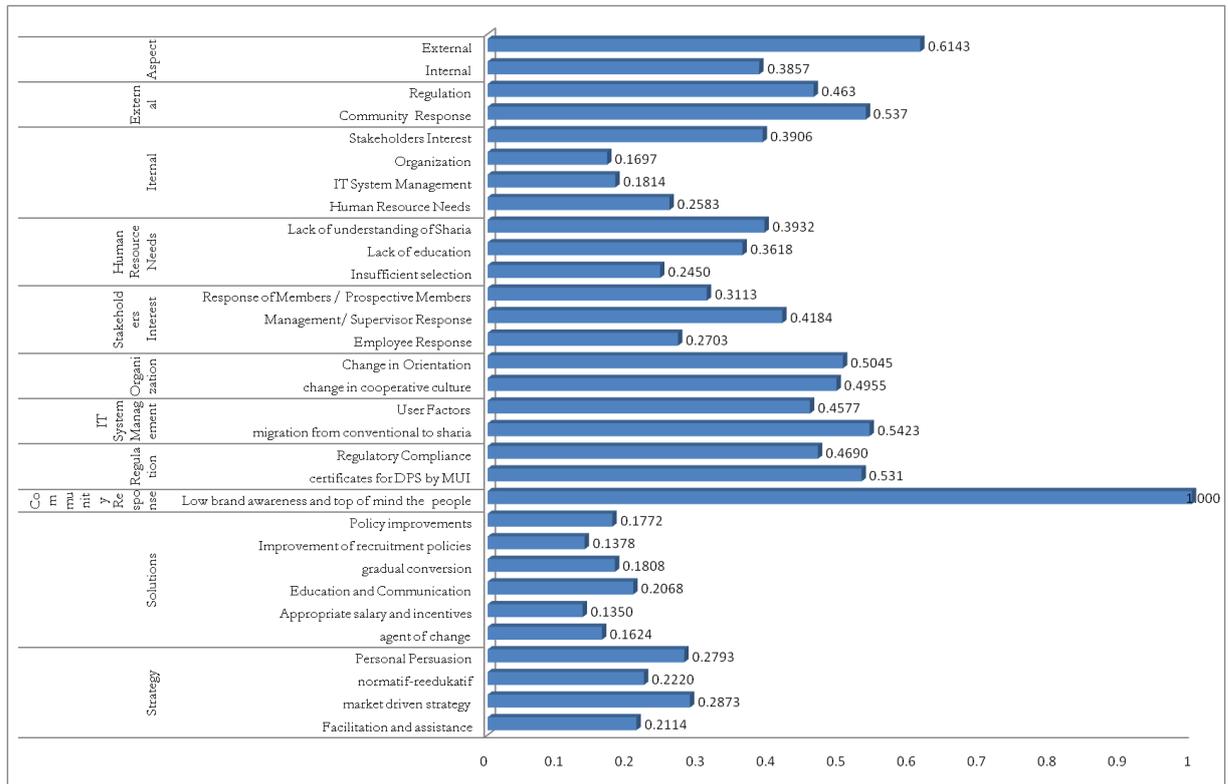
## Result and Discussion

The ANP model is used as a reference in compiling questionnaires for experts, both experts and cooperatives. The ANP model processed through SuperDecisions software is as follows:



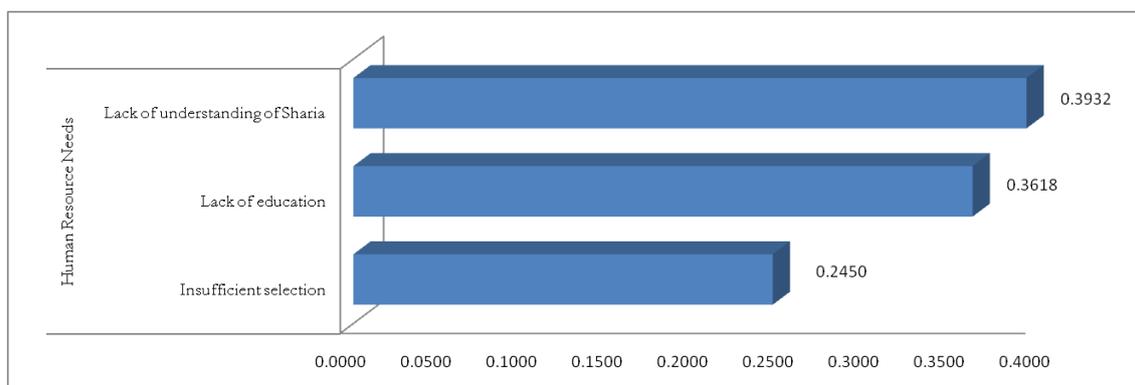
**Picture 2 SuperDecisions Model**

The data survey for each individual is then processed using SuperDecisions software. The processing results from the respondents are then collected and processed to obtain a priority order. The survey results are processed per individual using SuperDecision. After processing each respondent, it will produce a priority order by bringing the normalized by cluster and limiting values, and then the value of the normalized by cluster from the priority order is calculated as an overall priority order by making an average -average of the total number of respondents (Ascarya, 2015). The calculation results are as follows:



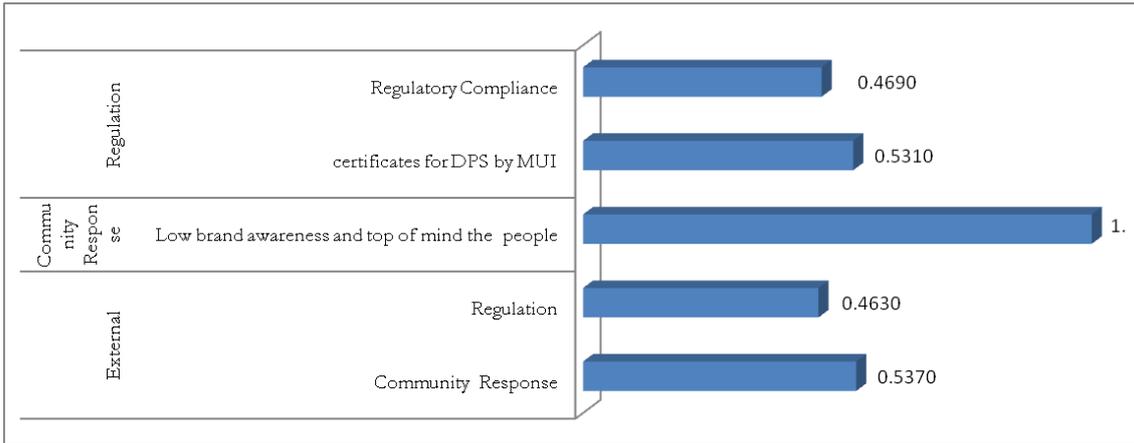
Picture 3. ANP Result Graph

Overall, the respondents with an average value of the normalized values for each cluster showed that the low conversion was caused mainly by internal aspects, with a value of 0.6143, followed by external aspects, with a value of 0.3857. The internal aspect that has the most influence on low conversion is the stakeholder interest aspect of 0.3906, followed by the HR needs aspect of 0.2583. The management/supervisor response of 0.4184 and the member/prospective member response of 0.3113 are the two most influential aspects of stakeholder interests.



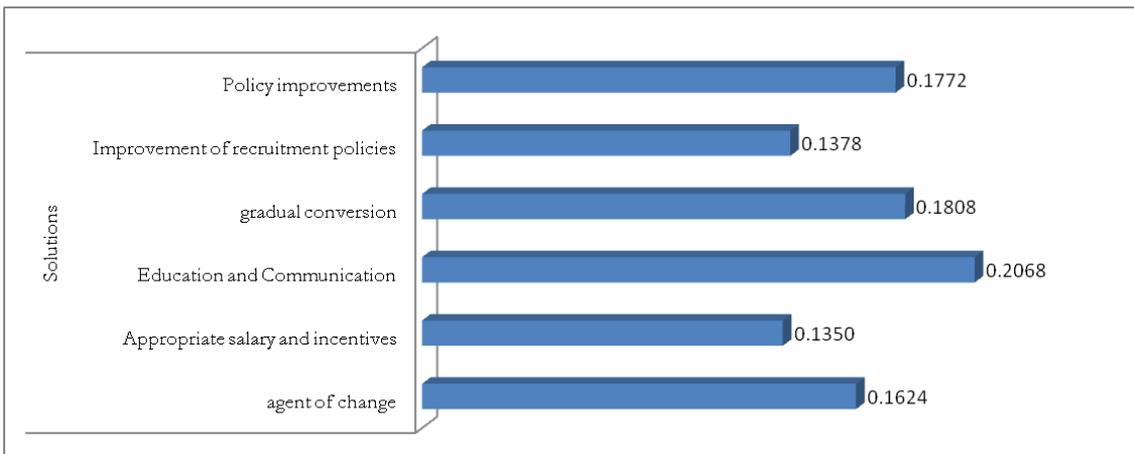
Picture 4 HR Needs Graph

From the aspect of human resource needs, the lack of understanding of Sharia, with a value of 0.3932, is more influential than the lack of education, with a value of 0.3618.



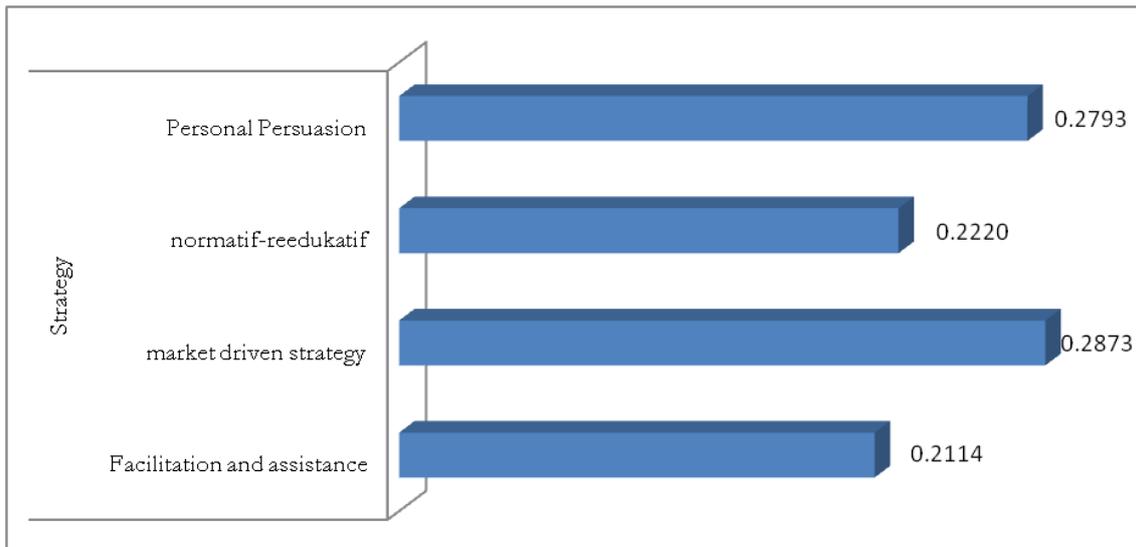
**Picture 5 External Problem Aspect Graph**

In the external aspect, the community response aspect is more influential, with a value of 0.5370, than the regulatory aspect, with a value of 0.4630. The DPS certification aspect by DS-MUI has a more significant influence, with a value of 0.5310, compared to regulatory compliance, with a value of 0.4690 for the regulatory aspect.



**Picture 6 Solution Graph**

To overcome this problem, from processing data on all respondents based on average results, education, and communication are the priorities, with a value of 0.2068, followed by a gradual conversion of 0.1808 and a policy improvement of 0.1772.



**Picture 7 Strategy Graph**

Based on the overall data processing of respondents with average results, the proposed solution will be much more effective if implemented through a market-driven strategy with a value of 0.2873 and rational persuasion of 0.2793. The third is normative-reductive, with a value of 0.2220.

### **Discussion**

This research strengthens previous research by including the magnitude of influence in conversions, such as internal aspects influenced by stakeholder interests and HR needs. This is also in line with research conducted by (Saaid, 2016), which differs in the aspect of stakeholder interests, namely that in banking, shareholders and customers are both depositors and borrowers have a role (Antoni & Umam, 2015) so in cooperatives, the management, supervisors, and members have a significant role. Why do administrators or supervisors become influential? This is because administrators and supervisors are cooperative organizational tools and central figures in the cooperative. This aligns with what (Winardi, 2013) stated: changes at one level influence other levels, where the dominant impact occurs at the organizational level. In the aspect of human resource needs, the aspect of understanding sharia is an obstacle to low conversion. This is also in line with research conducted (Rachmawati, 2014), and the lack of understanding of sharia, especially in the fields of *ushul fiqh*, *muamalah fiqh*, *qawa'id fiqh* and lack of education, is the aspect that influences aspects of HR needs. This is also in line with research conducted by (Tho'in, 2016), which states that lower-level employees still need attention because their education level is still low.

In the external aspect, the community response aspect is more influential, with a value of 0.5370, than the regulatory aspect, with a value of 0.4630. The community response aspect regarding brand awareness and top-of-mind aspects could be higher due to the low understanding of Sharia banking products and services (KNKS, 2019).

The DPS certification aspect by DS-MUI has a more significant influence, with a value of 0.5644, compared to regulatory compliance, with a value of 0.4356 in the regulatory aspect. This is because DPS has duties as mandated in the regulations, namely compiling, implementing, and supervising Sharia principles in every transaction agreement. DPS certification proves that the DPS is highly qualified to understand Sharia's modern financial transactions (Rachmawati, 2014). Therefore, the Ministry of Cooperatives is vital in formulating this policy (Barus, 2021).

The solution to this problem is that the educational and communication aspects are supported, as quoted by (Winardi, 2013), which states that a change will be made and helps people see and understand the logic of the proposed change. One of the education and communication solutions to produce human resources who are competent in the fields of business and Sharia law comprehensively and adequately and have high integrity is the need for Sharia economic education institutions that specifically prepare Sharia economic and human resources (Rachmawati, 2014) or carry out programs training and development aims to fulfill the competency according to the position of each employee, taking the example of educational development developed at BSM Bone branch based on Competency-Based Human Resources Management (Conventional Bank HRM) with program details including Core Training, Functional Training, Behavioral Training, and Managerial Training (Rachmawati, 2014).

The gradual conversion solution is based on findings from research conducted by the Ministry of National Development Planning/Bappenas in 2016, which found that it took a minimum of 1.5 years to convert Bank Aceh and four years to convert BPD NTB. Bank NTB plans and implements a four-year transformation or conversion plan, which is broken down into three horizons such as First horizon (Nov 2009 - Feb 2010) first 100 days: improving and strengthening the organization, second horizon (March 2010 - December 2010) for consolidation and building momentum, third horizon (Jan 2011 - Dec 2013) improvement and growth. It is needed gradually because, in conversion, many changes are made to individuals and organizational culture.

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Education and communication solutions are implemented with a market-driven strategy that follows market desires/states (Ascarya, 2013). Education and communication that follow market desires/market conditions can produce human resources who are comprehensively competent in business and Sharia law and have high integrity (Rachmawati, 2014). The gradual conversion solution that follows market conditions is the time BPD Aceh and BPD NTB spend in carrying out the conversion, namely from 1.5 years to 4 years (Ministry of Bappenas/PPN, 2019).

Education and communication solutions are carried out using a rational persuasion approach so that study programs can produce human resources who are competent in the fields of business and Sharia law comprehensively and adequately and have high integrity (Rachmawati, 2014) by using a unique knowledge approach, empirical assistance, or rational arguments (Winardi, 2013). The gradual conversion solution that follows the rational persuasion strategy is to carry out the conversion, namely from 1.5 years – to 4 years (Ministry of Bappenas/PPN, 2019). Hence, the approach assumes that humans are rational, will follow the principles of reasoning, and are interested in deciding whether they will follow a change. People mobilize expert power to convince other parties that the cost-benefit value of a proposed change is high or that conditions are better than before. If this strategy is successful, the changes made will last longer and will be more internalized (Winardi, 2013)

## **Conclusion**

From the results above, it can be concluded as follows there is perfect agreement on the problem aspect that the low conversion is caused more dominantly by the internal problem aspect, where the stakeholder interest aspect and the HR needs aspect are the internal problem aspects that have the most dominant influence on the low conversion problem. From the aspect of stakeholder interests, the aspect of response from Management/Supervisors is followed by the aspect of response from members/potential members, which is the most influential, while from the aspect of human resource needs, the aspect of understanding sharia is the least, followed by a lack of education which influences low conversion. To solve this problem by processing data on all respondents based on average results, the priority is the education and communication aspect, the second is the gradual conversion aspect, and the third is policy improvement. The proposed solution will be much more effective if implemented with a market-driven strategy and rational persuasion. This research has limitations. There are few cooperative research objects in the

form of KSP, which have changed to KSPPS, making it difficult to get the ideal number of respondents, and the Covid-19 pandemic limits the optimization of data collection from respondents. To overcome the problem of low conversion, researchers recommend, the government and other stakeholders can promote the sector education and communication where education in the form of internships and DPS or Sharia Economics training will greatly impact the literacy level regarding Sharia cooperatives and Sharia economics. Education and communication are carried out with a strategy of what the market wants and secondly using rational persuasion. Regarding policy improvement, the obligation for DPS certification at DSN-MUI can be lightened such that DPS can double as some cooperatives, at most between 3 – 5 cooperatives; more than that will be ineffective. Apart from the aspects above, there is regulatory compliance. This aspect is no less important because currently, there is no compliance with regulations from Law to Ministerial Regulation Cooperatives and SMEs related to Sharia cooperatives. Policy improvements can also be linked to gradual conversion, where more detailed and complete settings regarding conversion are required in the Regulation of the Minister of Cooperatives and SMEs. In this regard, the researcher suggests further research.

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